Colonial

Integrated Annual Report

Colonial

2024

Integrated Annual Report

Summary

Additional information available on the corporate website:

1. Key highlights

1.1. Key highlights

1.1.1. Key highlights

€391M
Gross Rental Income, +4% vs. the previous year (+6% like-for-like)

€193M
Recurring Net Profit, +12% vs. the previous year

€33cts/share
Recurring EPS

€307M
Group Net Profit

€11,6bn
Gross Asset Value (GAV), +3% vs. the previous year

€ 9.62/share
Net Tangible Assets (NTA)

Commercial Effort 134,797 sqm
signed in 2024

High increases
in rents in signed contracts

95% occupancy
Solid occupancy levels (100% in Paris)

Disposals of €201M[1]
with a +11% premium on appraisal

€622M
Capital increase with a premium on the share price

Launch of Alpha X projects
more than 110,000 sqm, with an ungeared IRR of +9%

€3,113M
Group's liquidity covering the debt maturities until 2028

€500m
Bond issue in January 2025, over-subscribed by 8 times, with a fixed coupon of 3.25%

100%
of the current debt hedged at a fixed rate

99%
Portfolio with BREEAM & LEED certification

141 kWh/sqm
–7% reduction in energy intensity compared to the previous year

3 $KgCO_2e$/sqm
GHG[2] emissions intensity (Scopes 1 & 2), –11% vs. the previous year

–32%
GHG[2] emissions (Scopes 1, 2 & 3) of 8,581 tCO_2e, vs. the previous year

–24%
2024 total GHG[2] emissions of 57,327 tCO_2e, vs. the previous year

77%
Renewable energy

36.7 hours per employee
Individualised training plan

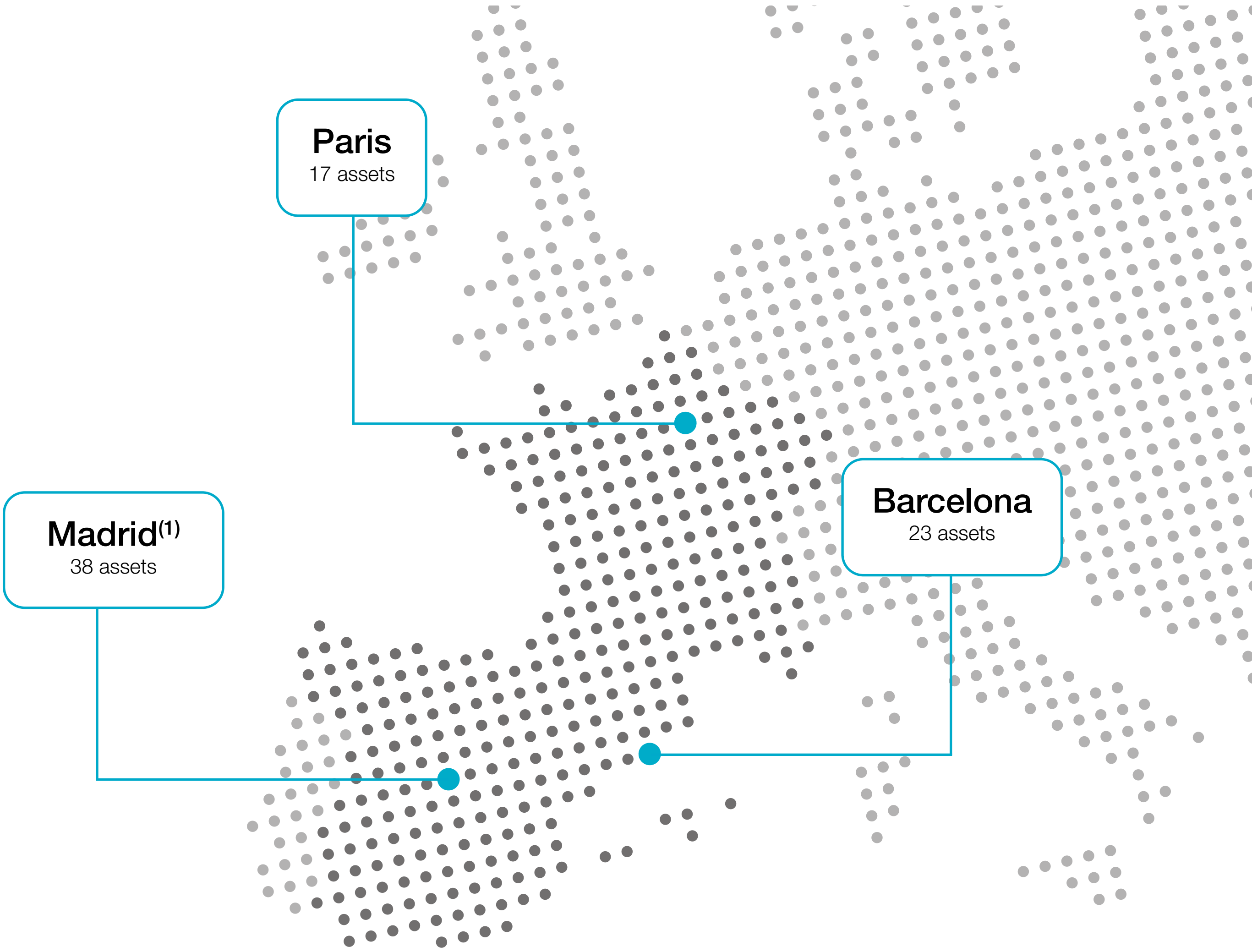
50% women
Non-executive directors

Rating A in CDP for 4th year in a row, consolidating international leadership

Rating 5,7 in Sustainalytics: #1 on IBEX 35 & Top 21 globally

Gresb 2024 Rating in "5-Star" level

(1) Of the total disposals, two floors of the Recoletos 27 asset were sold at the end of 2023.The rest were sold in 2024.
(2) GreenHouse Gas (GHG).



(1) Includes the assets corresponding to Residential and non-core Retail in Spain.
Non-stategic premises are not included.

The Colonial Group continues to maintain a solid financial profile enabling the Company to maintain a BBB+ credit rating by Standard & Poor's, the highest rating in the Spanish Real Estate sector. Additionally, it has managed to improve its rating with Moody's, reaching Baa1 with a stable outlook.

S&P Global Ratings
BBB+
STABLE
Colonial and SFL

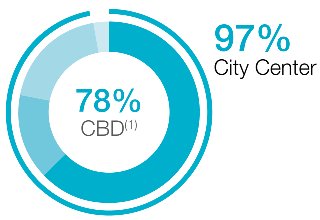
Moody's
Baa1
STABLE
Colonial

Consolidated Group

Valuation by market

▪ Barcelona ▪ Madrid(2) ▪ Paris

Valuation by area



▪ Prime CBD ▪ CBD ▪ BD ▪ Others

(1) CBD Barcelona, includes the assets in the @22 market.
(2) Includes the non-core assets corresponding to Living and Retail in Spain.

1.1.2. EPRA performance measures – Summary Table

At 31 December

	12/2024		12/2023	
	€m	€ per share	€m	€ per share
EPRA Earnings	188	0.32	171	0.32
EPRA NTA	6,036	9.62	5,372	9.95
EPRA NDV	5,927	9.45	5,292	9.81
EPRA Net Initial Yield		3.3%		3.1%
EPRA "topped-up" Net Initial Yield		3.9%		3.9%
EPRA vacancy rate		5.1%		3.2%
EPRA Cost ratio (including vacancy costs)		20.5%		18.5%
EPRA Cost ratio (excluding vacancy costs)		18.6%		17.0%

EPRA: European Public Real Estate Association: Association of listed European property companies that sets best market practices for the sector (www.epra.com)

1.1.3. Financial, operational and ESG highlights

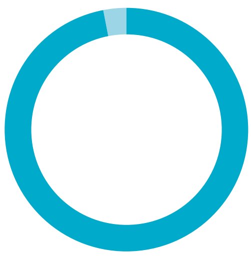
The EPRA EPS was €33cts/share, exceeding the top end of the annual guidance

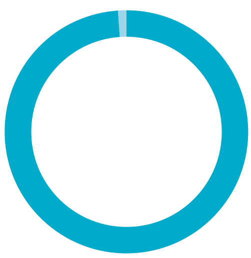
Financial Highlights

	2024	2023	*Var.*	*LFL*
Net Tangible Assets (NTA) – €/share	9.62	9.95	*(3%)*	
Recurring EPS – €Cts/share	33.0	31.9	*+3%*	
Net Tangible Assets (NTA) – €m	6,036	5,372	*12%*	
GAV Group – €m	11,646	11,336	*+3%*	*+3%*
Gross Rental Income – €m	390.8	377.1	*+4%*	*+6%*
EBITDA Rents – €m	368.0	353.1	*+4%*	*+7%*
EBITDA – €m	321.9	315.6	*+2%*	
Recurring Net Profit – €m	192.6	172.4	*+12%*	
Attributable Net Profit – €m	307.4	(1,019)	–	

Portfolio Grade A Prime

GAV 12/24 €11,646m





Colonial closed 2024 with an EPRA net profit of €193m, +12% increase vs. the previous year

Operational Highlights

EPRA Occupancy	**95%**
Release Spread(1)	**+8%**
Paris	+20%
Madrid	+1%
Barcelona	(0.7%)
Rental Growth(2)	**+5%**
Paris	+6%
Madrid	+4%
Barcelona	+4%

(1) Signed rents vs. previous rents in re-let spaces.
(2) Signed rents vs. ERV 31/12/2023.
(3) Portfolio in operation.

Solid net profit growth

- EPRA Net Profit of €193m, +12% vs. the previous year.
- EPRA EPS of €33cts, exceeding the top end of the annual guidance of €30-32cts.
- The Group Net Profit amounted to €307m, +€1,326m vs. the previous year.

Revenues with strong year-on-year growth

- Gross Rental Income of €391m, +4% vs. the previous year, driven by the Paris portfolio (+8%).
- Like-for-like increase in rental income of +6% vs. the previous year, +7% in Paris.

Solid operating fundamentals

- Contracts were signed for 134,797 sqm, with high increases in rents.
  i. Release Spread[1] of +8%, (+20% in Paris).
  ii. Increase in signed rents vs. market rents[2] of +5% (+6% in Paris).
- Solid occupancy levels of 95% (100% occupancy in the Paris portfolio).

Asset value growth resumes

- Gross Asset Value (GAV) of €11,646m, +3% vs. the previous year.
- Solid value increase in the three markets, gaining momentum in the second half of 2024.
- Net Asset Value (NTA) of €6,036m, corresponding to €9.62/share.

Active management of the portfolio and capital structure

- Disposals of €201m,[3] with a +11% premium on appraisal.
- Capital increase of €622m, with a premium on the share price.
- Launch of Alpha X projects of more than 110,000 sqm, with an ungeared IRR of +9%.
- The Group's liquidity amounts to €3,113m,[4] covering the debt maturityies until 2028.
- Bond issue of €500m in January 2025, over-subscribed by 8 times, with a fixed coupon of 3.25%.

Leadership in ESG and Decarbonisation

- Leader on Sustainalytics (Rating 5.7): #1 on IBEX 35 & Top 21 out of 15,101 companies globally.
- CDP "A" score for the 4th consecutive year: consolidating international leadership.
- GRESB 2024 5-star rating for the 5th consecutive year.
- 99% of the portfolio[5] with BREEAM & LEED Certificates: leader in Europe.

(1) Signed rents vs. previous rents in re-let spaces.
(2) Signed rents vs. ERV 31/12/2023.
(3) Of the total disposals, two floors of the Recoletos 27 asset were sold at the end of 2023.The rest were sold in 2024.
(4) Cash and undrawn balances.
(5) Portfolio in operation.

1.2. Highlights 2024

1.2.1. Annual results 2024

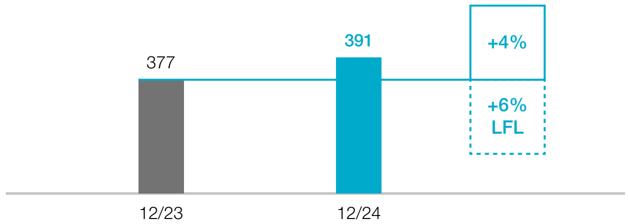
1. The Colonial Group registered a Net Profit of €307m and is back on track with its growth path in asset value

The Colonial Group closed 2024 with an increase in the Recurring Results mainly driven by the strong growth in rental income.

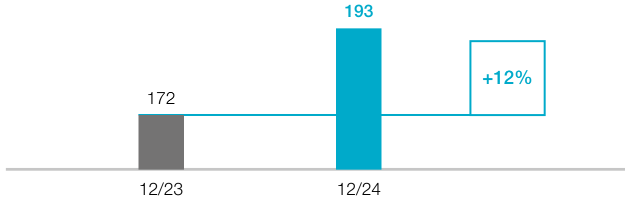
- **Gross Rental Income of €391m, +6% like-for-like vs. the previous year.**
- **EPRA Net Profit of €193m, +12% vs. the previous year.**
- **EPRA EPS of €33cts, +3% vs. the previous year.**

Strong growth in Net Profit and Recurring Profit

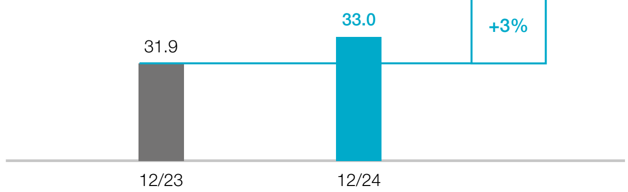
Gross rental income
€m



Recurring net profit
€m



Recurring EPS(1)
€cts/share



(1) Earnings Per Share.

The **significant increase in the EPRA Net Profit** is based on the solid growth **in rental income generated by the Group's asset portfolio. Thanks to the Group's positioning in prime locations**, it is able to capture the indexation impacts, as well as rental increases in signed contracts.

In addition the both successful delivery of projects and renovations in France, including **Louvre Saint-Honoré asset**, leased to *Cartier & Compagnie*, and the **Galeries des Champs-Elysées asset**, leased to Adidas, both of which have generated significant additional revenues.

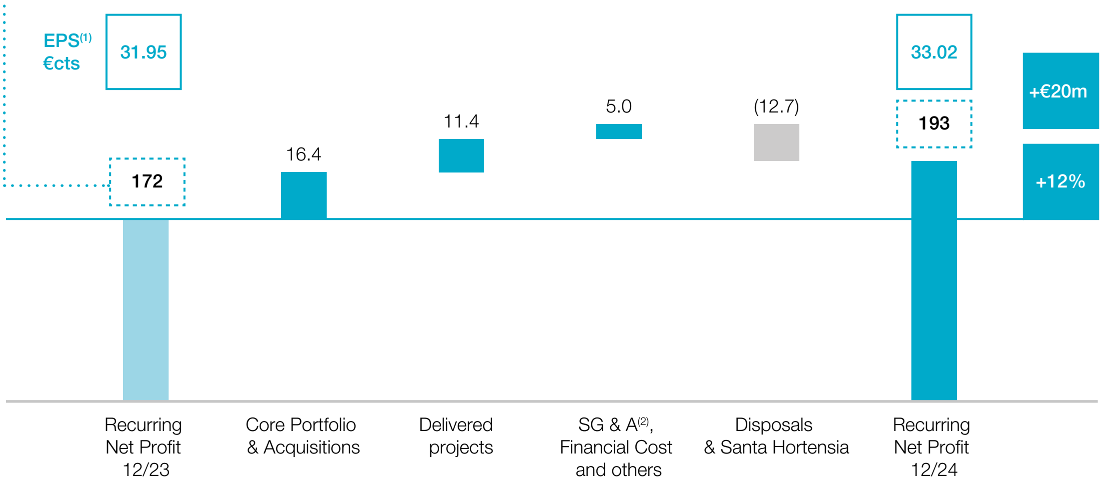
Revenue growth in the like-for-like portfolio as well as the delivery of projects has offset the loss of revenue due to divestments and the entry into refurbishment of the Santa Hortensia asset.

At the close of 2024, **the asset value amounted to €11,646m, an increase of +3% compared to the previous year**. The net result of the Colonial Group amounted to €307m, an increase of €1,326m compared to the previous year.

Profit & Loss Account

€m	2024	2023
Gross Rents	**390.8**	**377.1**
Recurring EBITDA	321.5	315.6
Recurring financial result	(77.4)	(93.1)
Income tax expense & others – recurring	(13.8)	(14.9)
Minority interests – recurring	(37.7)	(35.2)
EPRA Earnings	**192.6**	**172.4**
Change in fair value of assets & provisions	101.1	(1,426.5)
Non-recurring financial result & MTM	(2.5)	(1.7)
Income tax & others – non-recurring	61.6	43.0
Minority interests – non-recurring	(45.4)	193.8
Result attributable to the Group	**307.4**	**(1,019.0)**

EPRA Earnings - Variance Analysis



(1) Earnings Per Share.
(2) Includes SG&A costs, financial costs, taxes and minority interests.

2. Gross Rental Income and Net Rental Income with strong growth

Revenue Growth: Polarisation & Pan-European Prime Positioning

Colonial closed 2024 with **€391m of Gross Rental Income, and a Net Rental Income of €368m**.

The Group's revenue growth, in absolute terms, increased +4% compared to the previous year, and in like-for-like terms, it is up +6% compared to the previous year, demonstrating the strength of the Colonial Group's prime positioning.

The **like-for-like increase in revenues** is among **the highest in the sector** and is a clear reflection of the **market polarisation towards the best office product**.

1. **The Gross Rental Income in the Paris portfolio increased by +8% in absolute terms**, driven by 1) **the strong increase of +7% in like-for-like terms**, due to higher rents in the Washington Plaza, #Cloud, Cézanne Saint Honoré, and Edouard VII assets, among others, and 2) **the income from the renovation projects and programs** of the **Louvre-Saint-Honoré asset, let to *Cartier & Compagnie*** to house the Cartier Foundation, and from the commercial space of the ***Galeries Champs-Élysées* asset, let to Adidas**.
2. **In the Madrid portfolio, the Gross Rental Income decreased compared to the previous year**, mainly due to the disposals carried out in 2023 and 2024, as well as the entry into refurbishment of the Santa Hortensia asset, following the departure of IBM.
3. **In like-for-like terms, the Gross Rental Income increased by +4%**, mainly due to higher rents on the Velázquez 86d, the Window, Martínez Villergas, Don Ramón de la Cruz, Alfonso XII assets, among others, based on a combination of higher rents and improved occupancy levels.
4. **In the Barcelona portfolio, the Gross Rental Income increased by +3% in absolute terms, boosted by a strong increase of +6% like-for-like**, mainly due to higher income on the Diagonal 530 asset from higher occupancy levels in the building, as well as higher rents on the Diagonal 609-615, Vía Augusta 21-23 and Parc Glories assets, among others.

December cumulative

€m	2024	2023	Var.	Var. LFL
Gross Rental Income Paris	*254[1]*	*234*	*8%*	*7%*
Gross Rental Income Madrid[2]	*89*	*96*	*(8%)*	*4%*
Gross Rental Income Barcelona	*47*	*46*	*3%*	*6%*
Gross Rental Income Group	**391**	**377**	**+4%**	**+6%**
Net Rental Income Paris	*247*	*223*	*11%*	*7%*
Net Rental Income Madrid	*81*	*90*	*(10%)*	*6%*
Net Rental Income Barcelona	*40*	*40*	*0%*	*6%*
Net Rental Income Group	**368**	**353**	**+4%**	**+7%**

(1) Rental income including the impact of the reversal of provisions in relation to the early termination of a contract.
(2) Includes income from the residential sector in Spain.

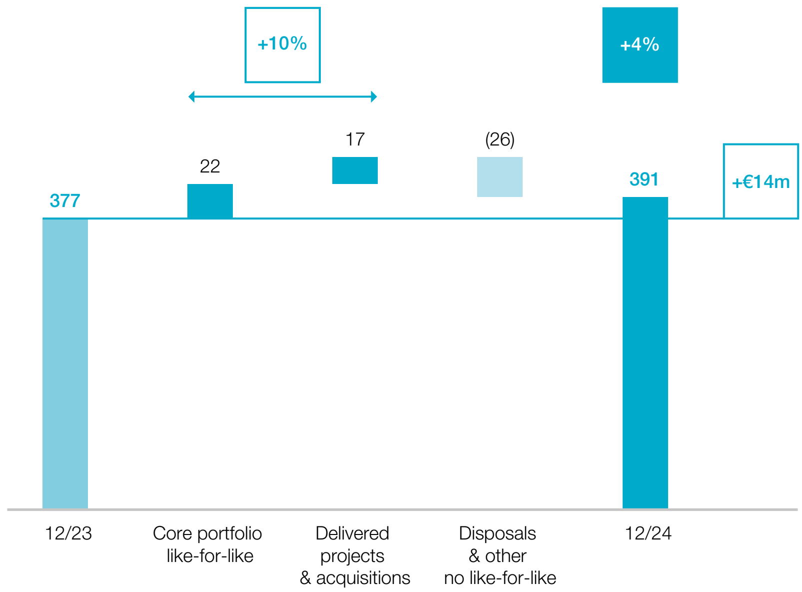

Revenue growth based on strong prime positioning

The +€14m increase in revenues is based on a business model with:

1. A clear focus on the **best prime product offered in the city centre**, and
2. The proven capacity to generate profit through **urban transformation projects**.

Gross Rental Income

€m



	Total	EPRA LFL
Total	+4%	+6%
Paris	+8%	+7%
Madrid	(8%)	+4%
Barcelona	+3%	+6%

1. **Pricing Power: Growth in signed rents + capturing of indexation – a +6% contribution to total growth**

   The **Core portfolio delivered +€22m of revenue growth** based on solid like-for-like growth of +6% due to strong pricing power that fully captures the **impact of indexation**, as well as **signing up for maximum market rents**.

#Cloud

Washington Plaza

Velázquez, 86d

Diagonal, 609-615

2. **Project deliveries and acquisitions – a +5% contribution to total growth**

   Project deliveries and the renovation program, as well as the acquisitions carried out in 2024, **contributed +€17m to revenue growth**. Highlighted is the income contribution from the **Louvre-Saint-Honoré in Paris** and the **Adidas flagship store in Champs Élysées**.

   The **disposal of non-strategic assets and other non-like-for-like impacts** has led to a **(7%) year-on-year decrease** in the rental income, **mainly due to the departure of IBM from Santa Hortensia in Madrid**.

Louvre Saint Honoré

Galeries Champs-Élysées

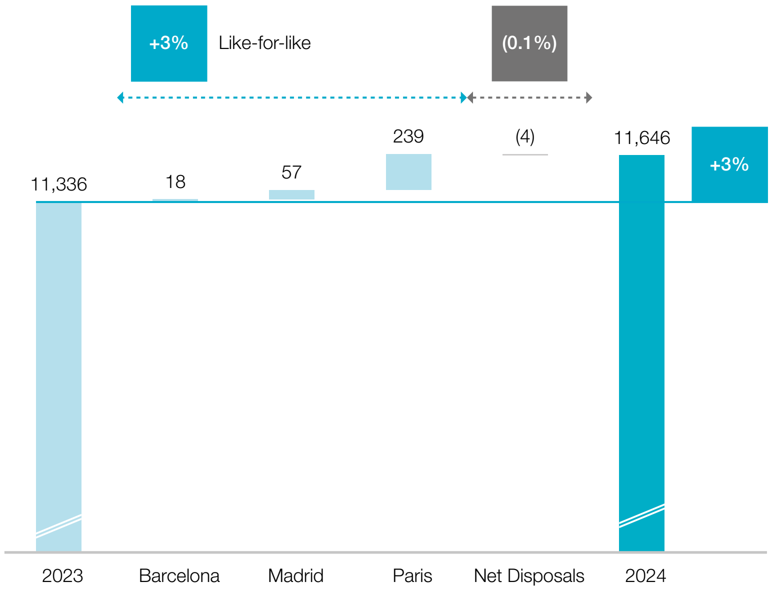
3. Back to the growth path in asset values

The Gross Asset Value of the Colonial Group at the close of 2024 is **€11,646m (€12.276m including transfer costs), an increase of +2.7% compared to the previous year**.

In **like-for-like terms, Colonial's portfolio has increased by +2.8% compared to the previous year, highlighting the increase** +3.3% in the assets of the Paris market, +2.4% in the Madrid assets, and in the Barcelona market, with a revaluation of +1.3%.

Variance analysis value 2024

€m



GAV variance LFL

	2024	2H 24	1H 24
Barcelona	+1.3%	+1.9%	(0.5%)
Madrid	+2.4%	+1.9%	+0.6%
Paris	+3.3%	+2.2%	+1.0%
Total LFL	+2.8%	+2.1%	+0.7%
Net disposals	(0.1%)	+1.3%	(1.4%)
Total Var.	+2.7%	+3.4%	(0.6%)

After a highly volatile environment and interest rate hikes, market conditions have begun to stabilise, marking a turning point in 2024.

During the first half of the year, asset values began to stabilise, laying the foundation for sustained recovery. **In the second half of the year, this trend was consolidated with an acceleration of growth, reflecting a positive and homogeneous evolution across all the markets** in which the company operates. Notably, the Paris market has led this recovery driven by strong demand and the resilience of its prime assets.

Resilient Net Asset Value (NTA)

The Net Asset Value at 31 December 2024 amounted to €6,036m, with an increase of more than €664m compared to the previous year. The NTA per share amounted to €9.62/share.

The Net Asset Value has increased compared to year-end 2023, driven by a combination of factors: strong recurring earnings, rental growth, successful project deliveries, and the capital increase resulting from the transaction with Criteria.

1.2.2. Solid operating fundamentals in all segments

1. High letting volumes with significant price increases

Colonial closed 2024 with **solid letting activity, capturing significant rental price increases in the contracts signed**. In particular, 90 contracts were signed for a total of 134,797 sqm corresponding to €52m in annualised rents, of which 61% corresponds to the Madrid and Barcelona market and 39% corresponds to the Paris market.

Of the **total letting activity, highlighted is the high volume signed in the Madrid market which rose to 77,914 sqm**, of which 61% (47,906 sqm) are contract renewals and the rest (30,008 sqm) correspond to new signed contracts. **In the Barcelona market, 35,677 sqm were signed**, of which 81% (28,919 sqm) correspond to contract renewals.

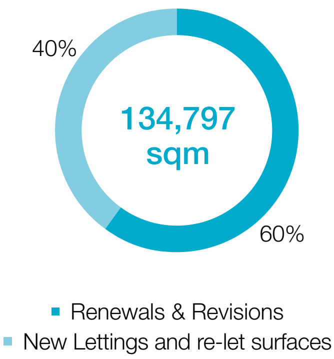
In Paris, a total of 21,206 sqm were signed, mainly corresponding to re-let spaces.

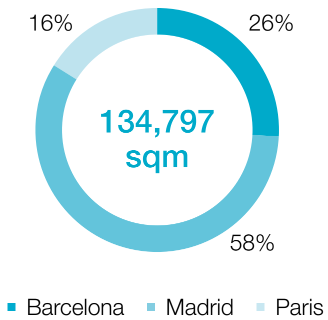
Letting activity remains solid at the end of the year

Commercial Effort	# contracts	Signed sqm	GRI €m	Release spread[1]	Rental growtth vs. ERV 12/23[2]
Madrid	45	77,914	€22m	+1%	+4%
Barcelona	22	35,677	€10m	(0.7%)	+4%
Paris	23	21,206	€20m	+20%	+6%
GROUP	90	134,797	€52m	+8%	+5%

(1) Signed rents vs. previous rents in re-let spaces.
(2) Signed rents vs. ERV 12/23.

Breakdown of letting activity





Paris
Maximun rent signed
€1,100/sqm/year

Madrid
Maximun rent signed
€40/sqm/month

Barcelona
Maximun rent signed
€29/sqm/month

At the close of 2024, **the release spread on re-let surfaces stood at +8% and exceeded the market rents by +5% at 31 December 2023**, clearly evidencing the rental growth of Colonial's prime assets.

Of special mention is the **Paris market** with a **release spread of +20% and an increase of +6% compared to the market rent**. It is worth highlighting that a large transaction was signed with a release spread of +30% and an increase of +15% compared to the market rent.

In the **asset portfolio in Spain**, the **Madrid and Barcelona portfolios captured a +4% growth compared to the ERV**.

The signed rents are at maximum rental prices, clearly setting the benchmark for prime product. In **Paris**, two transactions were signed with **rents above €1,000/sqm/year**. The **maximum rents signed** in Spain stood at **€40/sqm/month for Madrid** and **€29/sqm/month for Barcelona**.

The solid results are a clear reflection of the market polarisation trend, characterised by a demand that prioritises top-quality Grade A product in the best locations.

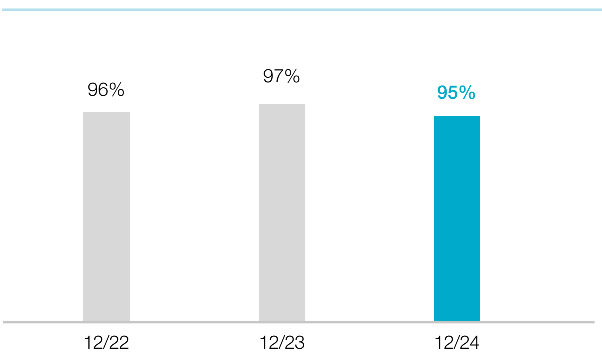
2. Solid occupancy levels

The **occupancy of the Colonial Group stands at 95%**, reaching **one of the highest ratios in the sector**.

Of special mention is **the Paris portfolio** with **full occupancy at 100%**, followed by the **Madrid portfolio at 92% (98% in the CBD market)**.

It is worth highlighting that the current vacancy in the **Barcelona portfolio is mainly due to the entry into operation of the renovation program of the Diagonal 197 asset**. The rest mainly corresponds to the Torre Marenostrum and Illacuna assets. Both assets are currently generating a high level of market interest. **The occupancy of the CBD Barcelona portfolio is 96%**.

EPRA offices occupancy



By markets	Total	CBD
Paris offices	100%	100%
Madrid offices	92%	98%
Barcelona offices	80%	96%

1.2.3. Project pipeline and renovation programs – Driving future growth

1. Delivery of Project Madnum in the centre of Madrid

At the end of 2024, the **Madnum Urban Campus** was delivered. It is a **complex located in the south of the Paseo de la Castellana in Madrid with more than 60,000 sqm of offices and retail space**.

This project is generating a lot of market interest, with an expected **yield on cost of approximately 8%**, as well as significant value creation upon completion of the project.

In this case, Colonial has not only bet on creating a pioneer Urban Campus project in Madrid, but it has also acted as the catalyst in the urban transformation of one of the neighborhoods in the city with the greatest forecasted business and residential growth.

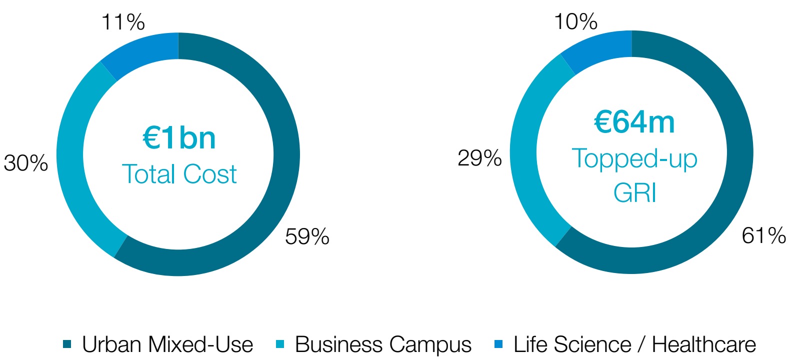
2. Project X – Launch of the new Project pipeline

Within the Alpha X Project framework, the Colonial Group has launched a new project pipeline with an investment capex of €380m and an ungeared IRR of more than 9%. This project will transform more than 110,000 sqm of assets in Paris, Madrid and Barcelona, and generate additional annual rents of €64m.

The Alpha X Project is a new, well-diversified, large-volume project portfolio with a high capacity to generate value. It is made up of 4 assets which will be the object of urban regeneration.

	Project	Use	Delivery	GLA (sqm)	Total Cost €m[1]	Ungeared IRR
1	**Scope** *Paris City Center*	Business Campus	2026	22,000	309	> 9%
2	**Sancho de Ávila** *Barcelona 22@*	Life Science / Healthcare	2027	17,860	114	> 7%
3	**Condorcet** *Paris City Center*	Urban Mixed-Use	2027	24,000	366	> 9%
4	**Santa Hortensia** *Madrid City Center*	Urban Mixed-Use	2028	46,928	237	> 9%
	NEW PIPELINE			**110,788**	**1,026**	**> 9%**

(1) Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex.



Life Science / Healthcare | **Urban Mixed-Use** | **Business Campus**

Sancho de Ávila
Barcelona – 22@

Condorcet
Paris – City centre

Santa Hortensia
Madrid – City centre

Scope
Paris – City centre

The new project portfolio, covering over 110,000 sqm of urban regeneration, includes two assets in central Paris, a business campus in Madrid, and a Life Science/Healthcare project in Barcelona.

In particular, the following 4 assets are included:

1. Scope – Business campus of 22,000 sqm in the centre of Paris.

2. Condorcet – A mixed-use urban complex of 24,000 sqm in the centre of Paris.

3. Santa Hortensia – A mixed-use urban complex of 47,000 sqm in the centre of Madrid.

4. Sancho de Ávila – A project of 18,000 sqm in the centre of the 22@ district in Barcelona.

3. Ongoing Renovation program

In 2024, **the Colonial Group completed the renovation program for the Diagonal 197 building**, a landmark office tower located in **Barcelona** with 15,000 sqm above ground, spread across 16 floors. Once leased, it is expected to generate an additional annual rental income of €4.4m.

In addition, **a renovation program is underway for the Haussmann - Saint Augustin asset**, a prime property situated in one of the most sought-after areas of **Paris**. With 12,000 sqm above ground, the property is undergoing an efficient short-term renovation aimed at enhancing its market appeal and maximizing future rental income. The primary objective of the renovation is to reposition the property, maintaining its status as a high-demand asset and attracting top-tier tenants seeking exclusive locations in the Paris market. The project is scheduled for completion by mid-2025, at which point the repositioned property will be re-launched to the market.

1.2.4. ESG and Decarbonisation Strategy

1. Decarbonisation – Transitioning towards neutrality

The Colonial Group maintains its firm commitment to **the decarbonisation of its portfolio, progressively reducing resource consumption** and **promoting a circular economy**, key pillars of its ESG strategy. As part of this vision, Colonial's approved **Decarbonisation Plan** sets forth the objective of making its entire asset portfolio **carbon neutral**, thereby contributing to meeting the targets established in the 2015 Paris Agreement.

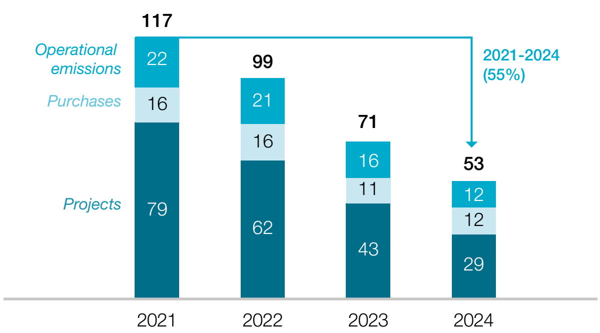
At the close of 2024, the Colonial Group's total emissions amounted to 53,000 tCO_2e, equivalent to a reduction of 55% since the base year of 2021, an achievement which demonstrates the Group's commitment to sustainability and its transition towards a low carbon economy.

In relation to Operational Emissions (Scopes 1 and 2) and **Carbon Intensity/sqm**, the Colonial Group has achieved a reduction of 80% since the base year of 2018, **reaching a level of 3 $kgCO_2e$/sqm, one of the lowest ratios in the sector**.

Extending the analysis to **Scope 3 emissions**, which includes the private areas of clients, the total carbon intensity stood at **8 $kgCO_2e$/sqm**, representing a reduction of **78%**.

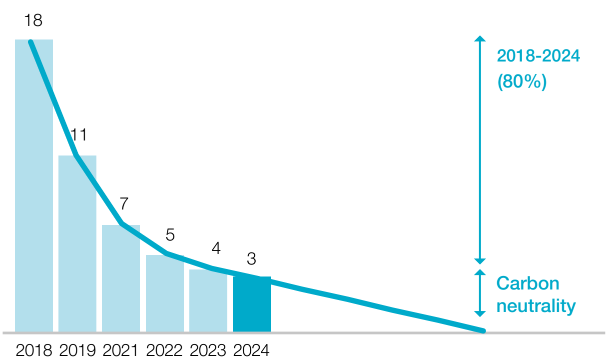
Scopes 1, 2 and 3 emissions

Data in thousands of tonnes ($kTnCO_2e$[(1)])

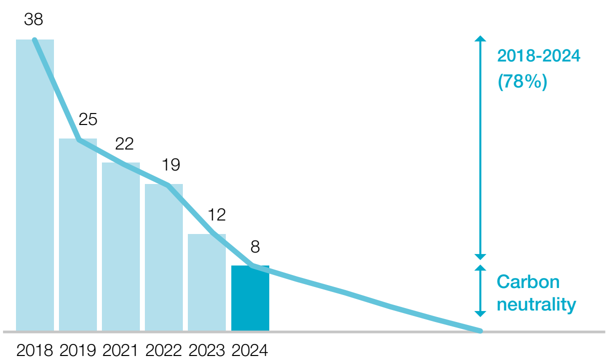


(1) Figures reported in Location-Based and Market-Based in the case of operational emissions, taking into account the company's purchase of renewable energy.

Intensity Scopes 1 and 2 ($kgCO_2e$/sqm)



Intensity Scopes 1, 2 and 3 ($kgCO_2e$/sqm)



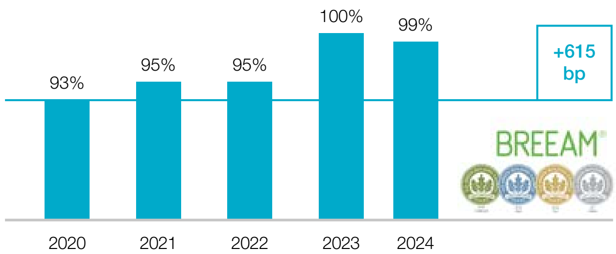
2. Efficiency of the Colonial Group's Asset Portfolio

99% of the office portfolio in operation has LEED and BREEAM energy certificates. This figure has been increasing and maintained over the years, with almost the entire portfolio holding certificates.

Thus, Colonial Group demonstrates its European leadership in eco-efficient real estate, with an improvement of more than 600 basis points in coverage since 2020.

This level of certification is clearly above the sector average. Likewise, the strategic sustainability plan executes energy efficiency initiatives, focusing on continuous improvement asset by asset.

Portfolio with LEED / BREEAM[1] – Value



(1) Office Portfolio in operation.

3. Consolidation of leadership in ESG Ratings

The Colonial Group continues to consolidate its leadership in sustainability, achieving the highest ratings in ESG, which reflects the Group's strong commitment to the highest environmental standards.

1. **Leader in Sustainalytics: 1st IBEX 35 company and among the Top 21 of the 15,101 worldwide**

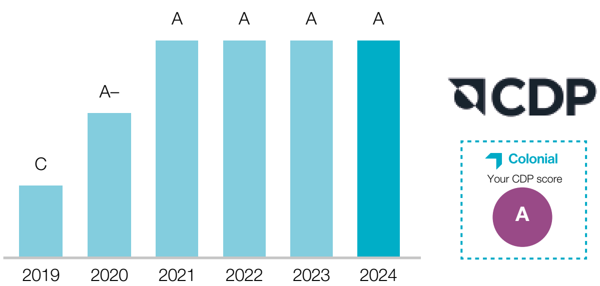
   Colonial has a Sustainalytics rating of 5.7 in ESG risk, showing an improvement of 8% compared to the previous rating given. With this score, Colonial ranks:

   - In the Top 0.7% of the rated real estate companies (7th out of the 1,009 companies covered).
   - Globally, **Colonial is positioned in the Top 0.1% of the companies analysed** (Top 21 of the 15,101 companies in total).

2. **CDP Rating A for the 4th consecutive year: the highest score in the leading carbon index**

   - Colonial has maintained the highest Rating A in the CDP ranking, reinforcing its position as one of the leading sustainability companies worldwide.
   - This recognition clearly demonstrates the Colonial Group's firm commitment to energy efficiency, reducing emissions and implementing sustainable strategies in the real estate sector.

Score evolution CDP



3. **Consolidation of leadership in the GRESB rating**

Colonial receives a "5-Star" rating, demonstrating its leadership alongside the top companies in the index, with a score of 90/100 or higher.

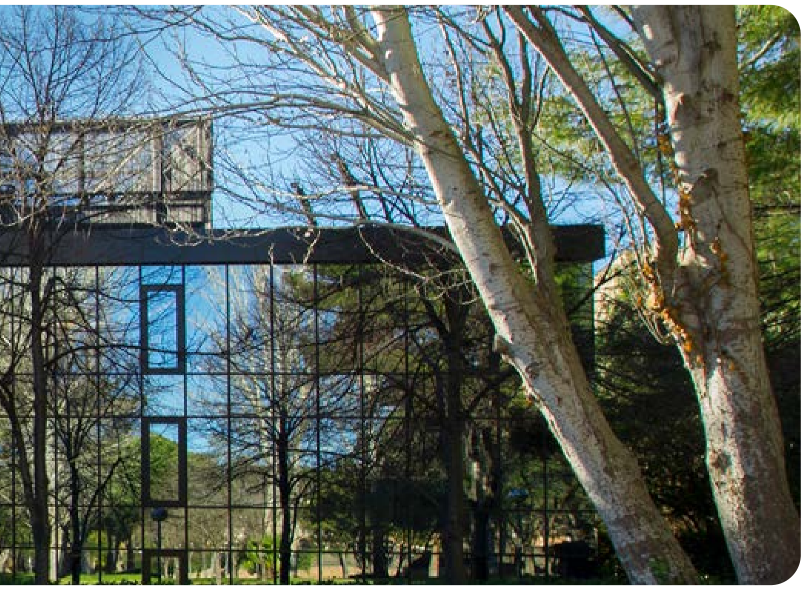
- Score of 92/100 in the GRESB index for its real state portfolio, positioning Colonial among the 5 best public European Real Estate companies included in the Standing Investments Benchmark.
- In the Development Benchmark (area of sustainable project management), Colonial achieved a rating of 99 out of 100, improving its rating by 1 point compared to the previous year. Thanks to this rating, Colonial is recognised as sector leader in the offices segment in Europe and worldwide.

4. **EPRA Gold sBPR Award**

The Colonial Group obtained the **EPRA Gold sBPR** rating for the 9th consecutive year, which certifies the highest reporting standards in ESG. Likewise, it also obtained the rating of **EPRA Gold BPR**.

5. **"Most Improved ESG Program" in the 3rd Iberian Equity Awards**

In the 3rd Iberian Equity Awards 2024, Colonial has been honored with the award for "Most Improved ESG Program" in the category of medium-sized listed companies in Spain.



1.2.5. Active Management and Capital Structure

1. Disposal Program with a premium over last appraisal

In 2024, the Colonial Group closed **disposals for €201m**[1] with **a premium of +11% over the last appraisal**, confirming the liquidity and the value of its asset portfolio.

In particular, the Colonial Group disposed of three non-strategic assets located in the Madrid market: Sagasta 31-33, Recoletos 27, and the residential part of the Madnum Urban Campus. Of the total sales, two floors of the Recoletos 27 property were sold at the end of 2023. The rest were sold in 2024.

These disposals enable Colonial to recycle capital, maximise the value creation, and obtain additional liquidity to take advantage of the opportunities at the start of the new cycle in the European real estate market.

2. Capital increase of more than €600m

In the first half of 2024, **Colonial announced the Alpha X project**, a strategic operation designed to **relaunch its growth, strengthen its capital structure, and accelerate its investment plan**.

The capital increase of €622m was carried out in July, and it was structured through a non-cash contribution of €272m in real estate assets, as well as €350m in cash, fully subscribed by Criteria Caixa who has become a reference shareholder of the Group.

This transaction sets a turning point in Colonial's new growth strategy by:

1. Accelerating the launch of a new prime project portfolio of 110,000 sqm, with an investment of €380m and IRRs above 9%.
2. Strengthening the Capital Structure of the Group and improving its financial flexibility for new acquisitions within the recovery framework of the European real estate cycle.
3. Incorporating a well-known prestigious shareholder with a long-term view to strengthen the strategic growth of the Colonial Group in the coming years.

(1) Of the total disposals, two floors of the Recoletos 27 asset were sold at the end of 2023.The rest were sold in 2024.

3. Solid Capital Structure

At the close of 2024, the Colonial Group had a **solid balance shee**t with an LTV of **36.0%** and a **liquidity of €3,113m. The liquidity of the Colonial Group increased by €210m, amounting to €3,113m between cash and undrawn credit lines**. This enables the Colonial Group to cover all its debt maturities until 2028.

The Group's net debt decreased by **€399m (amounting to €4,465m)**. In relation to the financing cost of the Group, the spot interest rate at the close of 2024 remained at 1.70%

As proof of Colonial's financial stability, **in September 2024, the Moody's rating agency upgraded Colonial's rating to Baa1 with a stable outlook**. Likewise, the Colonial Group maintained its Standard & Poor's rating of BBB+ with a stable outlook.

New issuance of green bonds with record demand

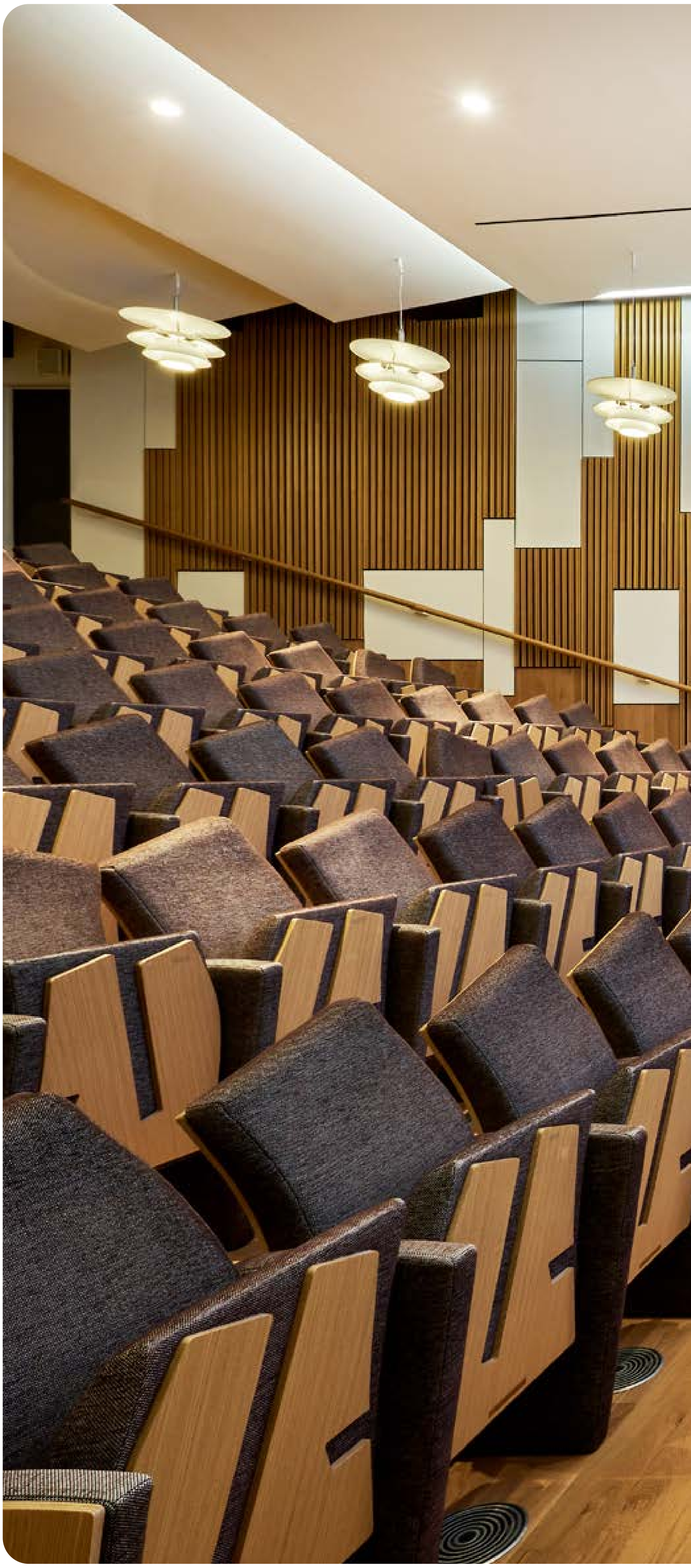
Following the close of the 2024 financial year, **a green bond issuance totaling €500 million was carried out in January 2025**, maturing in 2030.

The success of this issuance, which was oversubscribed by 8.1 times, highlights investors' strong confidence in Colonial's financial discipline and strategy, the quality of its portfolio, its track record, and its solid credit profile.

The issuance was backed by leading international institutional investors, who have participated in previous issuances and have once again demonstrated their support for the Company.

The coupon for this new issuance stands at 3.25% (equivalent to a yield of 3.41%), but thanks to Colonial's effective pre-hedging strategy, the average effective rate for this issuance is 2.75%.

The funds deriving from this issuance will be used to repay debt maturing in the coming months. As a result, Colonial is refinancing short-term debt with a new five-year maturity.




TORRE MARENOSTRUM


2

2. Interview with the Chairman and CEO

2. Interview with the Chairman and CEO

Juan José Brugera
Chairman

Pere Viñolas
CEO

Colonial Group has closed 2024 with exceptional results. What have been the main milestones and how have they contributed to this performance?

J.J. Brugera:

2024 has been a key year for Colonial, with results that demonstrate the strength and resilience of our business model. We have exceeded even the most optimistic forecasts, achieving recurring earnings per share of €0.33, bringing total recurring profit to €193m—the highest in the company's history. This 12% growth compared to the previous year places us above our targets and reinforces our sustainable growth strategy. Moreover, the value of our asset portfolio has resumed an upward trend, appreciating by 3% to €11,646m, consolidating our position in strategic markets.

Our operational performance has been exceptional. The average occupancy rate of our portfolio has remained at a solid 95%, with Paris standing out with 100% occupancy. This reaffirms the quality of our prime-location assets and our ability to attract top-tier tenants. Additionally, our rental income has grown by 6% on a like-for-like basis, reaching €391m, driven by strong demand for premium spaces and our active asset management strategy to maximise the value of each property.

France has played a key role in these results, strengthening its position as one of our most strategic markets. Highlights include flagship projects such as Louvre Saint-Honoré, leased to Cartier & Compagnie, and Galeries des Champs-Élysées, leased to Adidas—both featuring highly competitive rents and strong market demand. These operations not only reflect our leasing capability but also our ability to generate value through the quality and location of our assets.

We have also strengthened our financial structure with a capital increase of over €600m and a net debt reduction of €399m, further enhancing our investment capacity and market position. Thanks to this financial discipline, Colonial continues to attract high-quality capital and consolidate its leadership in the European real estate sector.

These results demonstrate our ability to create value in a constantly evolving environment. With a clear strategy and a strong position in the most dynamic markets, Colonial is establishing itself as a benchmark in the prime real estate sector. This strength allows us to continue growing, boosting investment returns, operational excellence, and our commitment to sustainability.

Looking back at 2024, as CEO, what points would you add to those mentioned by the chairman?

P. Viñolas:

Beyond the excellent financial and operational results mentioned by the Chairman, 2024 has been a pivotal year in the evolution of our business. Our dynamic model, based on the active management of prime assets in strategic areas, has allowed us not only to maintain high occupancy levels but also to achieve sustained rental growth—up 6% on a like-for-like basis, and 5% above market rent in new leases.

Recurring net profit also experienced steady growth, reaching €193m—12% more than the previous year. This increase was driven by both strong operational performance and the optimisation of our asset portfolio, enabling us to maintain stable and growing profitability. Since 2022, we've recorded a 15% compound annual growth rate, confirming the strength and resilience of our investment model.

Business growth was also reflected in the asset value appraisals with a significant rebound thanks to market consolidation and our asset repositioning strategy in strategic areas.

Additionally, project activity has been a key growth driver. The delivery of key assets and the ongoing transformation of prime spaces have created new profitability opportunities. The combination of these elements has strengthened our market position and laid the groundwork for sustained growth in the coming years.

Colonial's strategy is built on the strength of prime assets located in major business districts, offering high connectivity and quality services, enabling solid and sustainable growth. This gives us a privileged market position, with strong pricing power and the ability to attract top clients, ensuring rental growth above the industry average. Moreover, our revenue growth is based on a strategy that combines asset optimisation, urban regeneration, and the identification of new investment opportunities.

In short, 2024 has been a year of growth consolidation and reinforcement of our investment strategy in prime assets. With a dynamic approach, we continue to strengthen our foundations to capture opportunities in an evolving market and maximise value for our shareholders and clients.

Looking ahead, what are Colonial's main strategic growth lines for the future?

P. Viñolas:

We can say we are prepared for the next phase of growth. In the coming years, our strategy will focus on the consolidation of prime assets and the expansion of our urban regeneration project portfolio. We currently have over 100,000 sqm under development, with four key assets located in Paris, Madrid, and Barcelona. These projects not only consolidate our leadership in the sector but also reinforce our commitment to sustainability and innovation in urban space design.

Our focus on urban regeneration will allow us to continue offering differentiated and highly demanded products in the market.

Furthermore, our solid ESG strategy has been internationally recognised with outstanding results in main sustainability indices: 1) We improved our Sustainalytics rating, reaching a score of 5.7, positioning us as the first company in the IBEX 35 and among the top 21 companies globally out of 15,101 participants (Top 0.1%). 2) In CDP, we have obtained an "A" score, the highest score in the leading carbon index, consolidating our international leadership for the fourth consecutive year. 3) In GRESB, we were awarded a "5-Star" rating for the fifth year in a row. In the Development Benchmark for sustainable project management, we scored 99/100, improving our previous year's rating by one point. These ratings reflect Colonial's leadership in the sector both in Europe and globally.

We remain committed to energy efficiency and reducing our carbon footprint, ensuring our assets meet the highest ESG standards. Additionally, Colonial continues to support the United Nations Global Compact, which we signed in 2019, and we reaffirm our commitment to its 10 principles related to Human Rights, Labor Rights, the Environment, and Anti-Corruption.

From a more strategic standpoint, what are the company's main challenges and opportunities?

J.J. Brugera:

In 2025, Colonial will continue to leverage the real estate market recovery with a clear focus on value creation. Our strategy is structured around three key pillars: strengthening our prime assets, urban regeneration as a growth driver, and adapting real estate spaces to new market needs.

More than €150m in future rents will be generated through our new project portfolio and the optimisation of our existing assets. In addition, we have reinforced our growth strategy by capitalising on the positive market momentum and the liquidity generated in recent years.

We are also allocating over €1 billion to urban transformation initiatives, reinforcing our commitment to sustainable development and adapting our spaces to market demands. This will enable us not only to seize new market opportunities but also to strengthen our position as a leader in urban space regeneration.

We are in a strong position and are confident that this strategy will allow us to continue creating value for our shareholders and clients, ensuring solid and sustainable long-term growth.


3

3. Corporate strategy

3.1. Colonial's strategy: Mission, Vision and Values

The Group's strategy is focused on generating a long-term sustainable return and thus creating long-term value for shareholders, investors, employees, clients and all stakeholders.

I. Colonial Group's Mission

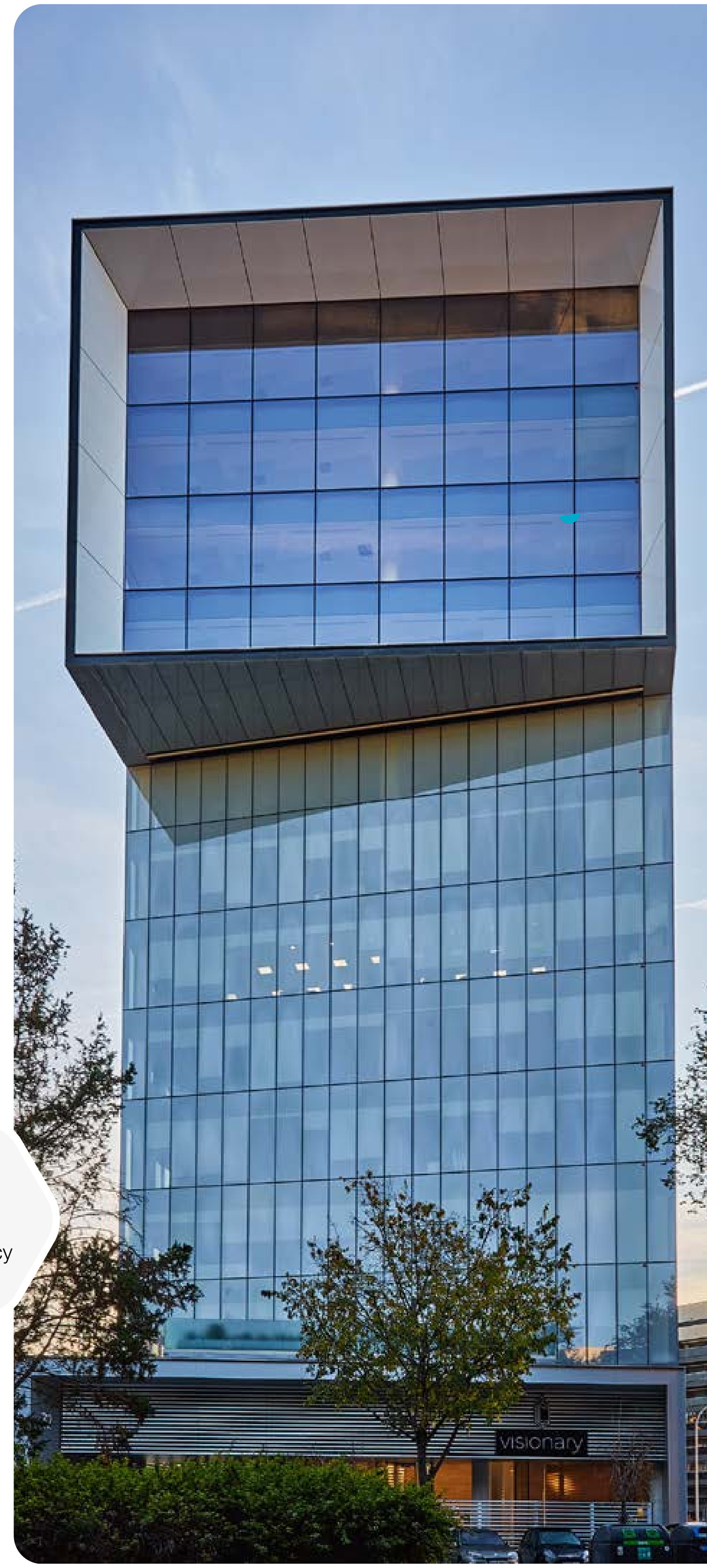
To create long-term value for shareholders, investors, employees and all stakeholders by investing in and managing office buildings that allow our clients to reach their full potential.

II. Colonial Group's Vision

To be leaders in the European office market, recognised for our experience and professionalism, for our solidity and profitability, while always providing excellent, sustainable property solutions tailored to our clients' needs.

III. Values

To achieve its purpose, Colonial prioritises six values that should guide the behaviour of all team members.



3.2. Business model and value creation

3.2.1. Business model

Implementation of the strategy prioritises a long-term sustainable return based on the highest quality and excellence in all areas and is reflected in the following pillars of our business model:

1. Focus on prime office business of the highest quality to achieve maximum returns with minimum risk.

   Colonial is a property management company focusing on the prime sector of city assets. Its portfolio consists of 78 assets (23 in Barcelona, 38 in Madrid and 17 in Paris) and it has an EPRA occupancy rate of 95% at 31 December 2024.

   Our clients, with more than 100,000 users spread across the Group's properties, enjoy the best buildings in the best locations in the city. Most buildings are located just a few minutes' walk from the public transport network, providing the best connections to all parts of the city, the airports and train stations.

   In addition, the unbeatable locations of our property portfolio allow our employees, clients and other stakeholders to enjoy all the services of the city centre, such as housing, leisure, restaurants and professional or medical services.

The Colonial Group has a unique and unrepeatable property portfolio with 99% located in the city centres of Barcelona, Madrid and Paris, a differentiating factor compared to any other listed European company, as can be seen in the following maps.

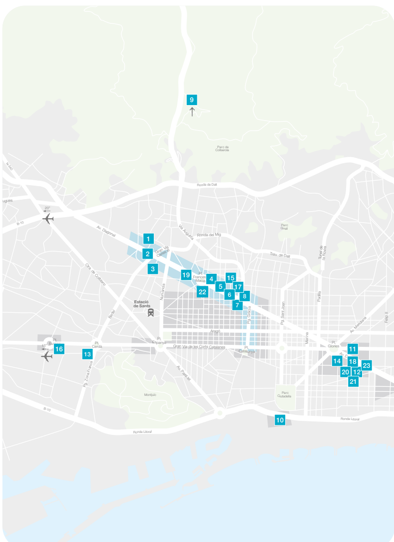
The CBD locations optimise travel to the offices and reduce the carbon footprint.

Colonial's decarbonisation strategy is focused on improving the eco-efficiency performance indicators and the carbon footprint and decarbonisation of its prime office portfolio in CBD locations, as well as on offering its clients a more environmentally and economically efficient office option.

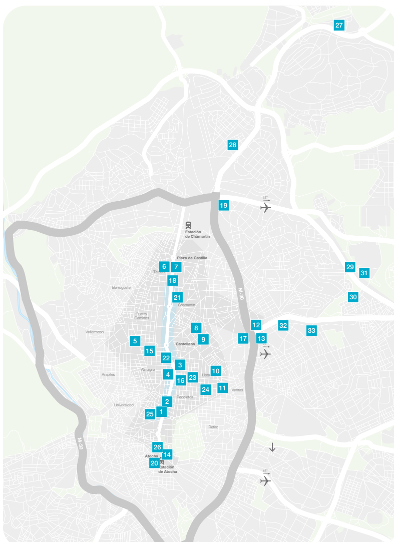
In the office rental real estate business, the location of offices is one of the key factors in differentiating the type of assets. There is greater demand for central locations, they tend to attract top-tier clients and also offer the highest rents.

A prime location also reduces the carbon footprint of the clients' travel, due to the reduction in travel distance from their homes, as well as the method of transport used to do so.

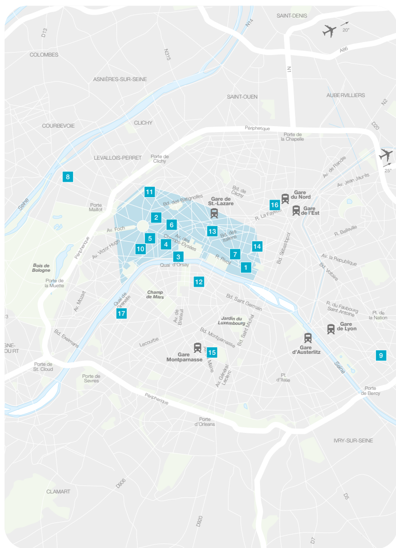
Barcelona
Max rent signed



Madrid
Max rent signed



Paris
Max rent signed



2. Commitment to offering and creating the best office product through active management of properties, aspiring to the highest standards of sustainability and efficiency.

   99% of our operating property portfolio meets the highest LEED and BREEAM energy certification standards. Colonial therefore guarantees one of the most eco-efficient portfolios in the eurozone.

3. Strong commitment to climate change and, in particular, to the decarbonisation of the real estate sector based on efficient portfolio management.

   Colonial Group's has committed to having its entire office portfolio carbon neutral and, therefore, to contribute to meeting the objectives established in the Paris Agreement, signed in December 2015, achieving the maximum reductions in carbon footprint and reaching the lowest levels in the European sector.

   To this end, actions have been developed and identified for the entire carbon footprint (comprehensive measurement criteria, including Scopes 1 and 2 and all applicable Scope 3 categories for the Group), establishing clear short-term objectives (Near Term Targets), where the aim is to reduce total absolute greenhouse gas emissions by 45%, as well as long-term objectives (Long Term Targets), where the Group is committed to reducing these emissions by 90% by 2045.

   These targets reflect its commitment to urgent and sustainable actions to mitigate climate change and generate a positive impact on the environment.

   As a result, the Colonial Group's total carbon emissions in 2024 will reach 53 $KtCO_2e$. This result represents a 55% decrease since 2021, an achievement that demonstrates the Group's commitment to sustainability and the transition towards a low-carbon economy.

   In terms of operational emissions, by the end of 2024, Colonial Group has managed to reduce the intensity of its carbon footprint by 78% since the base year 2018, covering scopes 1 and 2 and the category of energy consumption in private areas of scope 3. This progress has significantly boosted its strategic decarbonisation plan.

4. Maximum levels of loyalty, satisfaction and commitment to our clients, offering the best solutions.

   Colonial Group's occupancy rate is at 95%, one of the highest in the sector and with high contracting volumes in the three markets in which the Group operates. Particularly noteworthy is the Paris property portfolio, with 100% occupancy for the third consecutive year.

5. Development of one of the best teams in the sector, by attracting and retaining talent and continuous training of our employees.

   Colonial Group continues to work on a strategic human resources plan in order to accelerate and consolidate the leadership of its teams.

6. Highest standards of corporate governance at national and international level.

   Colonial Group is among the companies with the highest standards in the sector, implementing international recommendations and best practices with the highest level of transparency.

7. Maximum financial discipline to ensure an attractive risk-adjusted return which is sustainable in the long term.

   - Profitability based on the generation of a stable cash flow from prime portfolio rentals in conjunction with value creation through real estate transformation and new prime product creation.

   - Financial discipline with a solid capital structure and a clear vocation to maintain the highest credit rating standards and an Investment Grade financial structure.

   - Solid and sustainable long-term capital structure, committed to sustainable financing, being the first IBEX 35 company with 100% green bonds.

Colonial has a product strategy that is based on the “3 Es”, which stand for efficiency, experience and environmental.

Efficiency: this is sought in the type of product. Colonial prioritises real estate spaces with horizontal buildings and spacious floor plans. This type of asset offers greater efficiency and is a competitive advantage over other types of assets, such as towers, as their areas save space and therefore rents for their clients. In addition, more efficient product design allows for multi-tenant buildings with a high degree of client diversification.

Experience: a satisfactory workplace experience is sought. According to the latest research, future demand for offices is expected to focus on two main areas: the optimisation of commuting times and having a satisfactory experience in the workplace and its surroundings.

Environmental setting: a key part of Colonial's strategy is based on how its activity affects the environment and therefore pursues excellence in ESG and decarbonisation by developing and operating sustainable assets that minimise the carbon footprint of the entire value chain. For this reason, Colonial seeks to meet the highest standards of

efficiency, social policy and governance; proof of this is the constant improvement in the different ESG ratings in which the company participates, such as GRESB, CDP, MSCI and Sustainalytics.

The result of the entire Colonial team applying the "3 Es" strategy is that the Group has a high volume of contract renewals. A high percentage of our clients remain in Colonial assets for more than five years. This enormous client retention capacity confers solid resilience and creates recurring revenue for the company.

In addition, this prime asset portfolio allows us to attract the best clients with a high degree of creditworthiness.

Colonial is committed to being at the forefront of the real estate sector and to further innovation as a driver of value generation, mainly through flexible spaces and the digitalisation of our buildings.

3.2.2. Excellence across the real estate value chain

Colonial has been improving its processes and procedures to create an efficient organisation focused on creating long-term value for its shareholders, investors, employees, clients and stakeholders.

Colonial has significant know-how in the company that allows it to achieve excellence in the various phases of the value chain of an office building: purchase, refurbishment, marketing, management of the building and sale, where applicable.

Through its own employees, Colonial controls all phases of the value chain, paying particular attention to those areas aimed at customer satisfaction. Identifying the location, product design, client handling and management, as well as offering new services, are very relevant aspects of our value chain and are therefore managed internally.

In the same way, we also rely on the best professionals and external partners in those cases where it is more efficient to do so with the help of third parties, as shown in the following table:

	Acquisition	Refurbishment	Commercialisation	Property management	Disposal
Colonial Teams	Investment, corporate and legal team	Project Teams	Commercial and legal team	Property, project and legal management team	Investment, corporate and legal team
Collaborators	Shareholders, brokers, capital markets	Architects, Engineers, Construction Companies	Clients, Brokers	Clients, service and maintenance companies	Shareholders, brokers, capital markets

3.3. ESG strategy and decarbonisation

3.3.1. Stakeholders

Stakeholders

Colonial Group's Environmental, Social and Governance (ESG) strategy aims to maximise value for its shareholders together with all its stakeholders, as well as to ensure a trusting and sustainable relationship with them.

A stakeholder management model has been defined based on international best practices, considering in particular the standards of the Global Reporting Initiative (GRI), the European Sustainability Reporting Standards (ESRS), and ISO 26000.

This model ensures adequate identification of the expectations and the significant economic, social and environmental impacts of Colonial's activities on its stakeholders.

Our model for the identification of stakeholders is divided into three phases:

1. **Identification and categorisation of stakeholders**: identifying, together with Colonial's management, the tasks and operations carried out by the organisation and its interaction with the environment.
2. **Prioritisation in view of objectives and impacts**: assessing the influence of the stakeholder on the achievement of Colonial's strategic objectives, as well as the impact that the activities have on each stakeholder considered.
3. **Categorisation of the type of relationships**: the relationship framework makes it possible to categorise the type of relationship with each stakeholder and to define the most appropriate management and communication channels.

Internal stakeholders	External stakeholders
Employees and workers' representatives	Clients and tenants
Shareholders and investors	Financial backers
	Suppliers and contractors
	Society

Communication with stakeholders

Within the framework of communication of economic/financial, non-financial and corporate information, the company has the following communication with its stakeholders:

Stakeholders	Products	Channels
Employees	■ “Colonial counts on you” platform ■ Employee Portal Platform “MyOrbital”	■ Company intranet ■ Points of contact ■ Human resources email ■ Complaints channel ■ Compliance training channel ■ CG Training Channel ■ Horizontal and vertical informal communication channels
Clients and tenants	■ Quarterly newsletter publication ■ LED screens in building lobbies ■ User guide on best practices in environmental management ■ Special events for building users ■ Biannual newspaper in Washington Plaza	■ Property managers ■ Space Manager and Community Front (coworking spaces) ■ Surveys and programmes ■ “Coffee with the Manager” programme ■ Satisfaction surveys ■ Paris Workplace barometer ■ Colonial-Utopicus initiatives ■ Customer portals ■ Newsletter ■ Blog and social media ■ Colonial Intranet: inmuebles.inmocolonial.com ■ Customer management points of contact: +34 93 404 79 00 www.inmocolonial.com
Suppliers and contractors	■ Supplier selection process	■ Supplier approval questionnaire ■ Supplier management platform ■ Points of contact with purchasing managers: proveedores@inmocolonial.com

Stakeholders	Products	Channels
Shareholders and investors	■ Quarterly earnings reports and respective webcast presentations ■ Press releases ■ Integrated Annual Report ■ Shareholders' Meeting ■ Direct communication through visits, telephone and video calls and email communication ■ Relevant fact: IP / OIR	■ Shareholder services office: accionistas@inmocolonial.com ■ Investor services office: inversores@inmocolonial.com ■ Colonial website ■ General Shareholders' Meeting ■ Investor roadshows ■ Meetings and events with shareholders: Capital Market Day, Field Trip ■ Spanish National Stock Market Commission (Comisión Nacional Mercado de Valores - CNMV) ■ Mailing to shareholders and investors ■ Online results presentation event (webcast) ■ Press release distribution via communication agency
Financers	■ Quarterly earnings reports and respective webcast presentations ■ Press releases ■ Integrated Annual Report ■ Multiple ESG interviews with Colonial executives	■ Inmobiliaria Colonia points of contact: Switchboard ■ Colonial website ■ Shareholders' Meeting ■ Spanish National Stock Market Commission (Comisión Nacional Mercado de Valores - CNMV) ■ Other Communication Channels
Society	■ Quarterly earnings reports and respective webcast presentations ■ Press releases ■ Integrated Annual Report ■ Multiple ESG interviews with Colonial executives	■ Inmobiliaria Colonia points of contact: Switchboard ■ Colonial website ■ Shareholders' Meeting ■ Spanish National Stock Market Commission (Comisión Nacional Mercado de Valores - CNMV) ■ Social Media

3.3.2. Double materiality analysis

Colonial Group's ESG strategy is based on optimising value for its shareholders and all its stakeholders, reinforcing a relationship of trust and quality by assessing their expectations and concerns. In order to identify and respond to these key issues, Colonial Group performed a double materiality analysis in 2023.

For the year 2024, this analysis has been reviewed and updated taking into account both the ESRS and the final EFRAG's implementation guidance (IG1 – Materiality Assessment Implementation Guidance, and IG2 – Guidance of Value Chain).

The concept of materiality is crucial for Colonial Group, since this analysis enables the Group to direct its strategy and business objectives towards the most impactful issues. Through this approach, Colonial Group ensures that its decisions and actions are aligned with the most relevant priorities for the business and its stakeholders, thereby maximising value and long-term sustainability.

It also establishes a dialogue with key stakeholders on the organisation's strategic issues, creating transparency and commitment on both sides and identifying stakeholder needs in order to reorient the company's strategy in that direction. To do this, the Group uses the communication channels described in section *3.3.1 Stakeholders* and communication with them. This communication is key to ensuring that our stakeholders can understand how the different relevant issues relate to and integrate with our strategy.

For a clear analysis in line with best practices in the sector, it is essential to monitor the main trends and potential challenges that companies in the sector must face in the global real estate market.

Double materiality analysis is a fundamental starting point for sustainability decision-making and a key element in ESG reporting.

There are two perspectives on materiality in this approach: impact materiality and financial materiality. The double materiality is the result of the combination of these two aspects.

Impact materiality: impact that the company causes or could cause on people, the environment and other stakeholders, whether in the short, medium or long term. The impact perspective encompasses the entire value chain, not limited to direct contractual relationships. Considering both the impacts caused directly by the company and those to which the company contributes through its operations, products and services.

Financial materiality: effect that the environment has or could have on the company's economic value. The financial perspective allows the analysis of those sustainability issues that generate or could generate risks and opportunities for the company in the short, medium or long term, which could influence the company's cash flows and have a financial impact.

To integrate double materiality, Colonial Group has reviewed and updated the 2023 exercise considering EFRAG implementation guidance IG1 and IG2. In this sense, the double materiality analysis has consisted of the following phases:

a) **Assessment of the company's current situation**: the Company has reviewed previously conducted external and internal analysis to understand all potentially material issues. This analysis has taken into account the list of topics established by AR16 of ESRS 1, both current and future regulations, the risk analysis previously carried out by Colonial, the sectoral topics specific to the Group's activity (own operations and value chain) and the ESG priorities of the affected stakeholders and users of the sustainability report.

b) **Identification of impacts, risks and opportunities (hereinafter IRO) and evaluation of these**: the main IROs associated with the potentially material topics identified in the previous phase have been analysed. For each impact, the affected stakeholder has been identified, along with the time horizon (short, medium or long term) and the point in the value chain where it is most likely to materialise with greater intensity. As for risks and opportunities (RO), the time horizon in which they are most likely to materialise has also been established.

c) **Evaluation of the IROs**: the assessment of the IROs has been reviewed considering the thresholds defined for each of the perspectives.

d) **Development of the double materiality matrix**: the double materiality matrix has been reworked based on the results from the update of the exercise.

Methodological issues in the evaluation of IROs

For each of the perspectives, a specific evaluation methodology has been followed:

- **The impact perspective** has made it possible to determine which topics are material to Colonial by considering the scale, scope, remediability and likelihood of impacts.(1)
- **The financial perspective** has made it possible to determine which topics are material to Colonial considering the magnitude and likelihood of risks and opportunities affecting the company's financial statements.(2)

Once evaluated, they have been consolidated at the subtopic and topic level, always reflecting the IRO with the highest score.

(1) The impacts defined for each of the potentially material issues have been classified according to whether they are actual positive, potential positive, actual negative or potential negative. Based on this classification, the scale, scope, remediability and likelihood of each of the impacts has been assessed.

(2) The assessment scales for the magnitude and likelihood of risks and opportunities have been aligned with Colonial's risk methodology and, wherever possible, the effects of risks and opportunities have been financially quantified.

Colonial Group's double materiality matrix

The double materiality analysis carried out by Colonial Group has enabled it to define which ESG topics are and will be material for the company. This prioritisation of relevance is reflected in the double materiality matrix developed as part of the analysis.

In this analysis, 13 ESG aspects have been integrated, which in turn cover 24 sector-specific sub-topics. The topics shown in the matrix will be reviewed periodically with the objective of ensuring an optimal approach to the company's strategy in a dynamic manner, according to the relevant context and as assessed by relevant stakeholder concerns.

These analysis points are directly linked to the Sustainable Development Goals, known as SDGs, and are classified according to the company's three pillars:

ENVIRONMENTAL

Resilience & low-carbon future

"Built to last"

Development of future-proofed buildings & efficiency in operations

- Climate change mitigation (own operations)
- Value chain decarbonisation
- Circular economy
- Climate change adaptation
- Biodiversity and ecosystems
- Water management
- Pollution

SOCIAL

Office buildings with a positive social impact

"Built to gather"

Offer to our tenants the areas and the premises they want to work in

- Tenants relation, well-being and satisfaction
- Human capital
- Contribution to urban development and cultural heritage
- Workers in the value chain

GOVERNANCE

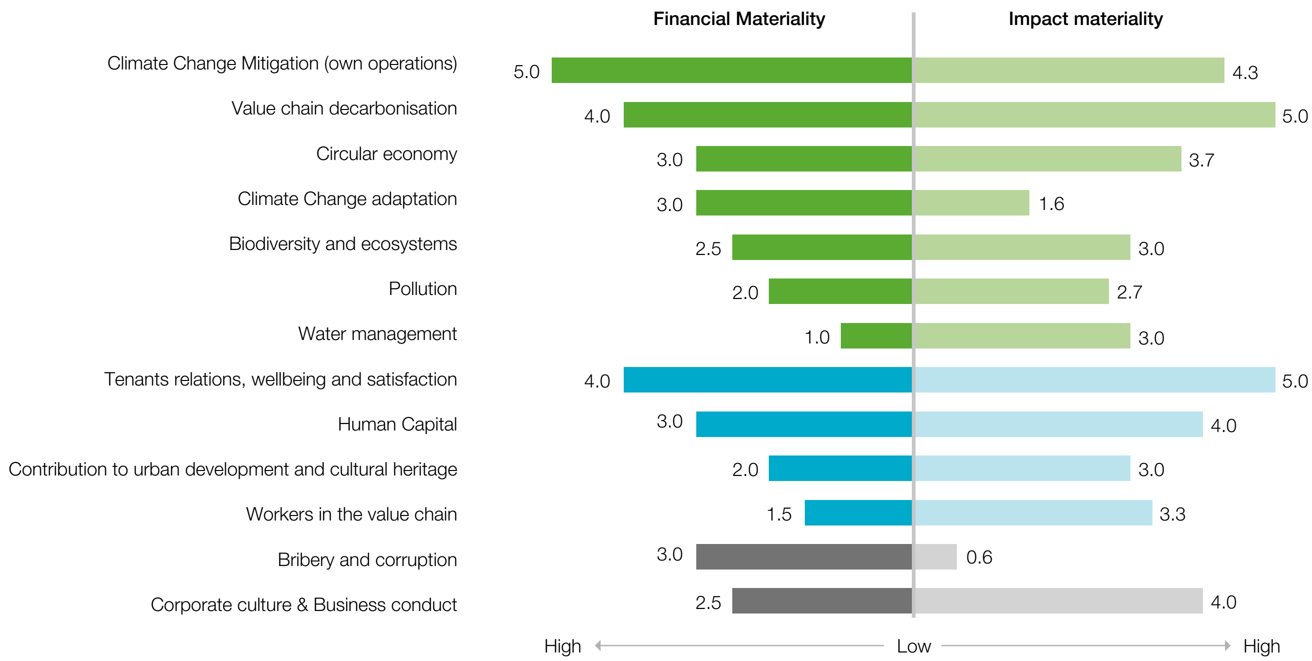
Responsible practices across the value chain

"Built together"

Commit to the highest standards of corporate governance and transparency

- Corporate culture and business conduct
- Bribery and corruption

All of these aspects have been examined to identify actual and potential material risks and opportunities, and to assess their financial materiality and impacts. The following graph details the specific results in each topic:



The relevance of the assessed topics is determined by their position in the double materiality matrix. This matrix is composed of two axes: the horizontal axis represents the financial perspective and the vertical axis represents the impact perspective.

Of the thirteen key issues analysed for the Colonial Group, twelve have been considered material, as they have reached at least one of the two thresholds established to determine their materiality: the impact materiality threshold and the financial materiality threshold. These topics have obtained scores within the range of 3 to 5, reflecting their relative importance based on the criteria evaluated.

The topics identified as material include five that are **highly material**, since they have proven to be significant from both the impact and financial perspectives (scores higher than 3 on both axes). These topics have specific action plans and defined objectives, which guarantee strategic management aimed at maximising their contribution to the Group's performance. Furthermore, the risks, impacts and opportunities associated with these topics are presented in detail and highlighted in the current report, underlining their relevance to the Group's sustainability and performance objectives.

Also, seven additional topics have been identified that, albeit material, present a lower level of materiality. This implies that, although they are relevant, their relative impact is lower compared to those of high materiality. These issues receive adequate attention in terms of management, but do not require the same priority as the five priority issues.

Overall, this approach allows Colonial Group to focus its efforts on the most critical aspects, while ensuring that all material topics are managed efficiently and in line with its strategic and sustainable commitments.

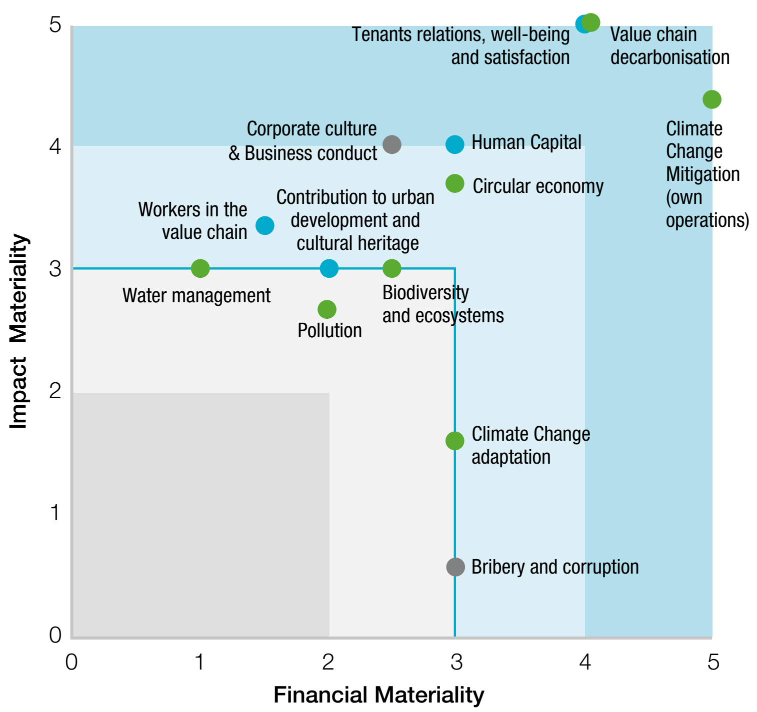
The topics classified as highly material are explained in detail below:

- **Climate change mitigation (own operations)**: energy consumption (fuels and electricity), energy efficiency measures and investment in renewable energy (self-consumption). Climate change mitigation refers to efforts to reduce or prevent man-made greenhouse gas (GHG) emissions that negatively contribute to global warming.

  This is a topic of great relative importance for the Group, both when considering the impact that climate change has on the environment and society and when taking into account the legal, reputational and financial risks that may arise from not promoting energy efficiency measures and other sustainable practices that allow for the reduction of GHG emissions.

- **Tenants relations, well-being and satisfaction**: a set of initiatives undertaken to build relationships with customers in order to identify their needs, concerns and expectations, and thus ensure their safety, well-being and satisfaction.

  This aspect has proven to be of high relative importance given that, during the management and development of real estate properties, ensuring the safety and well-being of tenants is essential to maintaining the occupancy and profitability of the assets.



- **Value chain decarbonisation**: set of measures and initiatives established to reduce Scope 3 emissions, as well as emissions related to embodied carbon. This includes all measures implemented to offset residual carbon emissions and reduce carbon-related emissions arising from the construction, operation and maintenance of properties. And prioritise the development of properties with easy access to environmentally friendly transport options (prime location, installation of electric chargers, etc.) and encourage sustainable transport.

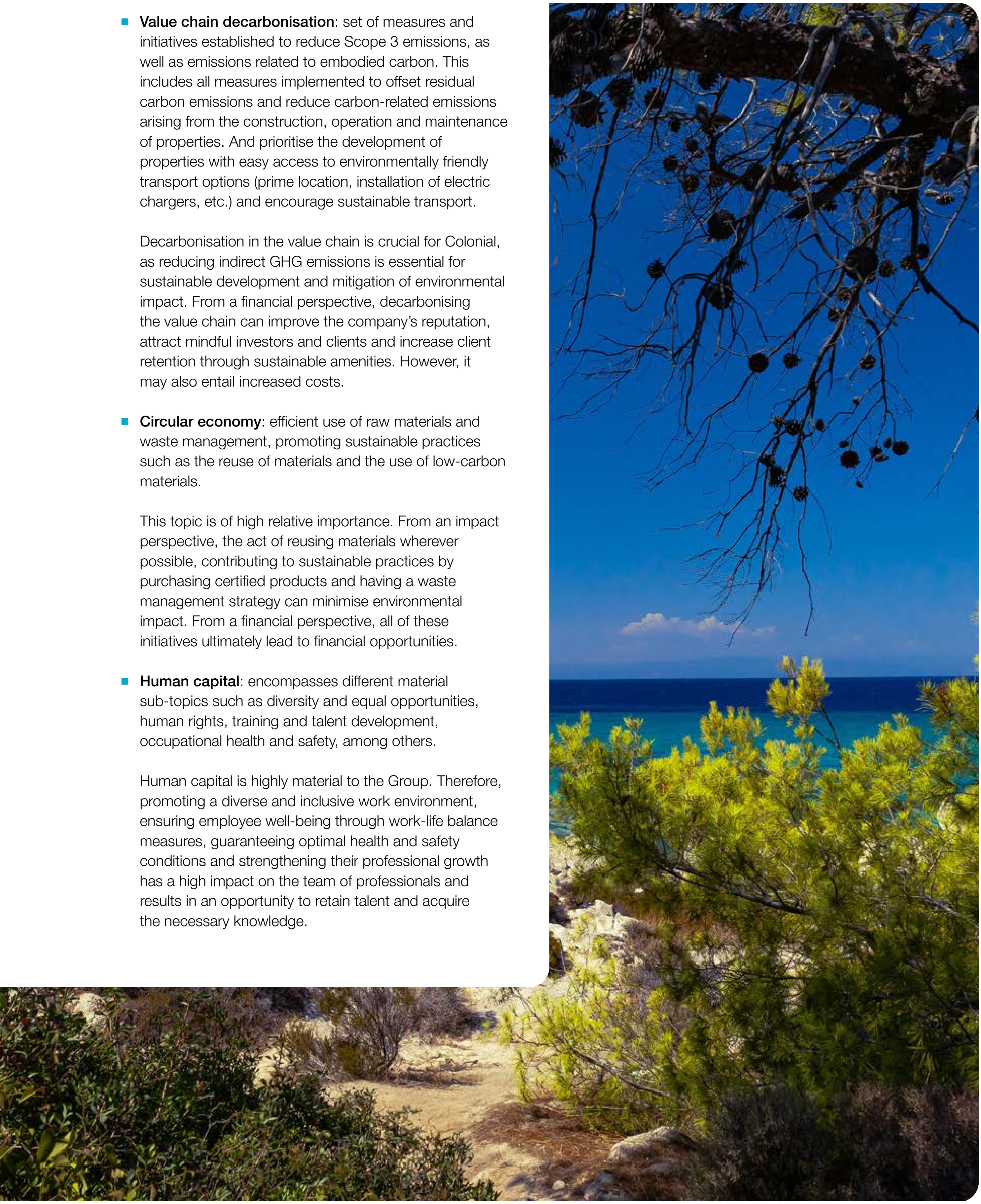
  Decarbonisation in the value chain is crucial for Colonial, as reducing indirect GHG emissions is essential for sustainable development and mitigation of environmental impact. From a financial perspective, decarbonising the value chain can improve the company's reputation, attract mindful investors and clients and increase client retention through sustainable amenities. However, it may also entail increased costs.

- **Circular economy**: efficient use of raw materials and waste management, promoting sustainable practices such as the reuse of materials and the use of low-carbon materials.

  This topic is of high relative importance. From an impact perspective, the act of reusing materials wherever possible, contributing to sustainable practices by purchasing certified products and having a waste management strategy can minimise environmental impact. From a financial perspective, all of these initiatives ultimately lead to financial opportunities.

- **Human capital**: encompasses different material sub-topics such as diversity and equal opportunities, human rights, training and talent development, occupational health and safety, among others.

  Human capital is highly material to the Group. Therefore, promoting a diverse and inclusive work environment, ensuring employee well-being through work-life balance measures, guaranteeing optimal health and safety conditions and strengthening their professional growth has a high impact on the team of professionals and results in an opportunity to retain talent and acquire the necessary knowledge.



Of these most relevant points raised in the analysis, during the 2024 financial year the Colonial Group has made significant progress that shows the commitment and effectiveness of Colonial's strategy in these areas, establishing specific objectives to address them.

Climate change mitigation (own operations)	■ GHG intensity[1] (scopes 1 and 2) of 3 $kgCO_2e$/sqm, 11% reduction compared to 2023. ■ GHG emissions[1] (partial scopes 1, 2 and 3) of 8,581 tCO_2e, showing a reduction of 32% compared to the previous year. ■ Intensity of energy consumption of 141 kWh/sqm, a reduction of 7% in the entire portfolio compared to the previous year. ■ Optimisation of the conductive maintenance of building installations and improved environmental performance through the implementation of Royal Decree Law 14/2022. ■ 77% green energy supply. ■ Main areas of work to reduce carbon impact: ▪ Control, restraint and balance in the operation of the common and private areas of the assets. ▪ Development of a circular economy and the reduction of embodied carbon in projects. ▪ Support for the deployment of new forms of mobility for employees and users of Group assets.
Tenants relations, well-being and satisfaction	■ Colonial Group has a high volume of renewals of its rental contracts, the result of the work, the Group's professional specialisation and the long experience of the entire Colonial team. ■ Client satisfaction surveys to meet client needs.
Value chain decarbonisation	■ Creation of a Group-specific Life Cycle Assessment (LCA) standard. ■ 2030 target of embodied carbon intensity[2] of major retrofit projects equal to or less than 500$kgCO_2e$/sqm during the production and construction phases. ■ 2030 target of embodied carbon intensity of major retrofit projects equal to or less than 700$kgCO_2e$/sqm throughout the asset's life cycle. ■ CBD locations that optimise travel to offices, both in terms of time and carbon footprint. 97% of Colonial's portfolio is located in the city centre (78% of Colonial's portfolio is located in the CBD and the remaining 22% in consolidated business markets). ■ 100% of assets in France are within six minutes of a metro, bus or tram station. ■ Efficient designs, flexible product and top-quality energy efficiency.
Circular economy	■ Waste recovery target of 97% by 2030.
Human capital	■ 100% of employees have received training. ■ 8,309 hours of training have been provided to employees. ■ Commitment to diversity and inclusion, as reflected in the framework of our Equality Plan. ■ 60% of employees are women. ■ 46% of the members of the Board of Directors are women.

(1) Greenhouse Gases (GHG).
(2) Calculations based on the Colonial Group's life cycle calculation principles aligned with market best practices and with a life cycle assumption of 50 years.

Furthermore, the following details the remaining elements that have been considered material in one of the two perspectives assessed:

- **Climate change adaptation**: group of measures, initiatives and analyses to strengthen resilience and the ability to adapt to physical climate risks, as well as to transition risks that are not related to Colonial Group's decarbonisation strategy.

  This issue is material from a financial perspective, due to the risk that could be posed by not meeting high sustainability standards in the portfolio.

- **Contribution to urban development and cultural heritage**: projects, programmes and activities carried out to improve the well-being of society. Namely, promoting local employment through direct recruitment of employees in local communities, carrying out redevelopment and regeneration projects, etc.

  This topic is material given the positive impact of promoting urban regeneration and redevelopment projects, especially in disadvantaged communities.

- **Water management**: water management is concerned with water consumption, i.e. the amount of water used by individuals, communities and all other parties involved in the value chain, which is not returned to its original source or is returned in a different state. On the other hand, water management refers to all the procedures implemented throughout the asset portfolio to control and reduce water consumption (implemented in automatic leak detectors, recovering grey water in some buildings, establishing efficient irrigation systems, among others).

  This topic is material given the potential impact of reduced freshwater resource conservation and reduced water availability for surrounding communities.

- **Biodiversity and ecosystems**: set of actions that promote the diversity of plant and animal species, as well as natural ecosystems within the value chain.

  This topic is material given the positive impact of implementing measures that promote biodiversity and other measures that protect wildlife in the Group's buildings.

- **Workers in the value chain**: respect for human rights and freedom of workers in the value chain, including the eradication of child labour and forced labour, and the promotion diversity and equality.

  This topic is material due to the potential negative impact on workers in the value chain if fair working conditions and equal opportunities, as well as optimal health and safety conditions for those working on Colonial's assets, are not guaranteed.

- **Corporate culture and business conduct**: a set of corporate practices and values that promote ethical, upright and sustainable behaviour in compliance with applicable regulations.

  This topic is material because of the impact resulting from acting in an ethical, upright and sustainable manner, of having reporting mechanisms that ensure ethical behaviour and the protection of whistleblowers and of making timely payments to small and medium-sized enterprises.

- **Bribery and corruption**: abuse of power for personal or private benefit, involving fraudulent or illegal practices.

  This issue is material given the financial and reputational impact that could be caused by carrying out illicit practices or corrupt conduct.

Points to note regarding the elements mentioned above:

Climate change adaptation	■ Smart buildings: target of 100% implementation of Proptech technologies. ■ Sustainable buildings: target of >95% BREEAM / LEED / HQE certified buildings. ■ Portfolio Resilience: target of 100% buildings with climate-related physical risk assessment.
Water management	■ Target of 100% major refurbishments equipped with water reuse systems. ■ 2030 objective to reduce water intensity by (35%) vs. 2018.
Biodiversity and ecosystems	■ Biodiversity enhancement in new rehabilitation projects. ■ Zero use of phytosanitary products in green spaces.
Workers in the value chain	■ Aim to ensure that 100% of workers in the value chain who work within the Group's assets receive training in health and safety. ■ Increase the percentage of suppliers assessed on social aspects, such as working conditions and equal opportunities.
Contribution to urban development and cultural heritage	■ Increase promotion and participation in urban regeneration and redevelopment projects, especially in disadvantaged communities. ■ Active increase in urban construction and maintenance processes and conservation of property assets.
Corporate culture and business conduct	■ Maintain a culture of integrity and transparency in all company operations, ensuring that all employees understand and apply the principles outlined in the Code of Ethics and apply sustainability principles in their daily work. ■ Ensure that all payments to suppliers are made on time, i.e. within the established deadline.
Bribery and corruption	■ Ensure that all employees receive mandatory annual training and education on the anti-corruption policy and the consequences of illicit practices. Likewise, all employees must ratify their commitment to compliance with said policy. ■ Maintain high standards of transparency in all company operations and transactions, including the disclosure of relevant information to stakeholders.

3.3.3. Governance model and conceptual framework

Our ESG strategy pursues an integrated holistic approach to the three dimensions of E, S and G, prioritising all initiatives focused on enhancing value creation for the company and for the Group's shareholders.

In this respect, the Group's corporate strategy and ESG strategy are fully integrated and managed in a way that creates long-term sustainable value for all stakeholders.

Board of Directors

The Board of Directors establishes and determines the Company's general strategies and policies, particularly, strategic development in terms of ESG and policies on this subject.

Seeking the best interests of the Company, and in compliance with laws and regulations and conduct based on good faith, ethics and respect for uses and commonly accepted good practices, the Board of Directors strives to reconcile corporate interests with the legitimate interests of its employees, suppliers, clients and any other stakeholders that could be affected, and the impact of the company's activities on the community as a whole and on the environment.

ESG governance model

Sustainability Committee (SC)

In order to accelerate strategic leadership in ESG matters, at the end of 2020 Colonial set up the Sustainability Committee, a committee of the Board of Directors to which it attributed the following functions, among others:

i. Analyse, evaluate and promote the Company's policies and practices in the field of sustainable and environmental development.

ii. Analyse draft legislation, voluntary initiatives and recommendations on environmental and sustainable development matters and their possible effects on the company's activities, as well as report on the possible impact on the Company of European regulations and national, regional and local legislation on environmental and sustainable development matters, all with a view to taking the appropriate decisions.

iii. Analyse the indexes and measurement instruments commonly accepted in international practice to assess and measure the position of the company in environmental and sustainable development issues, and make recommendations for improving the company's position and track proposals for incorporating the company into the most widely recognised international sustainability indexes.

iv. Propose to the Board of Directors the definition of strategies, plans, policies and objectives in environmental, social or sustainability aspects (including those related to sustainability risks).

v. Assess the progress of both operational and strategic sustainability plans and objectives, and determine whether new measures should be adopted or if previously approved objectives, plans and strategies should be modified.

vi. Propose to the Board of Directors that the strategy and policy on sustainability risks be approved, sustainability risks be identified, the company's level of aversion to these risks be determined, and determine to what extent any sustainability risk should be removed, mitigated or managed.

vii. Review the sustainability information prior to the review by the Audit and Control Committee.

viii. Inform and propose to the Board of Directors, together with the Audit and Control Committee, the approval of the Company's non-financial information report in accordance with the applicable regulations, as well as the reports that fall within its area of responsibility.

ix. Collaborate with the other committees of the Board of Directors in all matters related to its competence.

x. Any other duties or responsibilities as may be assigned by the Law, the Company's corporate texts and the Board of Directors.

The Sustainability Committee met five times in 2024. The Committee is composed of three members of Colonial's Board of Directors, specifically Ms Silvia Mónica Alonso-Castrillo Allain, Ms Ana Bolado Valle, and Ms Ana Peralta Moreno.

Audit and Control Committee (ACC)

The main duty of the Audit and Control Committee is to aid the Board of Directors in all its supervisory tasks. Specifically in connection to ESG, its duties are as follows:

i. Monitor sustainability reporting and the effectiveness of the linked risk management and control systems as a whole (covering both financial and non-financial risks, including sustainability risks).

ii. Propose to the Board of Directors that the strategy and policy on risks be approved.

iii. Propose to the Board of Directors that risks be identified and the company's level of risk aversion be determined, and determine to what extent any risk should be removed, mitigated or managed, without prejudice to the powers of the Sustainability Committee.

iv. Review the quality, clarity, consistency and integrity of all financial and non-financial information that the company makes public in its annual or interim financial reports and any other related information, such as sustainability information.

The Audit and Control Committee held fourteen meetings in 2024. The Committee is composed of four members of Colonial's Board of Directors, specifically Ms Miriam González-Amézqueta, Ms Ana Bolado Valle, Ms Begoña Orgambide García, and Ms Ana Peralta Moreno.

ESG Committee: Committee composed of members of Colonial Group's Management Committee

At the end of 2018, Colonial Group created the ESG Committee to ensure the operational implementation of the strategic guidelines of the Board of Directors and, in turn, of the Sustainability Committee.

The functions assigned to the ESG Committee and the Sustainability Committee enable the monitoring of measures to manage climate change risks and opportunities.

The ESG Committee meets at least quarterly, but met eight times in 2024 and discussed the following topics:

- Monitoring and analysis of Colonial's position in the sustainability indices.
- Follow-up on CRREM analysis of the Group's portfolio.
- Update of the Group's double materiality analysis.
- GAP analysis of CSRD (Corporate Sustainability Reporting Directive).
- Analysis of taxonomy implications.
- Energy certifications.
- Update of the Green Financing Framework.
- Preparation of the Integrated Annual Report.
- Update of the Group's environmental policies.

Operational implementation areas

Within the Corporate Development Department, the new ESG Coordination and Reporting area was created in 2021, whose functions include the coordination of all ESG areas, as well as the analysis of the company's business plan and its return in value.

This area collaborates with all areas of the company, although in order to monitor, update and comply with the ESG business plan it relies in particular on the **sustainability areas of Colonial Spain and SFL**.

3.3.4. ESG Policy and Strategic Plan

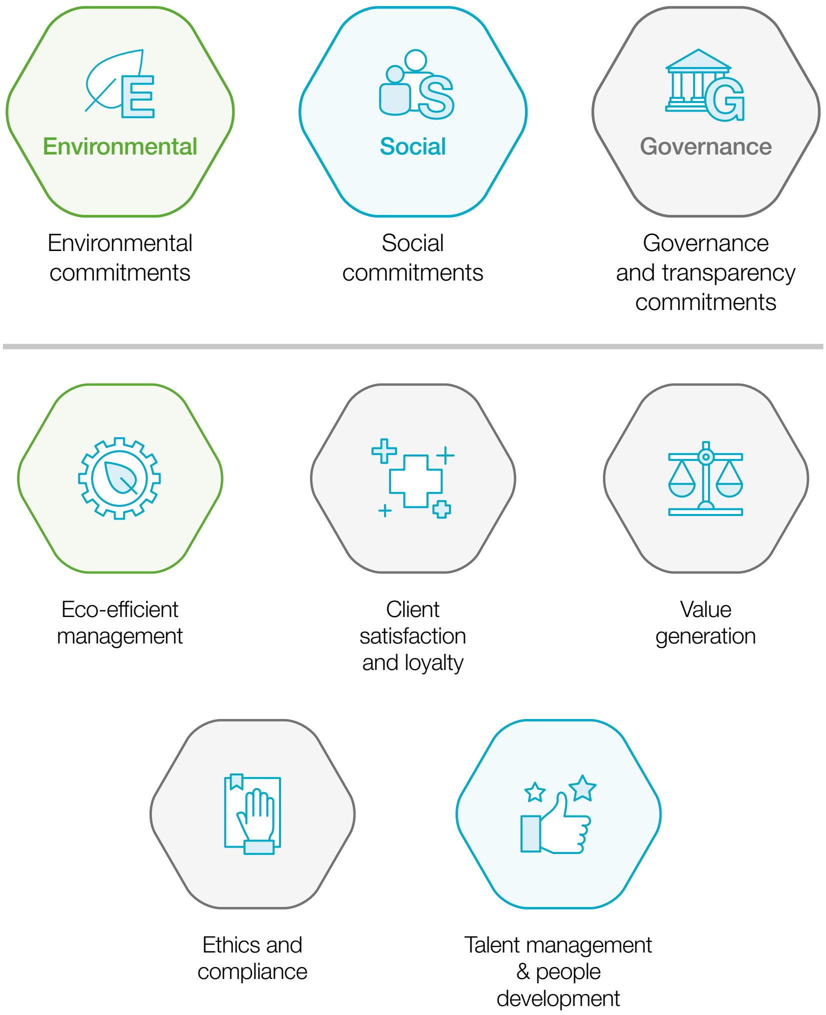
A core element of the Colonial Group's corporate strategy is its commitment to excellence and leadership in ESG, as this is the basis for ensuring sustainable long-term returns for the company, i.e. for the Group's shareholders and all stakeholders.

Colonial Group understands the ESG area and its corporate strategy as an integrated approach that seeks to achieve maximum levels in each of the three dimensions: (1) E for Environmental, i.e. sustainable management of the entire real estate value chain; (2) S for "Social", by enhancing the contribution to employees and society; and (3) G for "Governance", by committing to the highest standards of corporate governance and transparency.

We believe that this integrated approach will bring sustainable returns in the long term for both the company in general and also for our shareholders.

Our ESG commitment is reflected in our ESG policy (or Corporate Social Responsibility - CSR, a term also used in the markets and in various forums) applicable to all our stakeholders.

In particular, our ESG policy is grouped into five main areas of action that allow us to focus our efforts in a methodical and efficient manner.



Strategic Plan

Colonial Group aspires to clear leadership in ESG, which is an essential element in the Group's strategy, prioritising a long-term sustainable return based on a model where quality is paramount. In this respect, the corporate strategy has at its core the highest standards of excellence in the areas of governance, social and sustainable investment.

The company continued to work on the implementation of a strategic decarbonisation plan to be able to reach increasingly ambitious targets, given the current relevance of sustainability issues. This plan is based on the Colonial Group's commitment to achieve carbon neutrality in its entire office portfolio by 2030, and to be fully aligned with the Paris Agreement, signed in December 2015, establishing emission reduction targets aligned with the Science-Based Targets Initiative (SBTi) and with limiting the increase in the Earth's average temperature to below 1.5 ºC.

Colonial Group developed a new climate strategy. This increases the scope and ambition of the Group's actions, thus enhancing the company's carbon strategy through a holistic approach and identifying concrete actions for all categories. This in turn allows the definition of specific targets for each of the sources of carbon emissions that make up the Group's carbon footprint.

The framework of this new climate strategy is based on three main pillars:

1. Reduce the Group's emissions for all categories by developing and identifying actions across the value chain and achieving maximum energy efficiency.

2. Avoid emissions from third parties (stakeholders, customers, etc.), setting targets to encourage improvements and other necessary actions.

3. Absorption of CO_2 from the atmosphere, with the development of natural elements or processes that absorb and store carbon, thereby helping to mitigate climate change by absorbing carbon dioxide from the atmosphere.

In addition to this strategy, the company has an internal carbon price as a key element for prioritising and determining the most efficient actions in decarbonisation. Each tonne of CO_2 would have an associated price which would be passed on to the activity and serve to manage activities from the point of view of the most efficient energy production and consumption possible.

In this respect, the internal carbon price set by the company was €100/tCO_2e, approved by the Sustainability Committee and applicable to any new investment to be carried out.

The Colonial Group continues to work to achieve maximum reductions in its carbon footprint, placing itself at the lowest levels in the European sector.

Sustainable Development Goals

In line with its strategy focused on long-term sustainability, the Colonial Group is committed to the 2030 Agenda adopted by the United Nations (UN) in September 2015 for sustainable development, which established a total of seventeen global goals (known as Sustainable Development Goals or SDGs).

Therefore, the Colonial Group has carried out an analysis of its contribution to achieving the SDGs and all the actions included in the ESG strategic plan have been examined in detail. Based on this analysis, the main goals on which the organisation can generate a greater positive impact have been identified, as well as other interrelated SDGs to which the Colonial Group also contributes. The different sections of the report detail the Group's specific contribution to each objective through the monitoring of key indicators.

3.4. Value created by Colonial and its stakeholders

At Colonial, we focus on creating value for our stakeholders in undertaking our activity in the long term and in a sustainable manner.

Shareholders and investors (shareholders)

Recurring net profit growth	▪ EPRA Net Profit of €193m, +12% year-on-year. ▪ EPRA EPS of €33 cts, exceeding the top end of the annual guidance of €30-32cts. ▪ The Group Net Profit amounted to €307m, +€1,326m vs. the previous year. ▪ Gross Rental Income of €391m, +4% year-on-year, driven by the Paris portfolio (+8%). ▪ Gross Rental Income like-for-like increase in comparable terms of +6% year-on-year (+7% in Paris).
Solid operating fundamentals	▪ 134,797 sqm of contracts have been signed with high increases in rents. ▪ Release Spread[1] of +8%, with +20% in Paris. ▪ Increase in signed rents vs. market rents[2] of +5%, with +6% in Paris. ▪ Solid occupancy levels of 95% (100% occupancy in the Paris portfolio).
Asset valuation	▪ Gross Asset Value (GAV) of €11,646m, +3% vs. the previous year. ▪ Solid value increase in all three markets, gaining momentum in the second half of 2024. ▪ Net Asset Value (NTA) of €6,036m, corresponding to €9.62/share.
Active management and capital structure	▪ Disposals of €201m[3] with a premium of +11% over appraisal. ▪ Capital increase of €622m, with a premium over the share price. ▪ Launch of Alpha X projects of more than 110,000 sqm with an ungeared IRR of +9%. ▪ The Group's liquidity amounts to €3,113m,[4] covering debt maturities until 2028. ▪ Bond issue of €500m in January 2025, oversubscribed by 8 times, with a fixed coupon of 3.25%.

(1) Signed rent versus previous rent in re-let spaces.
(2) Signed rent vs. market rent at 31/12/2023 (ERV 12/23).
(3) Of the total disposals made, two floors of the Recoletos, 27 building were sold in late 2023. The remainder was sold in 2024.
(4) Cash and undrawn balances.

Society (community)

Commitment to decarbonisation of the portfolio	■ Decarbonisation plan of the asset portfolio validated by the international organisation Science Base Targets Initiative (SBTi). ■ Global net zero target for the Group's entire value chain by 2045. ■ Existence of an internal price of €100/tCO_2e for carbon as a key element to prioritise and determine the most efficient actions in decarbonisation.
Climate change mitigation and energy efficiency	■ GHG emissions(1) (scopes 1 and 2) of 3 kgCO_2e/sqm, 11% reduction compared to 2023. ■ Reduction of 80% compared to the base year 2018. ■ Intensity of energy consumption of 141 kWh/sqm, reduction of 7% in the entire portfolio compared to 2023. ■ The purchase of green energy has accounted for 77% of the energy contracted by the Colonial Group.
Leadership in ESG and decarbonisation	■ Leader in Sustainalytics: 1st IBEX 35 company and Top 21 out of 15,101 companies in the world. ■ CDP 2024 Rating A, highest rating for the fourth consecutive year: leadership in the IBEX 35 and globally. ■ GRESB 2024: rating at "5-Star" level, Standing Investments Benchmark 92/100 (in the top 5 of European reference listed companies) and Development Benchmark 99/100. ■ Portfolio with 99% BREEAM & LEED certifications: Leader in Europe.
Revitalisation of urban areas	■ Major building refurbishments have been delivered in the centre of Madrid, Barcelona and Paris, with a significant improvement in their carbon footprint. ■ The design and execution of all projects are oriented towards the well-being of the building users and their community. ■ Implementation of circular economy policies in all projects.

(1) Greenhouse Gases (GHG).

Investors, financial backers and other stakeholders

Composition and functioning of the Board	■ Appropriate size (thirteen members). ■ Separation of positions between CEO and Chairman. The Chairman has no executive functions.
Colonial's strategy is aligned with that of its shareholders	■ Support by a large majority on all items on the agenda at the June General Meeting, including approval of the dividend for the 2023 financial year.
Independence and diversity of the Board	■ Degree of independence: 31%. ■ 100% of independent directors have served for less than 6 years. ■ Gender diversity: 50% of non-executive directors are women. ■ All Board committees are chaired by women.
Improvements in transparency	■ Long-term Board remuneration plan in line with international best practice, with ESG-related targets. ■ Evaluation of the Board's performance with the collaboration and intervention of an independent third party. ■ Development of several ethics and compliance actions.
Excellence in corporate governance	■ Leading proxy advisors, ISS and Glass Lewis, acknowledge the Group's good corporate governance practices. ■ The main indices that evaluate ESG recognise Colonial's excellence in corporate governance.

Clients and tenants

User experience is key to user loyalty	■ Improvements to the added services of the buildings. ■ Improvements in the catering offer. ■ Creation of new communal and lounge areas. ■ Conversion of technical terraces to practicable terraces.
Continuous improvement of customer service	■ Real-time measurement of client needs thanks to the PROPNET proprietary tool. ■ Improvement of incident recovery times. ■ Digitalisation of communication channels between clients and Colonial.
Safe and healthy spaces	■ Zero incidents recorded for compliance with health and safety regulations.

Our people

Promoting equality among employees	■ Commitment to diversity and inclusion to raise awareness of situations of discrimination in the workplace, as reflected in the framework of our Equality Plan. ■ Start of development of the LGTBI Plan. ■ The performance assessment process is professionalised thanks to the core tool of Colonial Career Conversations (CCC). ■ Commitment to gender equality: ▪ 50% of the Management Committee is made up of women. ▪ 60% of the Group's employees are women.
A good company in which to grow	■ Colonial is included in the Best Workplaces 2024 according to the Great Place to Work survey, the fourth consecutive time it has achieved the certification.
High level of training for employees	■ Individual training plan per employee. ■ 36.7 hours of training per employee. ■ 100% of employees have received training.

Value generated and distributed

Thousand euros	2024	2023
Generated value	**521,275**	**(1,022,596)**
Revenue	395,577	387,282
Other income	8,236	12,400
Net gain on sales of assets	15,063	3,542
Changes in value of investment properties	102,399	(1,425,820)
Distributed value	**(353,750)**	**(309,596)**
Personnel expenses	(39,289)	(31,098)
Other operating expenses	(53,250)	(55,974)
Income tax expense	35,003	37,678
Dividends paid	(178,181)	(143,235)
Interest paid	(117,912)	(116,801)
Donations	(121)	(166)
Retained value	**167,525**	**(1,332,192)**
Amortisations	7,332	8,828
Retained earnings	160,193	(1,341,020)
Retained value without incl. changes in value of investment properties	**65,126**	**93,628**
Amortisations	7,332	8,828
Retained earnings	57,794	84,800


4

4. Risk management

4.1. Our approach to risk management

Colonial's activity is exposed to various internal and external risks and uncertainties that may have an impact on the Group's growth capacity. For this reason, Colonial aims to generate sustainable value through the strategic management of its business activity, taking into account and monitoring and supervising the associated risks and opportunities, which are constantly evolving, in the geopolitical, financial, environmental, social and economic areas, among others, in order to strengthen the Group's leadership in the sector and consolidate its long-term position.

The Group's ability to identify, assess and manage current and emerging risks is critical to the development of corporate strategy. In this sense, the approach followed by Colonial does not aim to eliminate risk completely, but rather to manage risk exposure within the levels accepted by the Group, while maximising opportunities.

Main highlights of 2024

- Last year's Double Materiality analysis has been updated.
- The Group's Risk Management and Control Policy has been updated.
- Corporate risks, both financial and non-financial/sustainability (ESG), have been monitored and followed up on.
- Potential emerging risks and opportunities for the Group have been identified and analysed.
- An analysis of the implications for adaptation to the new CSRD (Corporate Sustainability Reporting Directive) has been carried out, defining a gradual implementation plan to align reporting and comply with the new regulations and ESRS standards when they are applicable to the Group.
- The CSRD climate change standard (NEIS E1) has been considered to adapt the analysis of environmental risks and opportunities previously carried out based on TCFD good practices and thus anticipate the requirements of the new European regulation.
- The Group continued to promote the risk culture within the Group, especially with the governing bodies, involving all members of senior management and the Board of Directors in risk management.
- A digital GRC tool has been implemented to monitor the internal control system for sustainability information, in order to ensure that the main controls are run before the Group's information is published.

Priorities for 2025

- Update the risk and control matrix of the internal control system on sustainability information in accordance with the new indicators reported upon the implementation of the ESRS.
- Carry out the taxonomy compliance analysis for the Colonial Group's asset portfolio.
- Continue to improve as refers to the main risk indicators (KRIs), as well as in the assessment of risk and opportunity impacts.

4.2. Our risk management model

Risk and opportunity management is a key aspect of the organisation's culture and focuses on preserving the Group's value. In this regard, the Group has a **risk control and management policy** approved by the Board of Directors, which is developed more broadly through **Colonial's Risk Control and Management System (hereinafter RCMS)**, establishing a basis for promoting efficient and effective risk management throughout the organisation. This system is based on the main guidelines and elements of the risk management structure defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

4.2.1. Bodies responsible for risk management

The main responsibilities assigned in relation to the RCMS correspond to the Board of Directors, the Audit and Control Committee, the Management Committee and the Internal Audit Unit. The RCMS also explicitly determines the responsibilities of senior management, operational management and risk owners in relation to risk management.

- **Board of Directors**: it is the responsibility of the Board of Directors to determine the risk control and management policy, identifying the main risks and supervising the internal information and control systems, in order to ensure the future viability and competitiveness of the Group. It is responsible for determining the nature and scope of the main risks that the Group is willing to assume in order to achieve its strategic objectives.

- **Audit and Control Committee**: the Audit and Control Committee, as a body delegated by the Board of Directors, carries out, among others, the following functions related to the supervision of control and risk management systems:

  - Submit a report on risk policy and risk management to the Board for approval.
  - Periodically review risk management and control systems to identify, manage and report key financial and non-financial risks.
  - Oversee the process of preparing, the integrity and presentation of mandatory (financial and non-financial) public information.
  - Coordinate the oversight of sustainability information with the Sustainability Committee.

- **Management Committee**: among other matters, it carries out periodic reviews of risks in terms of impact and probability, analyses the need to include new risks (previously identified by each area) and eliminates those risks that are considered to be of little relevance.

- **Business units**: responsible for identifying operational risks in their respective areas of activity, as well as continuously reviewing and implementing controls to mitigate them.

- **Compliance Unit**: responsible for ensuring proper compliance with regulations and laws that may affect the Group in the course of its business.

- **Internal Audit Unit**: responsible for carrying out the monitoring activities set out in its annual plans approved by the Audit and Control Committee to assess the effectiveness of the risk management processes, action plans and controls implemented by the relevant departments to mitigate the identified risks.

Colonial Group has a risk management framework that allows for a comprehensive approach to risks from a top-down strategic viewpoint and from a bottom-up operational point of view, applying the three lines of defence model for the proper identification, mitigation and supervision of risks.

Top-down

Implement the RMCS and monitor the level of risk exposure at Group level

Board of Directors

- Approve risk management and control policy
- Definition of the level of risk to be assumed in achieving the objectives
- Review of the corporate risk map

Heads of departments

- Identify operational risks in their department
- Monitor risk events affecting their department
- Monitor the mitigation controls in place, and their efficiency

Risk Management and Oversight Committee

- Identification of emerging risks and monitoring of the risks in each area
- Periodically assess the criticality of their risks
- Define an action plan
- Define the corresponding controls
- Monitor the risk indicators

Audit and Control Committee

- Supervise the risk control and management systems
- Corporate risk map analysis and monitoring
- Supervise the preparation of financial and non-financial information
- Directly supervise units with control functions (internal audit and regulatory compliance)

Bottom-up

Assess risks and implement controls at the operational level

Business units

- Identify each unit's operational risks
- Review of risk events under their responsibility
- Implement and continuously review mitigation controls

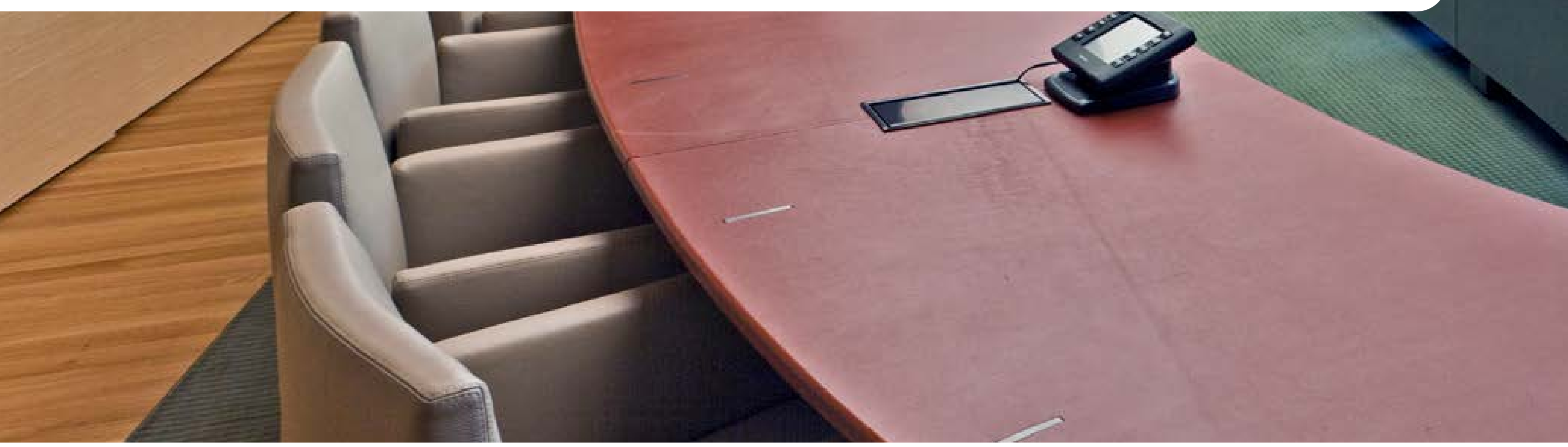
Regulatory Compliance Unit

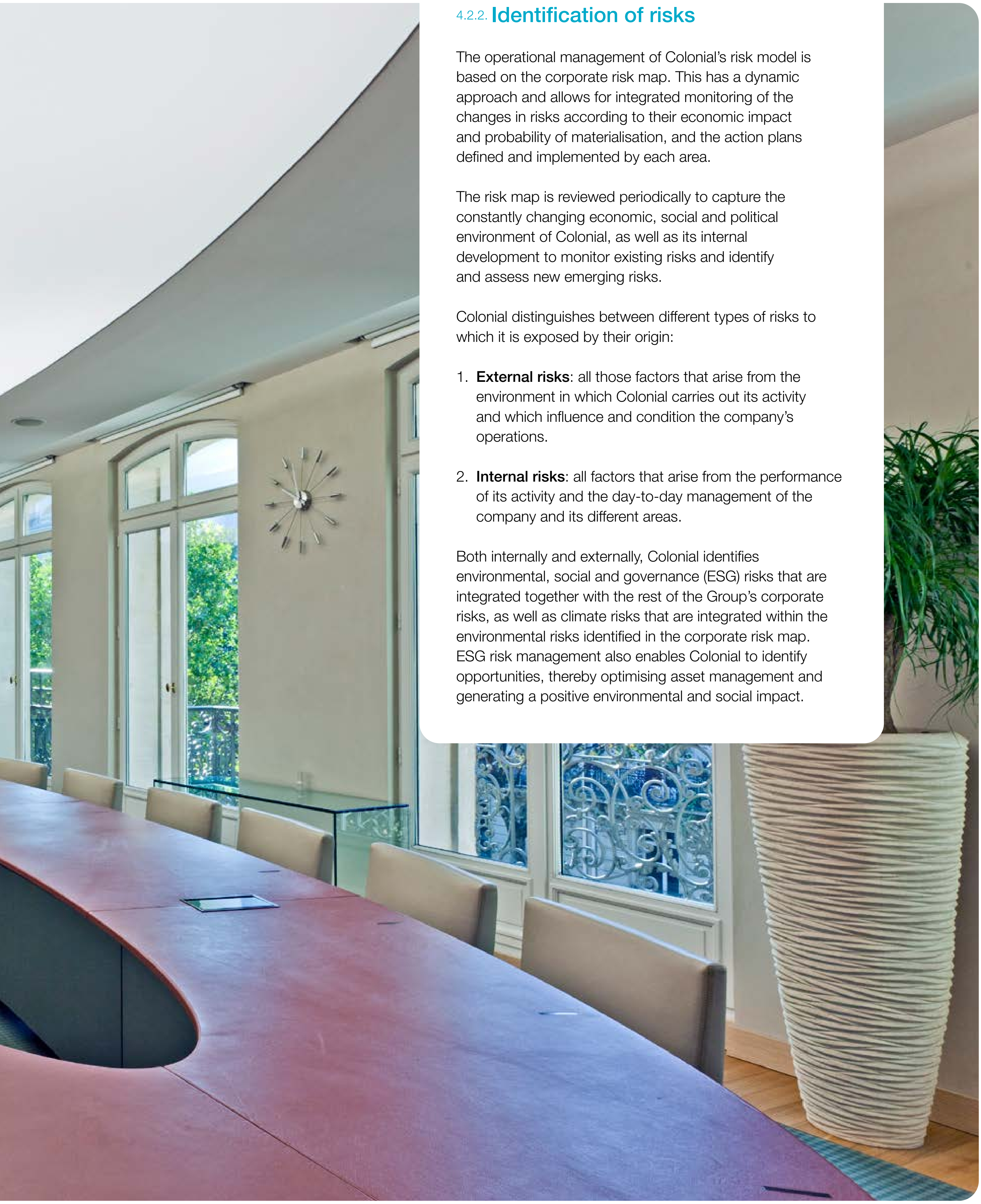
- Analyse regulatory compliance
- Establish the regulatory risk prevention system

Internal Audit Unit

- Independent oversight of the CRMS effectiveness
- Coordinate risk map assessment

1st line of defence	2nd line of defence	3rd line of defence
Heads of departments; Business units	Risk Management and Oversight Committee; Regulatory Compliance Unit	Audit and Control Committee; Internal Audit Unit





4.2.2. Identification of risks

The operational management of Colonial's risk model is based on the corporate risk map. This has a dynamic approach and allows for integrated monitoring of the changes in risks according to their economic impact and probability of materialisation, and the action plans defined and implemented by each area.

The risk map is reviewed periodically to capture the constantly changing economic, social and political environment of Colonial, as well as its internal development to monitor existing risks and identify and assess new emerging risks.

Colonial distinguishes between different types of risks to which it is exposed by their origin:

1. **External risks**: all those factors that arise from the environment in which Colonial carries out its activity and which influence and condition the company's operations.

2. **Internal risks**: all factors that arise from the performance of its activity and the day-to-day management of the company and its different areas.

Both internally and externally, Colonial identifies environmental, social and governance (ESG) risks that are integrated together with the rest of the Group's corporate risks, as well as climate risks that are integrated within the environmental risks identified in the corporate risk map. ESG risk management also enables Colonial to identify opportunities, thereby optimising asset management and generating a positive environmental and social impact.

4.2.3. Risk assessments

The risk assessment is structured as follows:

Aspect	Description
Parties responsible	Members of the Management Committee (risk owners)
Review process	**Risk Identification**: it analyses the need to include new risks identified by each area that could pose a threat to the Group and its activities, as well as the need to eliminate those risks whose exposure or influence on the Group's activities is considered to be of little significance after several review periods. **Risk assessment**: other risks are assessed in terms of impact and probability, and categorised in accordance with their inherent level (risk level with no assessment of control measures) and their residual level (risk level after mitigation control measures have been assessed).
Comparison and analysis	**Comparison**: the risks are compared to those identified in the last review, and the factors that have influenced their variation are analysed. **Risk indicators**: potential risk indicators are identified for subsequent monitoring.
Action plan	An analysis is conducted of the action plan and specific controls to accept or mitigate each risk.

4.2.4. Risk management

Risks are managed by each business unit and these are led by the members of the Management Committee. Each member is responsible for the risks in his or her area and his or her exposure to them, and should define the degree of exposure to risk of the activities in his or her area. To ensure that the Group's activities are within a tolerable level of risk and an acceptable degree of exposure, they must establish and ensure the proper functioning of the controls implemented to mitigate risks and that these are within the defined risk appetite, with the Internal Audit Department being responsible for verifying the correct functioning, integrity and effectiveness of said controls.

4.2.5. Risk exposure

In accordance with the framework defined in the RMCS, it is the responsibility of the Chief Executive Officer and the Corporate General Management to assess the Group's exposure to the risks identified, in order to achieve the objectives and strategy defined by the Group, as well as to preserve the Group's value, and to consider the expectations of its different stakeholders.

A report is submitted to the Audit and Control Committee concerning the evolution of the risks, in order to monitor them with the governing bodies and review the Group's exposure to risks and define an action plan if necessary.

The Audit and Control Committee also reviews the Group's main activity indicators to ensure that the organisation's activities are not affected by an excessive exposure to risks, thus ensuring that its strategy is achieved, and that the degree of exposure to risks is adapted to changes in the business and its environment.

The Board of Directors approves the corporate risk map on an annual basis, analysing the information available and the most significant risk factors in each period. In this way, the Governance Body is aware of the Group's risks and that its exposure is appropriate through the Colonial Group's dynamic risk management and approach.

4.3. Main risks identified in 2024: description, impact and control measures implemented

The purpose of this section is to present the Group's main risks according to the assessment made by the management team, as well as the changing influence of each risk with respect to the previous year:

2023 saw continued geopolitical tensions due to the ongoing conflict between Russia and Ukraine, as well as the outbreak of the war in the Gaza Strip, which led to a further deterioration in the macroeconomic situation and maintained uncertainty about the recovery of certain Eurozone economies. In this context, the volume of investment in the real estate sector has fallen by 60% at the European level, which has made it difficult to divest non-strategic assets. There was also a significant impact on the risk linked to fluctuations in the real estate cycle, which resulted in a significant decrease in the valuation of the Group's real estate portfolio as a result of the historic increase in interest rates. As a result, managing debt levels, liquidity and maintaining credit rating levels continued to be a priority for the Group.

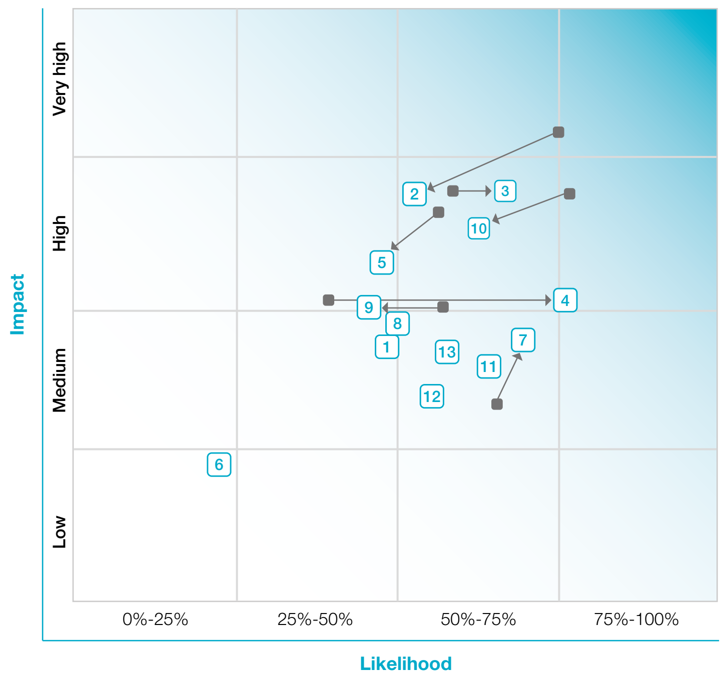
Last year saw a continuation of the wars raging on several fronts, as well as geopolitical tension. Political uncertainty is growing, among other reasons, due to the impact that the new government's policies may have in the United States, as well as at the local level due to inconsistent support from the governments of France and Spain. Troubing developments on this front included the heightened legal uncertainty caused by the proposals currently being touted to modify the special tax regimes for REITs (known as SOCIMIs in Spain and SIICs in France), which could have an adverse impact on the industry and make it harder for companies to attract foreign capital and investors, thus making the local industry less competitive with respect to other European countries. Interest rate cuts got under way in 2024, although expectations over further cuts have been doused due to the possible impact of new tariffs in the United States and the continuation of the policy of curbing inflation in Europe. This drop in interest rates could lead to an improvement in asset valuations and improve the future prospects for the real estate cycle, as the business cycle changes course and with certain assets to be transformed or to include new uses. It should be noted that the effects of climate change continued to increase throughout 2024 all across the globe, further distancing the planet from the commitments made in the Paris agreements.

In recent years, the physical and transition risks linked to climate change have led to the implementation of policies and strategies in this regard at the Group, more precisely in the form of the approved decarbonisation plan, as well as specific actions aimed at improving the quality of buildings and measuring their energy consumption levels, in order to optimise their environmental impact.

Adaptation to the growing requirements from stakeholders for reporting non-financial information has led to a review of compliance with these requirements and to the definition and implementation of control systems. In relation to ESG, the imminent application of the Corporate Sustainability Reporting Directive (CSRD), as well as the European Taxonomy Directive, has required an analysis and monitoring process to enable the Colonial Group to gradually adapt and ensure compliance with these new requirements.

Below is a graphical representation of the situation of Colonial Group's main risks at the end of 2024 and their variation compared to the end of 2023:

External risks	Change
Market	
1. New trends in the business model	=
2. Real estate cycle fluctuation	↓
Economic	
3. Political and/or macroeconomic uncertainty	↑
Financial	
4. Changes in tax legislation	↑
5. Liquidity and cost of financing	↓
6. Quality of the client portfolio	=
ESG	
7. Physical risks of climate change	↑
Internal risks	
Strategic	
8. Investment strategy and profitability	=
Operational	
9. Lease management	↓
10. Financial structure	↓
11. IT system failure and cybersecurity	=
ESG	
12. Human Capital	=
13. Climate change transition risks	=



Annual change

↑ Increase

= Steady

↓ Decrease

■ Risk in 2023

□ Risk in 2024

A description of these risks, their impacts and the control and management measures implemented for each risk, as well as the opportunities available to the Group through appropriate management of these risks, are set out below.

I. External risks

Market risks: risks associated with the real estate market.

1. New trends in the business model

<table>
<tr><th>Risk</th><th>Description and impact</th><th colspan="2">Control measures</th><th>Changes to risk during the year</th></tr>
<tr><td rowspan="3">New trends in the business model</td><td>The lack of capacity to anticipate or meet the needs, expectations of our clients and industry trends in the changing, competitive environment in which the Group operates and which is currently in a context of analysis of changes in the uses of certain assets, may cause structural changes in business models and affect the demand for space, with a direct impact on revenue.</td><td colspan="2">Mitigation:
■ Recurrent analysis and monitoring of new trends in collaboration with expert innovation advisors.
■ Market studies to identify new trends, investment levels in the sector and analyse the service offering to adapt it to new customer demands.
■ Participation in sector projects linked to innovation and digitalisation.
■ Investing in innovation and sustainability for the Group’s properties and maintaining the quality of the prime portfolio.
■ Satisfaction questionnaires among clients to identify their degree of satisfaction and their requirements.</td><td rowspan="2">=
■ Teleworking has stabilised with little impact on the office sector in Spain and France.
■ Market trend to incorporate a greater variety of services in the prime office sector.
■ Sector trend towards converting offices into residential or analysing new uses (coliving, student residences, data centres, etc.).
■ Colonial Group seeks to anticipate these trends in its business model and asset portfolio, by incorporating service offerings in its projects and assets that make this possible, and analysing the gradual introduction or transformation of new asset classes for certain assets in the portfolio.</td></tr>
<tr><td>Main KRIs:
■ Average number of telework days adopted by companies.
■ New client / market requirements.
■ Average number of sqm per tenant for new leases or novations.
■ Investment in repositioning.</td><td>Inherent risk:
■ Impact: high.
■ Likelihood: high.</td><td>Residual risk:
■ Impact: medium.
■ Likelihood: medium.</td></tr>
<tr><td colspan="4">Opportunities: The analysis of new business opportunities, rapid adaptation to new trends and the transformation of the uses of certain assets, the implementation of new technologies, the excellent location of the property portfolio and the growing range of services offered in its properties allow the Group to maintain and increase its competitive advantage.</td></tr>
</table>

2. Real estate cycle fluctuation

<table>
<tr><th>Risk</th><th>Description and impact</th><th colspan="2">Control measures</th><th>Changes to risk during the year</th></tr>
<tr><td rowspan="3">Real estate cycle fluctuation</td><td rowspan="2">The cyclical nature of the real estate market, closely linked to the economic cycle and customer demand, has a direct impact on property valuations and the complexity of acquiring, managing or selling assets at the optimal time in the real estate cycle.</td><td colspan="2">Mitigation: ●○○</td><td>↓</td></tr>
<tr><td colspan="2">Regular monitoring of macroeconomic indicators (GDP, unemployment rate, inflation and business confidence) published by official bodies (ECB, IMF, Bank of Spain) and reports from leading external sources.
Periodic analysis of Colonial’s portfolio to review the maturity of assets, their profitability, their development capacity and their compliance with the business plan.
Portfolio concentration in prime areas with high growth potential.
Search for and analysis of off-market operations.
Monitoring of the changes in profitability by city and area for the office market.
Review of lease expiry risks for the repositioning of real estate.</td><td rowspan="2">The value of the assets has stabilised in this fiscal year 2024 and the yields have reached a break-even point.
In addition, progressive increases in the value of assets are anticipated for the coming year, reflecting a positive trend in the real estate cycle.</td></tr>
<tr><td>Main KRIs:
Level of demand for office space in the market.
Volume of investments in the office market.
Real estate yield vs. fixed income or bond yields.
GDP growth rate in Spain and France.
Asset portfolio valuations.</td><td>Inherent risk:
Impact: very high.
Likelihood: high.</td><td>Residual risk:
Impact: high.
Likelihood: high.</td></tr>
<tr><td></td><td colspan="4">Opportunities: Cyclical fluctuations may present investment opportunities, for which the Group has a high financial capacity.</td></tr>
</table>

Economic risks: risks associated with the political and economic situation.

3. Political and macroeconomic uncertainty

<table>
<tr><th>Risk</th><th>Description and impact</th><th colspan="2">Control measures</th><th>Changes to risk during the year</th></tr>
<tr><td rowspan="3">Political and macroeconomic uncertainty</td><td>The geopolitical and economic context directly affects the real estate cycle and the performance of our clients. Political and economic uncertainty in the Eurozone may negatively impact job creation, legal certainty, investor and consumer confidence and business activity in the countries in which the Group operates, resulting in a decrease in demand for space.</td><td colspan="2">Mitigation:
- Sensitivity testing of the business plan to ensure that the Group's structure is resilient to adverse changes in the economic environment.
- Monitoring of macroeconomic data (GDP growth, unemployment rate and inflation rate) to anticipate a change in the economic environment.
- Analysis of possible impacts of new regulations and legislation on the business.
- Constant contact with public authorities and advisers in the public sector to ensure compliance with regulations.</td><td rowspan="2">- Geopolitical instability continues as a result of the armed conflicts in Europe and the Middle East, as well as the future impact of the creation of new governments, especially Trump's in the United States.
- Locally, both in Spain and France, governments have been created or are maintained through inconsistent support, which is why they are currently facing instability and uncertainty.</td></tr>
<tr><td>Main KRIs:
- GDP growth rate (Spain, France and EU).
- Unemployment rate (Spain, France and EU).
- Inflation rate (Spain, France and EU).
- Interest rate developments (ECB).
- Business confidence index (Spain and France).
- Composition of governments (Spain and France).
- Geopolitical changes and new laws and regulation (Spain, France and EU).</td><td>Inherent risk:
- Impact: high.
- Likelihood: very high.</td><td>Residual risk:
- Impact: high.
- Likelihood: high.</td></tr>
<tr><td colspan="4">Opportunities: Macroeconomic and/or political changes may generate opportunities in new sectors in which the Group is not present.</td></tr>
</table>

Financial risks: arising from tax impacts, market liquidity and solvency.

4. Changes in tax legislation

Risk	Description and impact	Control measures		Changes to risk during the year
Changes in tax legislation	Changes in tax regulations, both in Spain and France, may have an impact on the Group's financial statements and earnings per share, specifically those that may be related to changes in the tax regimes for Socimi in Spain and SIIC in France.	**Mitigation:**		
		■ Contact with tax advisors and companies in the sector to monitor possible regulatory changes and analyse potential impacts in advance. ■ Constant contact with public authorities and advisers in the public sector to ensure compliance with regulations. ■ Analysis of possible impacts of new regulations and legislation on the business.		■ The current context has been characterised by legal uncertainty related to possible legislative and regulatory changes, including the modification of the special tax regimes for Socimi in Spain and SIIC in France, which could have an impact on the Group's results, as well as a loss of attractiveness in the capital investment market.
	Main KRIs: ■ Changes in special tax regimes of European countries (REITS). ■ Changes to the general corporate tax regime.	**Inherent risk:** ■ Impact: very high. ■ Likelihood: very high.	**Residual risk:** ■ Impact: high. ■ Likelihood: very high.	
	Opportunities: The Group has outstanding taxable amounts awaiting offset that would represent a competitive advantage, in the event of a modification of the Socimi regime, compared to other companies in the sector.			

5. Liquidity and cost of financing

<table>
<tr><th>Risk</th><th>Description and impact</th><th colspan="2">Control measures</th><th>Changes to risk during the year</th></tr>
<tr>
<td rowspan="3">Liquidity and cost of financing</td>
<td>Lack of liquidity in the financial markets may result in the Group being unable to obtain or refinance its debt at competitive interest rates, resulting in higher financing costs.</td>
<td colspan="2">Mitigation:
- Monthly review of the Group's debt level and bond prices.
- Constant monitoring of the liquidity of the debt markets and the trends in interest rates in order to design the optimal long-term financial structure for the Group.
- Search for new financing tools (green bonds, green loans etc.).
- Arrangement of hedging instruments to mitigate the financial cost in the event of interest rate rises.
- The rating obtained and the size of the Group allow access to multiple sources of financing and the availability of undrawn lines of financing to ensure the necessary liquidity in case of need.
- Roadshows with the main financial institutions to maintain investor confidence in the Group.</td>
<td rowspan="2">- Control of inflation in Europe and the expectation of higher tariffs in the USA may cause a certain delay in the reduction of interest rates.
- There is currently greater stability compared to previous years, and the trend is towards reduced interest rates. Despite this, the reduction in interest rates has not yet fully materialised, in this sense, Colonial maintains a financial strategy that mitigates this risk.
- By 2024, the Group's credit quality and financial structure have improved, which means improved access to the financial market. However, this access may be conditional on the execution of a growth model and some diversification.</td>
</tr>
<tr>
<td>Main KRIs:
- Interest rate developments (ECB).
- Loan to Value.
- ICR (Interest Coverage Ratio).
- % Fixed rate debt or hedged (5-year plan).
- Volume of hedging instruments.</td>
<td>Inherent risk:
- Impact: very high.
- Likelihood: high.</td>
<td>Residual risk:
- Impact: high.
- Likelihood: medium.</td>
</tr>
<tr>
<td colspan="4">Opportunities: The Group's size and rating allow it to obtain and renegotiate debt at highly competitive costs and to access highly liquid financial markets.</td>
</tr>
</table>

6. Quality of the customer portfolio

<table>
<tr><th>Risk</th><th>Description and impact</th><th colspan="2">Control measures</th><th>Changes to risk during the year</th></tr>
<tr><td rowspan="3">Quality of the client portfolio</td><td>A scenario of economic weakness may affect several economic sectors of the Group's clients, weakening their income statements and their solvency.</td><td colspan="2">Mitigation:
- Diversified client portfolio across various sectors and focused on large AAA-rated companies.
- Analysis and monitoring of client concentration to avoid individual exposure.
- Solvency analysis and compliance with requirements for new clients to ensure their financial strength.
- Proactive search for potential clients o replace, if necessary, existing clients whose business or sector may be experiencing difficulties.
- Request for additional collateral from certain clients.
- Monthly review and monitoring of non-payments and approval of the initiation of claims.
- Periodic analysis of the degree of satisfaction of our clients through surveys.</td><td rowspan="2">=
- The Group tries to manage and anticipate more specific situations of possible default by reaching agreements.
- High quality of the client portfolio, with a low level of non-performing loans.</td></tr>
<tr><td>Main KRIs:
- GDP growth rate (Spain, France and EU).
- Business confidence index (Spain and France).
- Monitoring of the Group's delinquency level.</td><td>Inherent risk:
- Impact: low.
- Likelihood: medium.</td><td>Residual risk:
- Impact: low.
- Likelihood: low.</td></tr>
<tr><td colspan="4">Opportunities: A client portfolio composed of AAA clients and diversified in various sectors.</td></tr>
</table>

ESG risks: risks arising from the management of environmental, social and governance issues.

7. Physical risks of climate change

<table>
<tr><th>Risk</th><th>Description and impact</th><th colspan="2">Control measures</th><th>Changes to risk during the year</th></tr>
<tr>
<td rowspan="3">Physical risks of climate change</td>
<td>The physical risks of climate change can be classified as acute or chronic. Acute extreme weather events such as floods, storms or hurricane-force winds can cause direct damage to real estate assets and affect the activity of their occupants, which may lead to a review of building design. Chronic risks, in turn, may include long-term changes in weather patterns, such as rising average temperatures, rising sea levels or increased periods of drought, which may lead to a decrease in the quality of life in certain areas, a decrease in the areas designated as buildable land, damage to buildings, increased associated maintenance costs and, consequently, affect the value of the property.</td>
<td colspan="2">Mitigation:
- Climatic resilience in the designs of the Group’s assets to ensure the maximum comfort and well-being of their occupants and the physical integrity of the assets in case of adverse effects on the climate.
- Preparation and annual review of contingency and emergency plans for each property to respond to incidents caused by extreme weather events.
- Annual preparation of climate change impact risk reports for each building in collaboration with a specialised external advisor.</td>
<td rowspan="2">- Risk events related to the effects of climate change keep increasing in frequency, speed and size in 2024.
- The impact of climate change in large cities may have long-term consequences for the real estate sector, as well as high environmental demands. Failure to comply with global agreements may have irreversible consequences, generating greater climate impacts.
- The Group remains highly committed to combating climate change by repositioning its assets in line with the best environmental standards, while expanding its decarbonisation commitments by incorporating enhancements in projects within this scope and involving the value chain.</td>
</tr>
<tr>
<td>Main KRIs:
- Evolution of the frequency and intensity of extreme weather events.
- Increased energy consumption due to extreme temperatures.
- Increased water consumption.
- Number of days with high air pollution episodes.
- Asset-based assessment of environmental risks.
- Customer satisfaction level (thermal comfort).</td>
<td>Inherent risk:
- Impact: high.
- Likelihood: high.</td>
<td>Residual risk:
- Impact: medium.
- Likelihood: high.</td>
</tr>
<tr>
<td colspan="4">Opportunities: The Group is highly committed to combating climate change by repositioning its assets to the best environmental standards and incorporates climate resilience analysis in the design of the Group’s buildings.</td>
</tr>
</table>

II. Internal risks

Strategic risks: risks derived from the company's strategic plan.

8. Investment strategy and profitability

Risk	Description and impact	Control measures		Changes to risk during the year
Investment strategy and profitability	The lack of a return on investments or the failure to achieve strategic results can be caused by an incorrect approach to the investment strategy and disinvestment at the right time in the cycle, selecting an inappropriate sector, lack of or over-exposure in one or several markets (cities), unexpected delays and/or cost increases in investment projects, etc.	**Mitigation:** ▪ Alignment of the strategic investment plan with the level of risk and return set by the Board of Directors. ▪ Analysis of potential operations by the Investment Committee to evaluate possible risks and expected returns, and their submission to the Board of Directors for approval. ▪ Analysis of the Group's main indicators compared to competitors in the sector, to identify possible corporate transactions. ▪ Constant monitoring of new asset classes and/or markets in search of new growth opportunities. ▪ Definition of the strategy based on concentrating its portfolio on high quality offices in the CBD and BD of the cities of Barcelona, Madrid and Paris, thus ensuring a minimum value and return on its assets.		▪ The Group has an excellent position in the prime office sector. The implementation of a new strategic plan aims to continue the sustained growth in the prime office sector, as well as to analyse new possibilities for transforming the current uses of certain assets and/or developing a mix of uses in other assets. ▪ The Group keeps complying with the strategy to divest non-strategic assets, repositioning, and strengthening the strategy for the CBD product and quality prime. The Group develops its portfolio by incorporating new environmental features and improvements and by offering new services in its assets. The integration of new products with different uses is being carried out while maintaining the management and quality standards required by the Group. ▪ Colonial has adequate exposure in the coworking market with its differentiation towards the corporate client, offering new services to its portfolio.
	Main KRIs: ▪ Monitoring investments under implementation. ▪ % portfolio in rehabilitation and/or under construction. ▪ Analysis of economic studies of large projects. ▪ Co-working market exposure.	**Inherent risk:** ▪ Impact: high. ▪ Likelihood: medium.	**Residual risk:** ▪ Impact: medium. ▪ Likelihood: medium.	
	Opportunities: Our strategic position ensures profitability in investment projects, as well as the growth expected for the Group by seizing the opportunities that appear.			

Operational risks: risks derived from the company's day-to-day operations.

9. Lease management

<table>
<tr><th>Risk</th><th>Description and impact</th><th colspan="2">Control measures</th><th>Changes to risk during the year</th></tr>
<tr><td rowspan="4">Lease management</td><td rowspan="2">An increase in the vacancy levels, influenced by an unfavourable economic-political outlook and/or the appearance of new disruptive trends for the business model, may increase the downward pressure on occupants' income levels, leading to a fall in the Group's revenue and profitability.</td><td colspan="2">Mitigation:</td><td></td></tr>
<tr><td colspan="2">Analysis of commercial transactions in the market to set appropriate rent levels.
Recruitment of commercial agents to increase the capacity to attract clients and ensure the level of rental income in accordance with the market situation.
Analysis of the commercial effort made as regards the main KPIs (ERV, released spread, budget).
Customer satisfaction surveys to identify their needs and adjust the investment and maintenance plan for each building.
Proactive search for potential high-solvency clients from various sectors to replace, if necessary, existing clients whose business or sector may be experiencing difficulties.</td><td rowspan="2">The shortage of product in Paris and Madrid represents an advantage for the Group in terms of rent capture due to its good positioning in the prime CBD office market, in the face of an expectation of high growth in demand.
In Barcelona, there is strong competition and an excess of supply, specifically in the 22@ area. Although the Group's exposure in this market does not represent a high percentage globally, it is expected to strengthen its commercial action to improve the occupancy levels of its assets.
Although there is some uncertainty regarding the behaviour of demand in the office sector in the medium term, the Group plans to capture the full rental value of the projects that come into operation in the coming months, given their positioning and quality.</td></tr>
<tr><td>Main KRIs:
Level of rents relative to ERV from independent expert valuation.
Occupancy/vacancy levels and number of visits to vacant areas.
Average maturity of break options and average life of contracts and renewal rate.
Average number of sqm per tenant / new contract or novation.</td><td>Inherent risk:
Impact: high.
Likelihood: high.</td><td>Residual risk:
Impact: high.
Likelihood: medium.</td></tr>
<tr><td colspan="4">Opportunities: High demand in the prime office market forces the Group to maintain a high level of quality in the spaces and services offered, to ensure high occupancy and adequate rent levels. The Group has excellent exposure in prime areas, and is therefore in a privileged position to capture demand in these areas.</td></tr>
</table>

10. Financial structure

<table>
<tr><th>Risk</th><th>Description and impact</th><th colspan="2">Control measures</th><th>Changes to risk during the year</th></tr>
<tr><td rowspan="4">Financial structure</td><td rowspan="2">An inadequate financial structure may lead to the Group becoming over-indebted, increasing the risk of defaulting on debts, an increase in the cost of financing, difficulties in issuing and/or refinancing debt and a consequent loss of rating.</td><td colspan="2">Mitigation:</td><td></td></tr>
<tr><td colspan="2">■ Monthly analysis of the level of indebtedness to ensure a solid position and balanced financial structure according to the value of our assets (Loan to Value).
■ Monitoring the counterparty risk of the financial institutions with which the Group works.
■ The Group's size, quality and financial structure allow it to obtain the highest credit rating in the sector (Standard & Poor's: BBB+, Moody's: Baa1).
■ Regular analysis of compliance with covenants and financial KPIs.</td><td rowspan="2">■ In 2024 the Group has continued to improve its financial structure. As a result, the credit rating agency Moody's has upgraded Colonial's rating from Baa2 to Baa1. All of this has generated an improvement in market expectations and perceptions.
■ Investors are no longer concerned about the level of debt, as it has decreased during this year, while the level of liquidity has increased.</td></tr>
<tr><td>Main KRIs:
■ Loan to Value.
■ Average maturity of debt.
■ Average cost of debt.
■ % of debt at a fixed rate or hedged.
■ Rating.</td><td>Inherent risk:
■ Impact: very high.
■ Likelihood: very high.</td><td>Residual risk:
■ Impact: high.
■ Likelihood: high.</td></tr>
<tr><td colspan="4">Opportunities: Maintaining an adequate financial structure and high credit ratings is vital to execute the Group's strategic plan and ensure the creation of value. The Group maintains sufficient liquidity to seize any investment opportunities that may arise.</td></tr>
</table>

11. IT system failure and cybersecurity

Risk	Description and impact	Control measures		Changes to risk during the year
IT system failure and cybersecurity	Disruption of systems due to a failure or cyber-attack may result in the loss of sensitive data and/or disruptions to the Group's operations leading to potential reputational impacts, financial loss or regulatory sanctions (in the area of privacy).	**Mitigation:** - Annual review of the IT contingency plan. - Outsourced DPC server with a high level of availability of the Tier IV service with a backup system on a secondary server. - The IT department keeps the systems updated and patched in order to mitigate vulnerability risk. - Random audits, tests and diagnoses carried out by external parties to assess and adapt the action plan drawn up. - Periodic monitoring by the Internal Security Committee of possible incidents and the implementation of the different action plans.		= - In an increasingly complex climate, where threats have increased considerably in recent years and are expected to continue to increase with the massive use of artificial intelligence, the Group is prioritising the standardisation of its technological infrastructure, applications, as well as the security of systems and their environment.
	Main KRIs: - System vulnerability test results. - Ratio of neutralised attacks over attacks received. - Number of system incidents. - Average incident resolution time. - Cybersecurity training.	**Inherent risk:** - Impact: high. - Likelihood: high.	**Residual risk:** - Impact: medium. - Likelihood: high.	
	Opportunities: The constant evolution of information systems, as well as cyber-attacks, forces us to maintain a high level of investment in technology and innovation to ensure the correct functioning of the systems. Investing in digitalisation in our buildings gives us a high competitive advantage.			

ESG risks: risks arising from the management of environmental, social and governance issues.

12. Human capital

<table>
<tr><th>Risk</th><th>Description and impact</th><th colspan="2">Control measures</th><th>Changes to risk during the year</th></tr>
<tr><td rowspan="3">Human capital</td><td>Inability to attract, develop and retain appropriate personnel with the skills and knowledge required to achieve the Group's objectives can negatively impact employee performance and effectiveness, causing inefficiencies in the Group's activities and operations.

The concentration of critical processes in certain key people can lead to losses of essential knowledge and even interruptions in the Group's operations.</td><td colspan="2">Mitigation:
- Searching for key personnel through specialised headhunting companies.
- Attracting and retaining talent through competitive salaries, flexible working and social benefits.
- Approved equality plan.
- Training plan, which includes language learning for the entire company.
- The "Colonial takes care of you" programme promotes the health and wellbeing of employees through wellbeing practices.
- The "Colonial Career Conversation" programme for monitoring personalised objectives and performance.
- Conducting the "Great Place to Work" survey to measure the level of trust and satisfaction of employees.</td><td rowspan="2">- Despite low levels of turnover, a complex environment for the real estate sector increases the risk of losing key personnel and retaining talent. The Group's priority is to develop its teams and their capabilities, including digital and leadership skills.
- The Group is immersed in a merger process that generates a catalyst for change and a greater range of opportunities within the Group.</td></tr>
<tr><td>Main KRIs:
- Employee turnover.
- Hours of training per employee and training expenditure as a percentage of the total wage bill.
- Employee performance results.</td><td>Inherent risk:
- Impact: high.
- Likelihood: high.</td><td>Residual risk:
- Impact: medium.
- Likelihood: high.</td></tr>
<tr><td colspan="4">Opportunities: By developing our employees in different environments we obtain the necessary know-how to continue improving the Group's business model.</td></tr>
</table>

13. Climate change transition risks

Risk	Description and impact	Control measures		Changes to risk during the year
Climate change transition risks	The transition to a lower carbon economy implies substantial changes in policies and regulations developed by governments, as well as changes in technology and market dynamics to meet climate change mitigation and adaptation requirements. The speed, focus and extent of these changes will determine the degree of transition risks the Group may face, potentially representing financial and reputational impacts. In this regard, the Group is aware that the implementation of these requirements may entail, among other things, an increase in the costs of construction materials due to CO_2 reduction schemes, the tightening of construction regulations, a possible increase in insurance premiums, changes in customer behaviour and expectations and reputational impacts in the event of a risk event materialising.	**Mitigation:** ■ Monitoring by the ESG Committee of performance on climate and ESG objectives. ■ Decarbonisation strategic plan (net zero buildings). ■ Green CapEx. ■ Establish an internal carbon price target. ■ Supplier approval system. ■ Use of low carbon intensive materials. ■ Life cycle analysis of materials. ■ Real estate life cycle analysis. ■ Implementation of tools for continuous monitoring of energy and water consumption. ■ Green energy supply. ■ Green finance linked to ESG indicators.		■ Adequate positioning of the Group by adapting to mitigate the adverse environmental effects of its activities. High commitment to the decarbonisation plan for buildings, monetisation of CO_2 from projects and optimisation of energy consumption. ■ The envisaged new regulation may generate significant impacts on the taxonomy compliance rating of assets, mainly in France, as well as higher requirements resulting from the CSRD directive. The Group is prioritising the analysis of these impacts, as well as the assessment criteria for EPC energy certifications, which currently differ from one European country to another.
	Main KRIs: ■ % buildings with certification. ■ Consumption metrics. ■ Energy certifications of the portfolio. ■ % approved materials. ■ Group GHG emissions. ■ % carbon embodied in projects. ■ % renewable energy use.	**Inherent risk:** ■ Impact: high. ■ Likelihood: high.	**Residual risk:** ■ Impact: medium. ■ Likelihood: high.	
	Opportunities: Improving real estate efficiency and adapting to changing client and investor demand.			

4.4. Our ESG risk and opportunity management strategy

As part of its strategy, Colonial Group has identified multiple ESG risks and opportunities (ROs). In 2024, these have been supplemented following the update of the double materiality analysis in which additional risks and opportunities have been identified within the topics and subtopics laid down in the CSRD.

In this exercise, to define the ROs, the dependencies on natural, human and social resources identified during the analysis and mapping of the Group's value chain have been considered, among other aspects. The different ROs defined have been classified according to the internal risk assessment methodology; that is, in three typologies: (1) Financial ROs, (2) Reputational ROs, (3) Operational ROs, and (4) Legal or compliance ROs. In addition, the time horizon in which they are most likely to materialise (short, medium or long term) has been determined, following the ESRS guidelines.

The assessment considered the inherent risk and opportunity, determining the quantitative dimensions of the RO whenever possible. In cases where this has not been possible, the magnitude has been established based on qualitative parameters, with the expectation of quantifying it in the near future. ROs whose assessment has exceeded the defined materiality threshold have been considered financially material.

In this regard, the double materiality analysis has made it possible to determine that the material risks and opportunities for the group are included in the following topics: (1) Climate change mitigation (own operations), (2) Decarbonisation of the value chain, (3) Climate change adaptation, (4) Circular economy, (5) Human Capital, (6) Customer relations, well-being and satisfaction and (7) Corruption and bribery.

As for ROs related to climate change adaptation and mitigation, Colonial has updated the climate change risk and opportunity analysis carried out in previous years based on TCFD good practices. This update took account of the sections of the CSRD ESRS E1 and the EU Taxonomy where reference is made to climate change risk analysis, the expected financial effects of climate change and the company's transition plan.

For all other ROs identified as material and following the approach adopted for climate change ROs, the Group will establish a management strategy, control measures and indicators to assess the progress and effectiveness of the actions implemented, similar to what is done with financial risks.

I. Governance

Colonial integrates ESG risk assessment and monitoring into its risk management model (for more details, see chapter *4.2. Our risk management model)* so that the Group's governance bodies are involved in the process of assessing and monitoring these risks. The governing bodies and their responsibilities are described below:

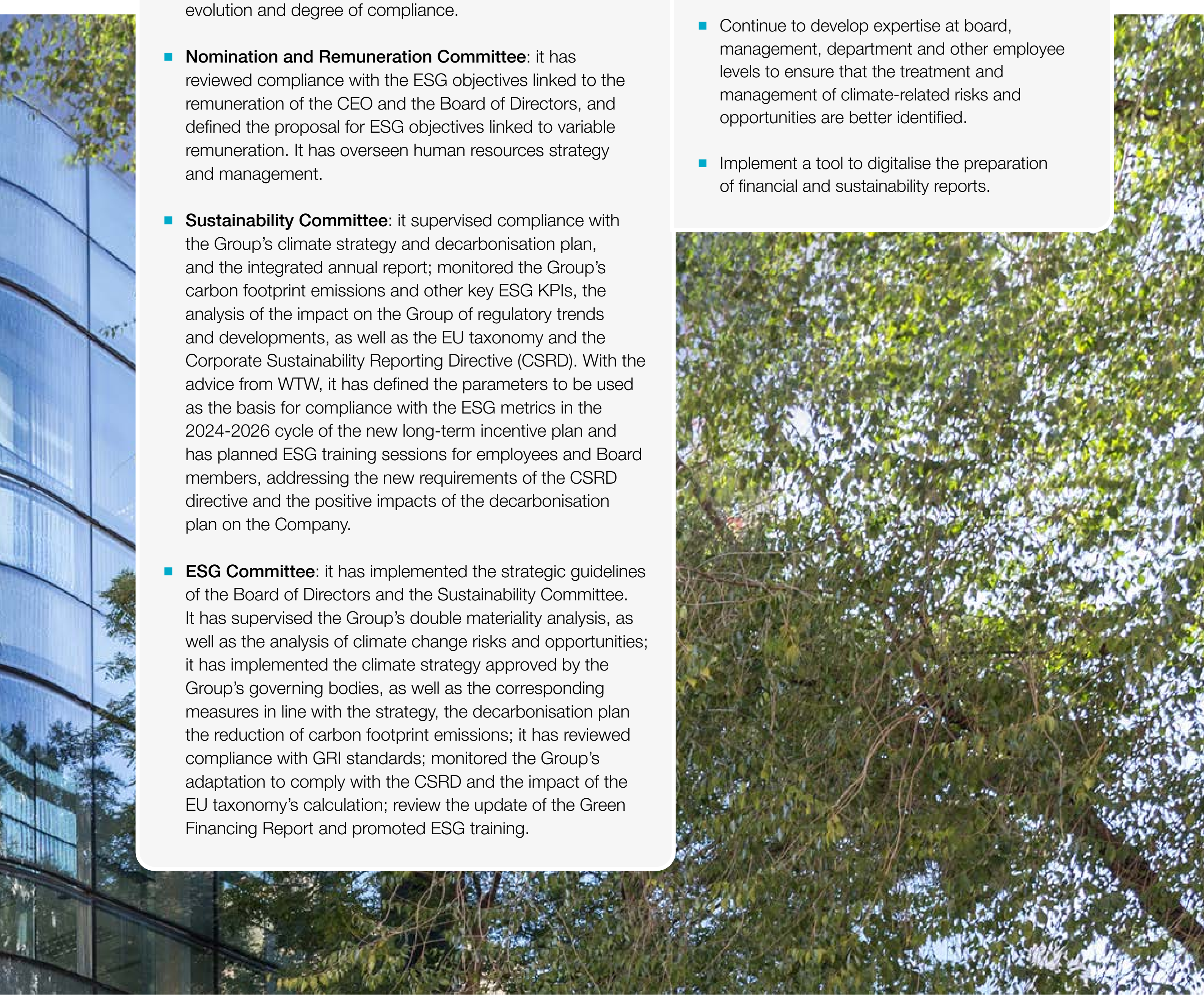
Main highlights of 2024

- **Board of Directors**: the Board has approved the Integrated Annual Report. To maintain high standards of reporting, it has promoted the ESG Policy and introduced a new reference for sustainability in the Code of Ethics. It has also approved the update of the Company's risk map and the new text relating to the risk management and control policy.
- **Audit and Control Committee**: it reviewed the outcome of the external audit work on the independent limited assurance reports on ESG indicators, and the greenhouse gas emissions inventory; it reviewed the update of the evolution of the corporate risk map, which includes ESG risks, and supervised the definition of the Group's non-financial reporting control system. Additionally, it has approved the Internal Audit Plan and has supervised its evolution and degree of compliance.
- **Nomination and Remuneration Committee**: it has reviewed compliance with the ESG objectives linked to the remuneration of the CEO and the Board of Directors, and defined the proposal for ESG objectives linked to variable remuneration. It has overseen human resources strategy and management.
- **Sustainability Committee**: it supervised compliance with the Group's climate strategy and decarbonisation plan, and the integrated annual report; monitored the Group's carbon footprint emissions and other key ESG KPIs, the analysis of the impact on the Group of regulatory trends and developments, as well as the EU taxonomy and the Corporate Sustainability Reporting Directive (CSRD). With the advice from WTW, it has defined the parameters to be used as the basis for compliance with the ESG metrics in the 2024-2026 cycle of the new long-term incentive plan and has planned ESG training sessions for employees and Board members, addressing the new requirements of the CSRD directive and the positive impacts of the decarbonisation plan on the Company.
- **ESG Committee**: it has implemented the strategic guidelines of the Board of Directors and the Sustainability Committee. It has supervised the Group's double materiality analysis, as well as the analysis of climate change risks and opportunities; it has implemented the climate strategy approved by the Group's governing bodies, as well as the corresponding measures in line with the strategy, the decarbonisation plan the reduction of carbon footprint emissions; it has reviewed compliance with GRI standards; monitored the Group's adaptation to comply with the CSRD and the impact of the EU taxonomy's calculation; review the update of the Green Financing Report and promoted ESG training.

Future projects

In 2025 we will seek to:

- Continue with the gradual implementation of new reporting requirements established by the new applicable regulations (CSRD, NEIS, EU Taxonomy).
- Develop aspects of climate change improvement and monitoring controls and tools to improve the Group's climate change performance.
- Complement the current risk management, control and mitigation strategy by incorporating the results of the double materiality analysis, to include all material non-financial ROs.
- Continue to develop expertise at board, management, department and other employee levels to ensure that the treatment and management of climate-related risks and opportunities are better identified.
- Implement a tool to digitalise the preparation of financial and sustainability reports.



II. Strategy

The Group has a climate strategy and plans in place to develop a general ESG strategy so that all material ESG ROs that may have a present and future impact on its activity, assets, investments, clients, employees and users of its real estate portfolio are considered.

Our climate strategy

Exposure to climate, physical and transition risks and the decarbonisation of buildings is one of the major challenges facing the sector and for this reason Colonial has been integrating climate change issues into the definition and evaluation of its business strategy for a decade. Since 2015, Colonial has defined a decarbonisation business plan, specifying its climate commitment with quantitative objectives and an associated investment plan that guarantees the necessary funds to achieve them. This decarbonisation business plan is monitored on a recurring basis, starting in 2018 as the base year for the targets and setting 2030 as the target year for becoming a carbon neutral company. In addition, the Group has set a price on carbon (€100/tCO_2e), which will enable the financial impact of the emissions associated with the assets to be assessed and the various sustainability actions to be prioritised appropriately.

It should also be noted that the Group has set targets to reduce emissions aligned with the science approved by SBTi (ambition 1.5ºC). With this goal in mind, the SSP1-1.9 scenario has been incorporated as the reference scenario in the corporate analysis of climate change risks and opportunities, which projects a future in which the temperature increase remains below 1.5ºC.

Investment in prime assets in the CBD of big cities ensures high resilience to physical risks, while efficiency and innovation, pillars of the Group's strategy, enable the reduction of environmental impacts and management of transition risks. Examples of this are the sustainable certifications of 99% of the assets in terms of value or the implementation of PropTech (for more information on these initiatives, see points *6.1 Climate and decarbonisation strategy and 6.2. Results in eco-efficiency*).

In addition, excellence in managing the value chain allows the company to have a high level of knowledge of its impacts in order to avoid and manage them. Finally, with the aim of aligning the Group's financing strategy with its sustainability objectives, Colonial developed a green financing reference framework that enabled all of the Group's outstanding bonds to be converted into green bonds in 2022, with a total aggregate amount of €4,523m at 31 December 2024. In 2024, the Group has updated its Green Financing Framework, which sets certain key performance indicators (KPIs) linked primarily to energy certificates and CO_2 emissions of the Group's asset portfolio. This framework has been developed in alignment with the International Capital Markets Association Green Bond Principles (ICMA Green Bond Principles), which promote transparency, accuracy and integrity of the information disclosed and reported by emitters and has been validated in a Second Party Opinion by Sustainalytics (see chapter *6.4 Green financing and sustainable investment*).

Main highlights of 2024

- **Mitigation**: continued to implement green CapEx to optimise the facilities in the asset portfolio.
- **Carbon footprint calculation**: the level of collaboration with building users has been increased to improve monitoring and, consequently, the management of consumption and the origin of energy sources.
- **Digitalisation**: the Group has finished implementing the Deepki tool for improved carbon footprint monitoring, control and tracking.

Future projects

In 2025 we will seek to:

- Continue to develop our carbon removal projects.
- Extend collaboration with our clients to assist them in supplying and covering their consumption with renewable energy sources for the spaces they occupy in the Group's assets.
- Gradually implement an asset management strategy focused on improving EPC ratings, including specific plans for an upgrade of our assets.
- Analyse water consumption in private areas, in order to have a more granular level of information and monitoring to identify improvements in water consumption.
- Continue with the plan for the gradual implementation of photovoltaic power generation systems *in situ* (in each building) over the next few years.
- Continue developing digitalisation tools that enable greater monitoring and automation of energy consumption and CO_2 emissions.

Our approach to analysing climate change risks and opportunities

To carry out the analysis of the risks and opportunities linked to climate change, Colonial has used two scenarios based on the Shared Socioeconomic Pathways (SSP), which have been used by the Intergovernmental Panel on Climate Change (IPCC). In this case, the most pessimistic scenario (SSP5-8.5) and the most optimistic scenario (SSP1-1.9) were selected, with the focus on the consequences in Spain and France. For each of the risks, Colonial has identified in which scenario each risk is most likely to materialise and has analysed both the financial and reputational impacts.

SSP1-1.9 – *Sustainability*

The only IPCC scenario that meets the objective of the Paris Agreement and attempts to limit global warming to a 1.5°C increase by 2100.

A net zero world in terms of GHG emissions is achieved by 2050. Net emissions could even be negative between 2050 and 2100.

Sea level rise is limited to 0.28-0.55 m by 2100. Extreme weather events are more frequent, but significant global impacts are avoided.

Significant investments are made in green technologies which, together with various financial stimuli, lead to greater efficiency in the use of resources (materials and energy) and to the extensive development of renewable energies.

Customers, regulators, investors and most stakeholders demand high sustainability standards from companies due to increased awareness and greater environmental and social commitment.

SSP5-8.5 – *Fossil-fueled development*

This is the most pessimistic scenario in terms of greenhouse gas emissions. Current emissions would triple by 2075, leading to an average temperature increase of 2.4°C in 2050 and 4.4°C in 2100.

Actions to mitigate climate change are limited, the global economy is growing rapidly, but this growth is fuelled by the exploitation of fossil fuels and energy-intensive lifestyles. It is hoped that technological developments and human progress will lead to sustainable development.

The sea level rises by 0.63 to 1.01 metres by 2100. Weather phenomena are extreme and constant, with an increase in storms, floods and heat waves.

Faced with limited policy, regulatory and legal responses to mitigate climate change, companies will be forced to adapt their assets and operations in order to stay in business.

Colonial has established the following time horizons, as per the CSRD, to assess at what point in time each risk with a significant impact is most likely to materialise:

- Short term: 1 year. This horizon is aligned with the one used for the rest of the risks.
- Medium term: 1-6 years. In this case, it covers the medium and long-time horizons used for the other risks.
- Long term: beyond 6 years. This horizon is specific to the climate risks and allows Colonial to more accurately assess the potential physical impacts of climate change even up to the middle of the century.

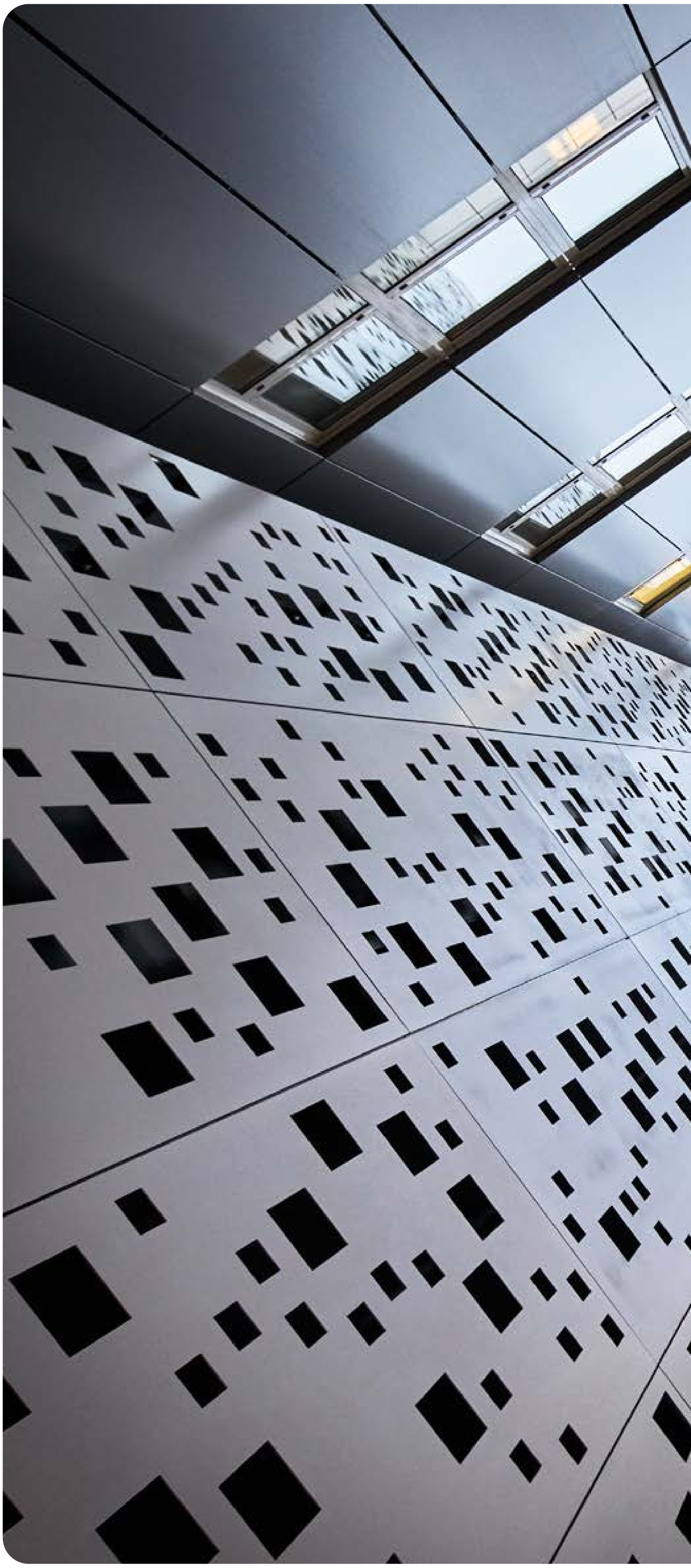
The results of our analysis of climate change risks and opportunities

The Colonial Group assesses climate risks in terms of impact and probability in accordance with the corporate risk management methodology.

Climate risks have been classified according to their nature into two groups:

- **Climate change transition risks**: risks linked to the process of transition to a low-carbon economic model.
- **Physical risks of climate change**: risks linked to the physical effects of a change in weather and climate patterns.

In 2022, the Group carried out an initial assessment to identify the most significant climate risks to which it is exposed in order to evaluate the impact and probability of material risks for Group companies and to identify those risks that must be monitored in order to follow their evolution, taking into account the SSP scenarios and the horizons contemplated by the Group. In 2023, the Group monitored these risks and estimated their potential impact. And in 2024, the Group has redefined and reassessed the risks and opportunities, in accordance with the CSRD's climate change standard (ESRS E1), conducted in previous years based on the TCFD's good practices. The aim is to anticipate the requirements of the new European regulation.



The **climate risks** identified in the analysis are listed below according to their materiality, group and category:

	Group	Category	Risk
Material risks	Transition	Legal & regulatory	New regulation on energy requirements of existing buildings (EU Taxonomy and EPC)
	Transition	Legal & regulatory	Carbon price regulation
	Transition	Market	Change in customer behaviour
	Transition	Reputational	Increased cost of capital
Risks to monitor	Transition	Market	Increased costs of raw materials
	Transition	Market	Increase in costs due to life cycle analysis in project phases
	Transition	Market	Increased costs of energy and water supplies
	Physical	Chronic	Average temperature increase
	Physical	Acute	Increased severity and frequency of extreme weather events
	Physical	Acute	Floods

The most relevant material risks for the Group are detailed below:

#	Group	Category	Risk	Risk description	Horizon
1	**Transition**	**Legal & Regulatory**	New regulation on energy efficiency and reporting requirements (CSRD, EU taxonomy & EPC)	Implementing the CSRD requires a high level of transparency and rigour, entailing a significant increase in both quantitative and qualitative reporting indicators. This will involve deploying tools to collect, process, monitor and report sustainability information. Furthermore, the EU taxonomy project and EPC standards, focused on energy improvements and the reduction of carbon emissions from buildings, will require the Group to make new investments in its asset portfolio to comply with the newly approved regulations. The different EU member states are starting to apply new regulations in the real estate sector with the aim of reducing carbon emissions and implementing specific energy efficiency measures in the sector (Spain): NZEB France: Tertiary decree).	S/T
2	**Transition**	**Legal & Regulatory**	Carbon price regulation	The overall EU target of reducing emissions by at least –55% by 2030 (vs. 1990) cannot be achieved without significant emission reductions in buildings and road transport. To support other policy measures related to construction and transport, the Commission proposes a new EU-wide emissions trading system, which will put a price on emissions from the Real Estate and road transport sectors, thereby increasing the Group's costs due to the need to purchase these allowances. The new system is designed to start in an orderly, smooth and efficient manner from 2026.	M/T

Scenario	Potential impact	Estimation of the potential impact	Impact	Likelihood	Measures to mitigate risk
SSP1 and SSP5	■ CapEx increase	The cost of maintaining high sustainability standards in the asset portfolio is estimated at €33m of capex per year, including €8.4m per year of the decarbonisation plan.	VERY HIGH	VERY HIGH	■ Implementation of technological tools for the collection, analysis, monitoring and reporting of sustainability information. ■ Develop training programmes for staff on new regulations and standards. ■ Design an investment plan to improve the energy efficiency of the asset portfolio. ■ Collaborate with external advisors specialised in sustainability and compliance in the adaptation process. ■ Analysis of subsidies, incentives and green financing programmes available in the EU.
SSP1	■ Increased costs for the purchase of emission allowances	Taking into account the internal carbon price established by the Colonial Group of €100/TnCO_2e, the cost of emissions for the Group is estimated at €5.3m, taking as a reference for the calculation the total 2024 carbon emissions for scopes 1, 2 and 3 "marked-based".	LOW	HIGH	■ Monitoring of the Group's decarbonisation plan, through the monitoring, management and tracking of emissions to measure and reduce the carbon footprint of buildings and transport associated with the business. ■ Purchase of 100% renewable energy, as well as progressive purchase of emission rights to minimise risks of price fluctuations. ■ Carry out life cycle analysis of projects, as well as design and implement energy efficiency strategies in the portfolio assets. ■ Participation in the EPRA Sustainability Committee to analyse the environmental challenges facing the sector. ■ Participation in other environmental and sectoral forums.

#	Group	Category	Risk	Risk description	Horizon
3	**Transition**	**Market**	Change in client behaviour	In the client market, the transition to a more sustainable and low-emission economic model has led to changes in client requirements and increased polarisation in the office market, increasing demand for buildings with sustainable spaces and higher green certifications and located in prime areas, and penalising the more obsolete and least sustainable buildings (Brown Discount), and buildings outside prime areas, since these locations have fewer service offerings and greater environmental impact because of users having to travel to them. In the investment market, the obsolescence of assets due to the lack of adaptation and transition of assets towards a low-emission model can lead to a depreciation of the value of assets due to their unattractiveness in the investment market.	S/T, M/T

Scenario	Potential impact	Estimation of the potential impact	Impact	Likelihood	Measures to mitigate risk
SSP1	■ Demand reduction ■ Income level reduction ■ Depreciation of asset value	The potential impact of not maintaining high sustainability standards in the portfolio is estimated at €21m in lower rental income, corresponding to 5% of annualised passing rents.	HIGH	MEDIUM	■ Invest in adapting the asset portfolio to improve its energy efficiency, meet sustainability standards, obtain recognised green certifications and align with market demands. ■ Conduct periodic audits to identify assets at risk of obsolescence and prioritise reform projects. ■ Incorporate assets that follow sustainable trends, and reduce exposure to buildings with a higher risk of depreciation due to "Brown Discount". ■ Stay up to date on customer preferences and market trends to anticipate changes and adjust the portfolio. ■ Offer modern, comfortable and attractive office spaces for tenants interested in sustainable spaces, where actions taken to respect the environment are notified. ■ Proactively communicate the sustainability strategy, reinforcing the attractiveness of the portfolio for environmentally conscious investors. ■ Ensure compliance with sustainability-related regulations to minimise legal and reputational risks.

#	Group	Category	Risk	Risk description	Horizon
4	**Transition**	**Reputational**	Increased cost of capital	Investors in both debt and equity markets are increasingly looking for companies with sustainable portfolios, which are committed to sustainability goals and are transparent. Failure to invest in sustainability and to disclose comprehensive, robust and credible ESG information may result in a loss of investors, making it difficult to access funding.	M/T, L/T

Scenario	Potential impact	Estimation of the potential impact	Impact	Likelihood	Measures to mitigate risk
SSP1	■ Loss of competitiveness due to restricted access in the debt market and in the equity market ■ Reduced liquidity	The potential impact of not maintaining high sustainability standards for financing is estimated at approximately 5 to 10 basis points higher financing cost, which on gross debt at 31 December 2024 equates to a potential impact of approximately €4 million.	LOW	HIGH	■ Implement an ESG data collection and disclosure system aligned with international standards to ensure investor confidence. ■ Obtain recognised certifications and conduct external audits of published ESG information. ■ Issue green financial instruments, such as green bonds. ■ Maintain contact with investors to communicate commitments and progress in sustainability, strengthening the relationship of trust. ■ Train the entire company on ESG issues to ensure strategic alignment. ■ Periodically analyse the company's ESG position with others in the sector to identify areas for improvement.

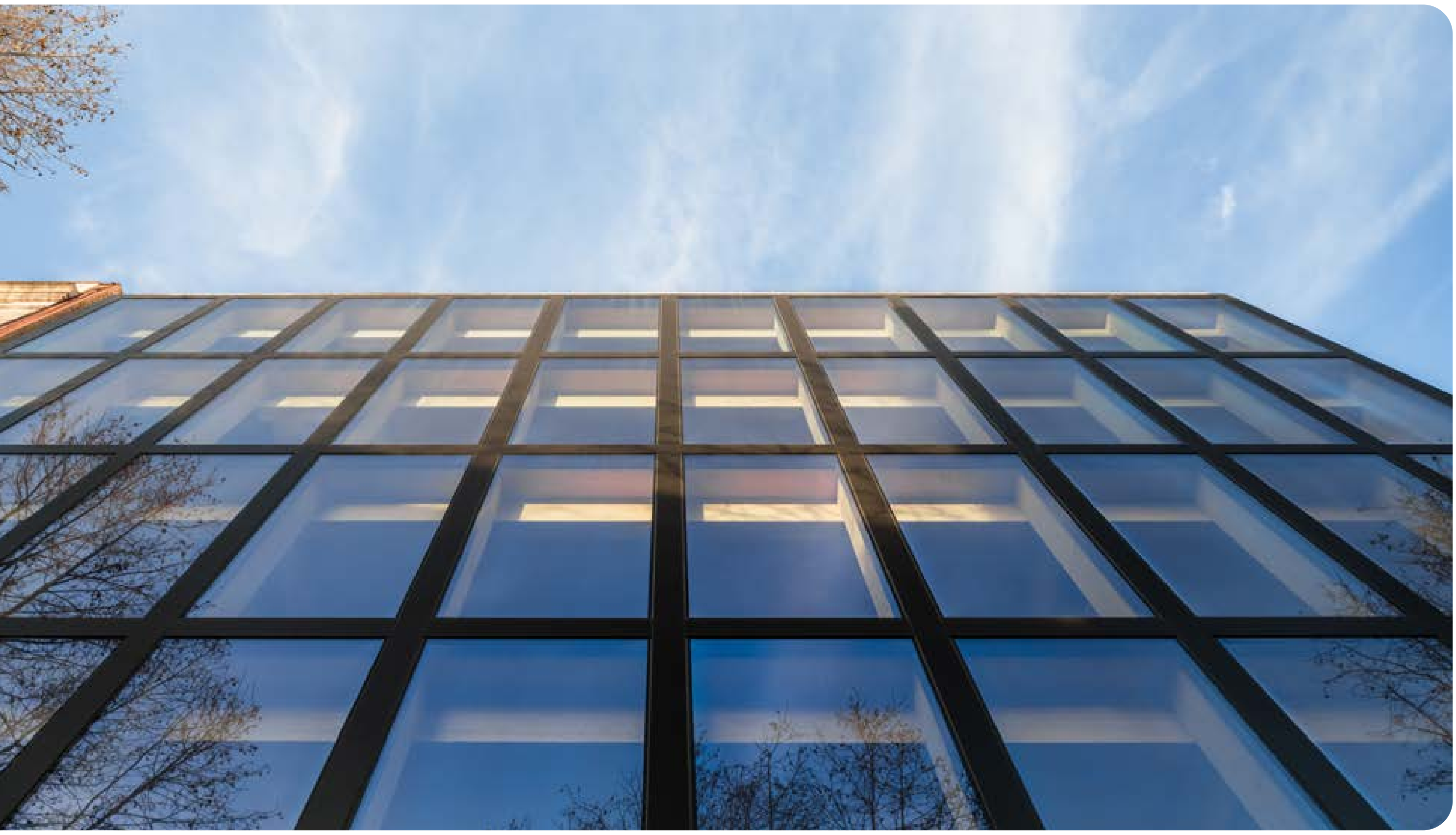
The Group also establishes that it must monitor the development of the following risks:

- **Transition risks**: the Group regularly monitors changes in the cost of raw materials and energy prices.
  - Raw materials may experience an increase in cost due to the use of new, more sustainable and carbon-neutral materials and construction methods, and select suppliers that meet the ESG criteria considered by the Group. in order to meet energy efficiency and sustainability requirements during the construction and retrofitting process. This implies additional costs for the use of these new materials and construction methods, for which demand is expected to increase in the coming years.
  - Project execution may entail an increase in costs due to the incorporation and application of the results of the lifecycle analysis for each of the phases of said projects. Including this type of analysis may mean greater investments in studies, design and research, selection of potentially more expensive materials and technologies, greater specialisation of professionals, as well as a possible increase in the complexity of some of the projects.
  - The cost of energy may increase due to the investments needed to decarbonise national energy systems. In addition, to disincentivise fossil fuels, taxes associated with GHG emissions are likely to be increased. This, along with other factors, could increase the price of electricity during the transition to a low-carbon economic model.
- **Physical risks**: currently, the physical risks identified do not pose a material risk to the Group's assets due to their geographical location and their current low probability; however the Group closely monitors the evolution of weather patterns and assesses the impact and exposure of the risks on an asset-by-asset basis each year.
  - The increase in average temperature may lead to an increase in energy consumption and is estimated to represent a 4% increase in consumption for each degree of temperature increase, resulting in higher operating costs. In addition, in the event of a breakdown of any cooling equipment, it could hamper the operation of the buildings involved and affect the well-being of their occupants or even temporarily interrupt their activity.
  - Increased intensity or frequency of extreme weather events could cause damage to some elements of buildings and increase the cost of repairs to damaged elements.
  - Moreover, less likely, but with greater impact than the physical risks described above, the risk of flooding could cause damage and temporarily disrupt activity at the exposed assets should it materialise.

Opportunities for proactive climate change management

Colonial is working to prevent these risks from materialising in the affected scenarios, as they could have unforeseeable effects for the Group. However, Colonial also identifies opportunities that can also help neutralise the negative impacts of some of these risks.

#	Group	Category	Opportunity
1	**Transition**	**Resource efficiency**	Improvement of the energy efficiency of buildings.
2	**Transition**	**Resource efficiency**	Increased competitiveness for low-carbon real estate.
3	**Transition**	**Products and Services**	Increasing demand and rents for sustainable and low-carbon intensive buildings.
4	**Transition**	**Market**	Increased access to capital and financial cost competitiveness.



Description	Opportunity estimation
Compliance with energy regulations allows us to continue to innovate and improve the Group's buildings to achieve maximum efficiency and reduced energy consumption.	The Group estimates a return of between 10% and 12% of the CapEx invested in decarbonisation over the next five years, representing between €5m and €6m of reduction in property Opex and therefore efficiency and cost improvements for tenants.
As part of the Group's decarbonisation plan, Colonial has set an internal carbon price (€100/TnCO_2) which it uses internally in planning studies for new developments and new projects. In this way, the Group can estimate the impact of embodied carbon emissions and incentivise the reduction of emissions emitted in its projects to reduce the theoretical cost of offsetting the carbon emissions embodied in each project.	
The polarisation of the office market makes it possible to differentiate high-quality assets from the rest of the market. With most companies adopting their sustainability and decarbonisation plans, those assets certified with the highest environmental certifications and with higher degrees of efficiency will experience an increase in demand and consequently an increase in the level of rents (Greenium).	The potential positive impact of maintaining high sustainability standards in the portfolio is estimated at an opportunity of €21m of increased rental income, corresponding to 5% of annualised passing rents.
Asset adaptation makes it possible to show investors in the financial markets the transition carried out by Colonial towards a more sustainable and carbon-neutral business model that is valued by the Group's various stakeholders, facilitating access to capital and reducing the cost of the same.	The potential positive impact of maintaining high sustainability standards for financing is estimated at approximately 5 to 10 basis points lower improved financing cost, which on gross debt at 31 December 2024 equates to a positive impact of approximately €4 million.

Impact on the strategic plan

Colonial is firmly committed to being part of the solution to the changes caused by climate change.

The Colonial Group's leadership in the energy efficiency of its portfolio and management of carbon emissions reduction represents a clear opportunity: offers the Group a clear competitive advantage in the office market, enabling the company to crystallise the opportunities described in the table below and without materialising, to date, any impact of the associated risks.

Opportunity	Risk	Impact on business strategy	Impact on business sustainability plan
Improvement of the energy efficiency of buildings	**New regulation on energy efficiency and reporting requirements (CSRD, EU taxonomy & EPC)**	The Group's strategic plan includes a decarbonisation and sustainability plan in which it is committed to achieving carbon neutrality by 2030. To achieve carbon neutrality, the Group has set strategic objectives such as reducing energy intensity, increasing the purchase of renewable energy, and obtaining the highest environmental certifications across the entire portfolio, among others. All of these objectives are aligned with compliance with the new emerging energy regulations and are focused on improving energy efficiency for compliance with EPC standards.	The Group's Business Plan includes the necessary investments that the Group must make in order to adapt its assets to the new emerging energy regulations and to comply with EPC standards. The individualised master plan for each asset includes the necessary adaptation actions for each building.
Increased competitiveness for low-carbon real estate	**Carbon price regulation**	The Group's decarbonisation plan aims for GHG emissions neutrality across the entire value chain. In addition, in order to highlight the decarbonisation plan and reaffirm its strategic importance, Colonial has established an internal price for embodied carbon (€100/TCO_2) for new projects. This action encourages sustainable development and the pursuit of carbon neutrality in the Group's new projects.	For each new project, the carbon emissions of the project itself (embodied carbon) are analysed, as well as the carbon emissions of the entire life cycle of the asset. To assess its economic impact, the internal carbon price of €100/$TnCO_2e$, established by the Group, is applied.
Increasing demand and rents for sustainable and low-carbon intensive buildings	**Change in client behaviour**	The Group has set various sustainability targets for project development. Project life cycle analysis is applied to all of Colonial's assets, involving all suppliers with sustainability objectives (design, demolition, construction and maintenance) to achieve high quality and environmentally efficient buildings. The Group also has ESG clauses with all its significant suppliers. In addition, Colonial aims to apply Green Clauses with all its new clients (100%), aligning its sustainability objectives with those of its clients and placing value on investment in developing more sustainable spaces.	The Group plans to undertake new projects with the aim of achieving the highest environmental and energy certifications (LEED and BREEAM) and complying with EPC standards. The economic studies of each project include specific items to ensure that the sustainability objectives of each project are met.
Increased access to capital and financial cost competitiveness	**Increased cost of capital**	The Colonial Group considers the reporting of ESG information to investors and analysts to be of strategic importance. The Group has implemented an Internal Control System to ensure the reliability and veracity of the ESG data reported, with special relevance to the environmental (E) and social (S) indicators.	The Group has integrated ESG indicators into its financial strategy as key performance indicators (KPIs) because of their importance in accessing and trading capital in the financial markets.

Resilience of the business model

Time horizon	Risk type	Group resilience strategy
Short and medium term (2024-2029)	**Transition risks**	▪ Adaptation of the business model to increase resilience to identified climate risks. ▪ Transition of Colonial's portfolio towards a more sustainable model aligned with the new demands of clients and investors: ▫ Setting sustainability goals in new developments focused on reducing CO_2 emissions, improving the energy efficiency of assets to comply with EPC standards and the EU Taxonomy. ▫ Portfolio transition towards a carbon neutral one through its strategic decarbonisation plan.
	Physical risks	▪ Colonial's strategy focuses on prime assets in urban areas that are resilient to the physical risks of climate change, minimising exposure to significant damage from extreme weather events or flooding.
Long term (>2029)	**Transition risks**	▪ The Group recognises the need to adjust its business model and strengthen adaptation to climate change and its future risks.
	Physical risks	▪ **SSP1 scenario**, with global warming below 1.5°C, the Group will maintain its resilience against long-term physical risks without major investments. ▪ **SSP5 scenario**, with an increase above 4.4ºC, the Group will need to increase investment in mitigation for extreme events and flood risk, excluding from its purchasing strategy and divesting from assets in risk areas to minimise its exposure to climate risks.

Our ESG risk and opportunity management strategy and the interaction with the business model

Following the update of the double materiality analysis carried out in 2024, material ESG risks and opportunities have been identified in addition to the ROs relating climate change previously described and monitored. This process has not only enabled us to enrich the existing ESG risk management strategy, but also to identify areas for improvement in maximising ESG opportunities.

For 2025, the Group plans to complement the current management, control and mitigation strategy and extend it to all non-financial ROs that have been identified as material in the double materiality analysis.

III. Risk management

Methodology for identifying and evaluating ESG risks and opportunities

The responsibility for identifying risks and opportunities lies with the Business Area and the Corporate Development Area (the latter responsible for ESG coordination and reporting) whose teams are also responsible for their risk management. Colonial collaborates with external advisory services (Upcycle and EY) to further identify these risks.

To identify climate risks, Colonial analyses each of the scenarios in the short, medium and long term. Based on these scenarios, the risks identified for each scenario and time horizon are listed. Transition risks are grouped into the following categories: Regulatory and Legal, Technology, Market and Reputational. The physical ones are classified as: Acute and Chronic.

For the opportunities, the same methodology is followed, but classifying them into: Resource efficiency, Energy source, Products and services and Market.

It should be noted that each review analyses the need to include new climate risks that may pose a threat to the Group and its activities.

Climate risks (both physical and transition) are integrated into the corporate risk matrix, which is updated semi-annually through reviews with risk owners. Climate risks are assessed by ESG Committee members (risk owners) in terms of likelihood and impact. Each of these fields has been quantified from 1 to 4, with 1 being very unlikely or a very low impact and 4 being very likely or a very high impact, respectively. To measure the impact, both the direct and indirect financial impact (e.g. caused by reputational damage), have been taken into account.

With regard to the identification and assessment of the remaining ESG risks and opportunities, as described above, they have been determined primarily by considering the double materiality analysis and the dependencies on natural, human and social resources identified.

The different ROs defined have been classified according to the internal risk assessment methodology and, for all of them, the time horizon in which they are most likely to materialise (short, medium or long term) has been determined.

The assessment carried out during the double materiality exercise has considered both the inherent magnitude and the probability of risks and opportunities materialising. For all material risks and opportunities identified, the residual risk or opportunity will be determined, with the aim of identifying the management measures, control and indicators available to the Group. This allows us to devise a specific mitigation plan adapted to the real risks and opportunities that could affect Colonial Group.

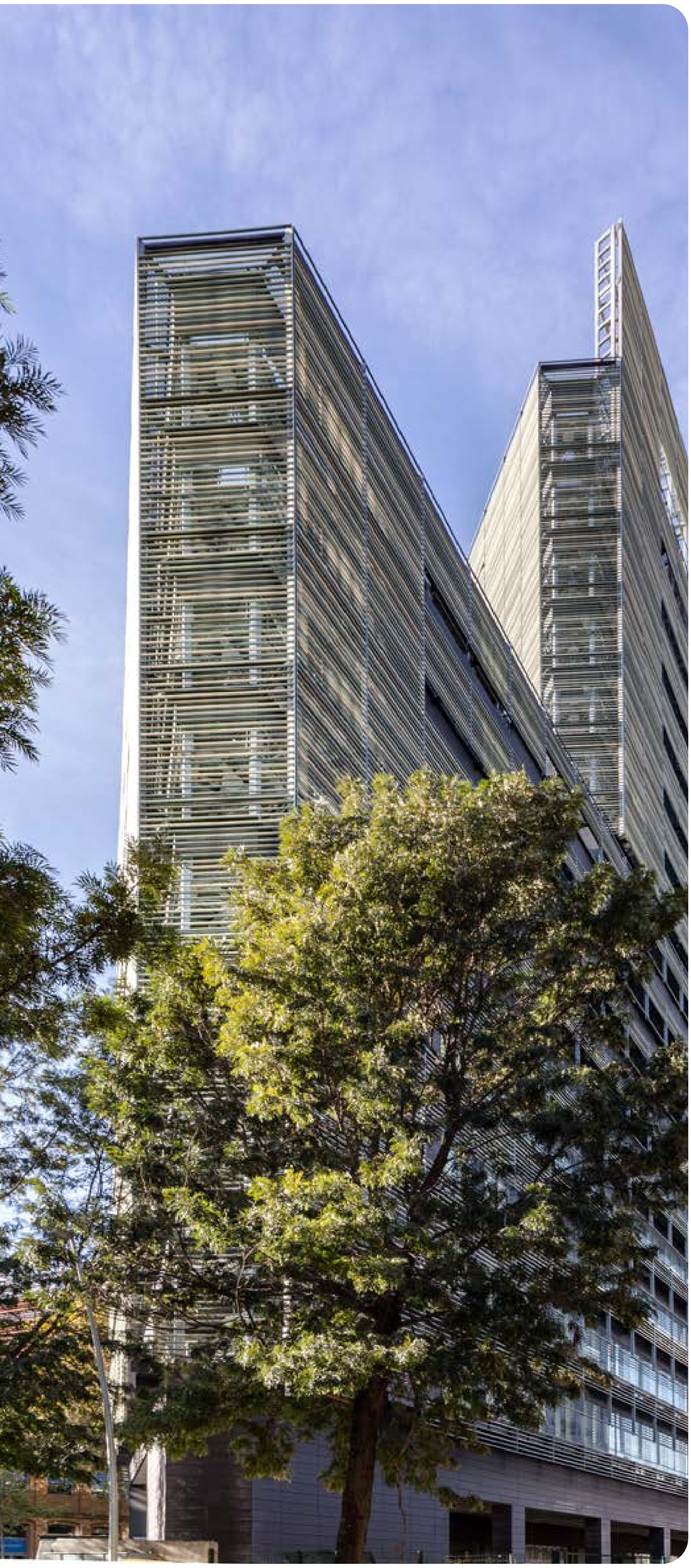
Main highlights of 2024

- Update of ESG risks and opportunities that could impact the Group's corporate strategy.
- Update the impacts of climate change risks and opportunities and incorporate the results of climate risk analysis into the management of new projects.
- For the management of the assets in operation, an individual analysis of climate change risks and vulnerabilities, as well as the corresponding adaptation and mitigation measures, was carried out for each property.

Future projects

In 2025 we will seek to:

- Develop any ESG risks and opportunities identified in the double materiality analysis to complete the strategy for managing, controlling and mitigating material risks, as well as enhance the material opportunities that contribute to sustainable growth and the creation of long-term value.
- Review the Group's risk registers to ensure that they reflect all material climate-related risks of the Group.



IV. Metrics and Objectives

The Colonial Group's Decarbonisation Business Plan is the Group's transition plan towards a carbon neutral future. It integrates several strategic objectives, most of them directly or indirectly linked to climate change and the associated risks and opportunities. Thanks to improvements in energy efficiency and, in particular, the contracting of electricity from renewable sources, Colonial has continued to reduce the carbon footprint intensity for Scopes 1 and 2 by 7% in 2024 compared to 2023 in like-for-like terms, having also reduced it by 21% in 2023 compared to 2022, which means continuing to advance at an accelerated pace towards the total decarbonisation of its portfolio. For the progress of the Business Plan, see section *6.1 Climate and decarbonisation strategy*.

Colonial is also paying increasing attention to GHG emissions in its value chain. Therefore, from 2021 onwards, it has calculated and published its scope 3 emissions for the categories that apply to the Group's business. Colonial also actively measures the embodied carbon of new projects. Colonial has continued to reduce the Group's carbon emissions in 2024, representing a 55% improvement compared to the reference year 2021 (see section *6.1.7. Strategic objectives and metrics* of the chapter Environment).

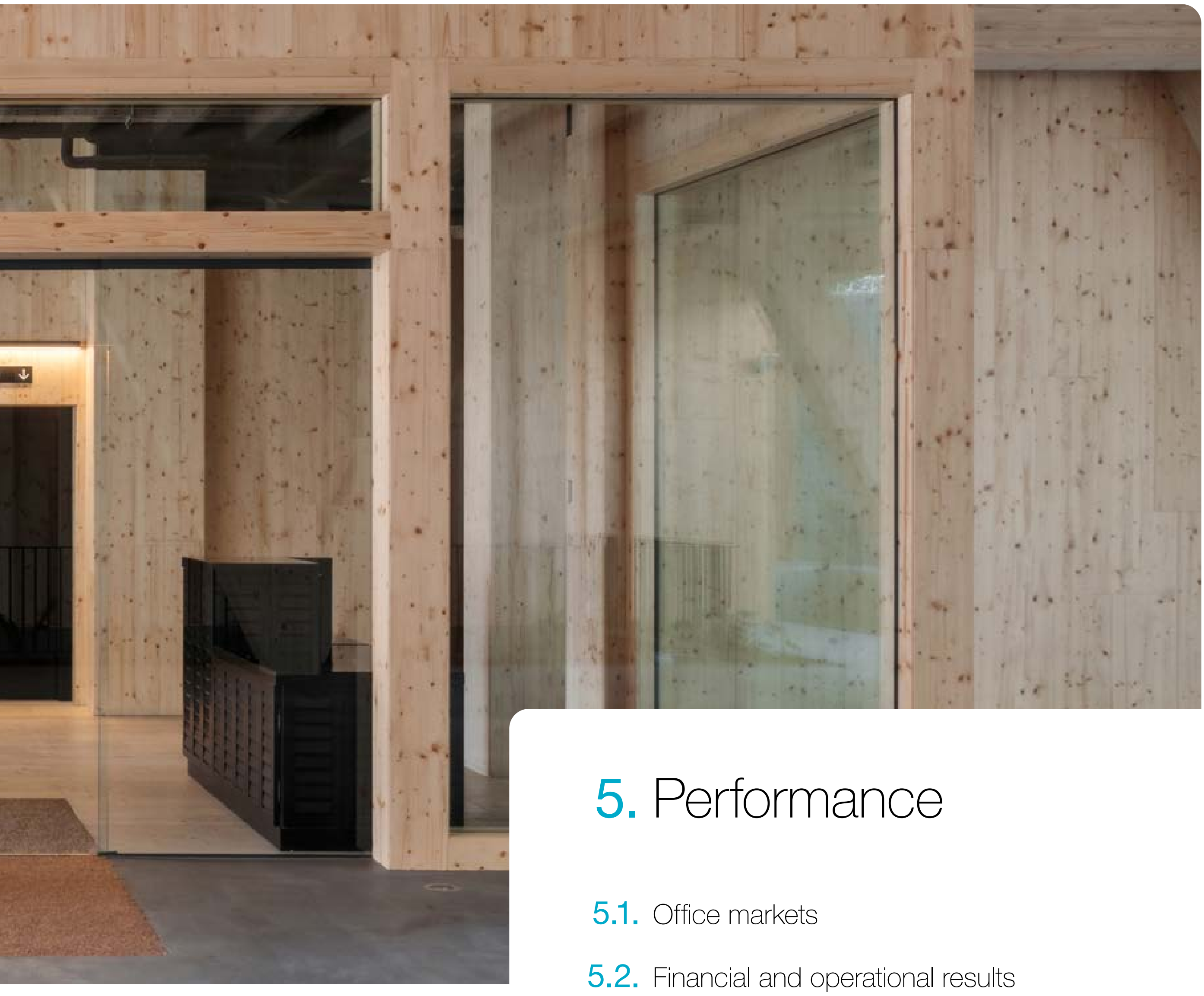
In order to make further progress in achieving these objectives, Colonial has an action plan (the Decarbonisation Master Plan) with an associated calendar and budget that is approved annually, and its corresponding KPIs. As part of this Plan, the Colonial Group has approved a series of improvement works with an expected CapEx of €42m over five years, which will entail a reduction in energy and CO_2 emissions in the portfolio.

For more details, see chapter *6.2. Eco-efficiency results* of this report and appendix *9.3. GRI & EPRA BPR'S Key Sustainability Indicators*, present the metrics (and targets) used to measure progress in managing climate change related risks and opportunities.

The Colonial Group has defined management objectives and indicators in order to monitor the Group's achievement and performance in complying with the Business Plan in the climate area (for further details see section 6.1.7 of this report).

The Group plans to review the metrics and targets in order to improve the monitoring of material ESG ROs.

5



5. Performance

5.1. Office markets

Rental markets

Take-up in Paris reached 1,737,770 sqm, in 2024. **The CBD and City Centre represented approximately 48% of the demand, reaching 832,000 sqm. The vacancy rate in the CBD stood at 4.3%, with Grade A asset availability at 1.0%. Prime rents for the best buildings in the CBD continue at €1,200/sqm/year (€1,070€/sqm/year at Dec23)**.

The demand in the **Madrid** offices market reached **523,456 sqm** in **2024**, representing a **year-on-year increase of +35%**. These transactions demonstrate the clear polarisation of rent and occupancy between Grade A buildings and outdated buildings. T**he total market vacancy rate reached 11.0%, while the vacancy rate in the CBD remained around 3.6%**. The scarcity of available space has increased **prime rents to €42.25/sqm/month (€40/sqm/month at December 2023)**.

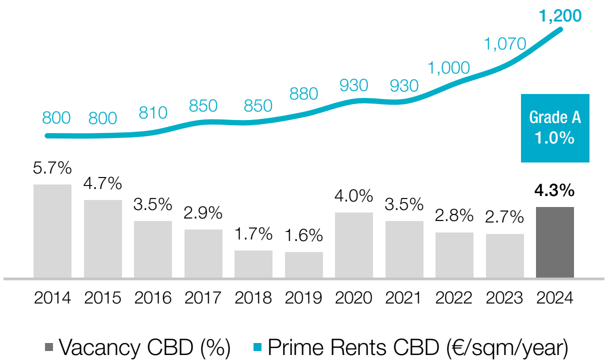
In the Barcelona market, the take-up grew +21% compared to the same period of the previous year, **exceeding 279,000 sqm** signed, with the 22@ district making up more than 30% of the new contracts signed. **The availability of offices in the city centre was 7.1% and 3.0% for Grade A buildings. In 2024, prime rents increased to €30/sqm/month (€28.5/sqm/month at December 2023)**.

Investment market

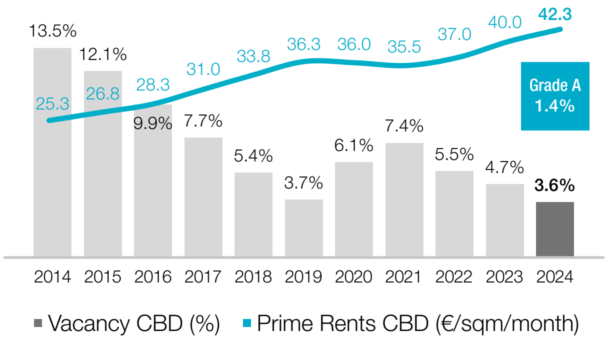
The investment volume in the Paris office market reached €3,387m in 2024. **Prime yields stood at 4.20% and the capital value amounted to €28,571/sqm**.

In Spain, investment reached €1,565m, representing an increase of 26% compared to 2023. **Prime yields in Madrid were 4.85%**, and the capital value amounted to **€10,454/sqm. In Barcelona prime yields stood at 4.95% and the capital value amounted to €7,273/sqm**.

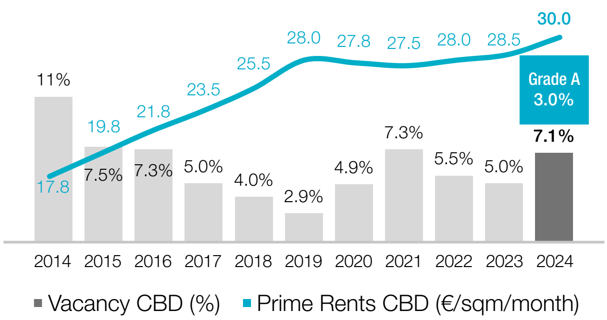
Paris



Madrid



Barcelona



Sources: ImmoStat and CBRE

5.2. Financial and operational results

5.2.1. Management of the contract portfolio

Breakdown of the current portfolio by surface area

At the close of 2024, the Colonial Group's portfolio amounted to 1,627,972 sqm, mainly concentrated in office assets, which correspond to 1,452,055 sqm.

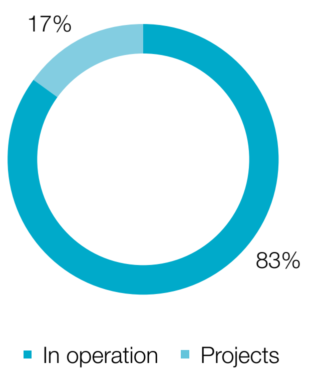
Of the total office surface, 83% was in operation at the close of 2024 and the rest corresponded to an attractive portfolio of projects and renovations.

Signed leases

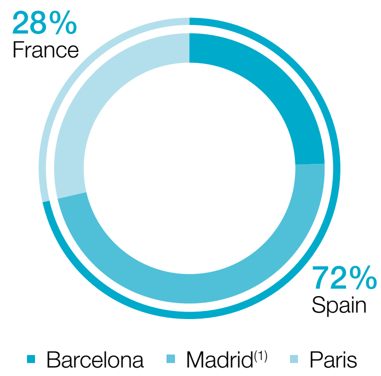
At the close of 2024, the Colonial Group formalised leases for a **total of 134,797 sqm**. 84% (113,591 sqm) corresponded to contracts signed in Barcelona and Madrid, and the rest (21,206 sqm) were signed in Paris.

Renewals and revisions: out of the total office letting activity, 60% (80,752 sqm) corresponded to renovated surface areas, highlighting the 47,906 sqm signed in Madrid and the 28,919 sqm signed in Barcelona. In Paris, 3,927 sqm were signed.

Surface – by condition



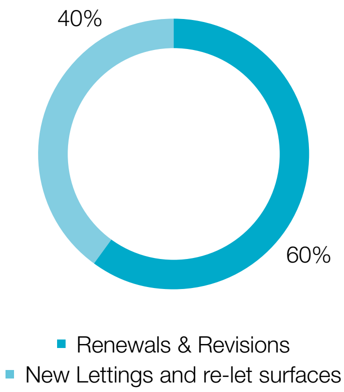
Surface – by market



(1) Madrid includes the residential sector of the rest of Spain.

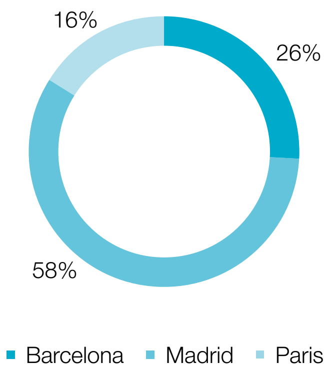
New lettings and re-let surfaces: 54,045 sqm of new lettings and re-let spaces were signed, mainly in Madrid, with 30,008 sqm, followed by Paris with 17,279 sqm.

At the close of 2024, **the new rents of re-let spaces were up +8%** compared to previous rents, **exceeding the market rents at 31 December 2023 by +5%**, clearly evidencing the rental growth of Colonial's prime assets.



Letting Performance

December cumulative – sqm	2024	Average maturity (BO)
Barcelona	28,919	5
Madrid	47,906	4
Paris	3,927	6
Total renewals & revisions	**80,752**	**5**
Barcelona	6,758	4
Madrid	30,008	5
Paris	17,279	8
New lettings and re-let surfaces	**54,045**	**7**
Total commercial effort	**134,797**	**6**

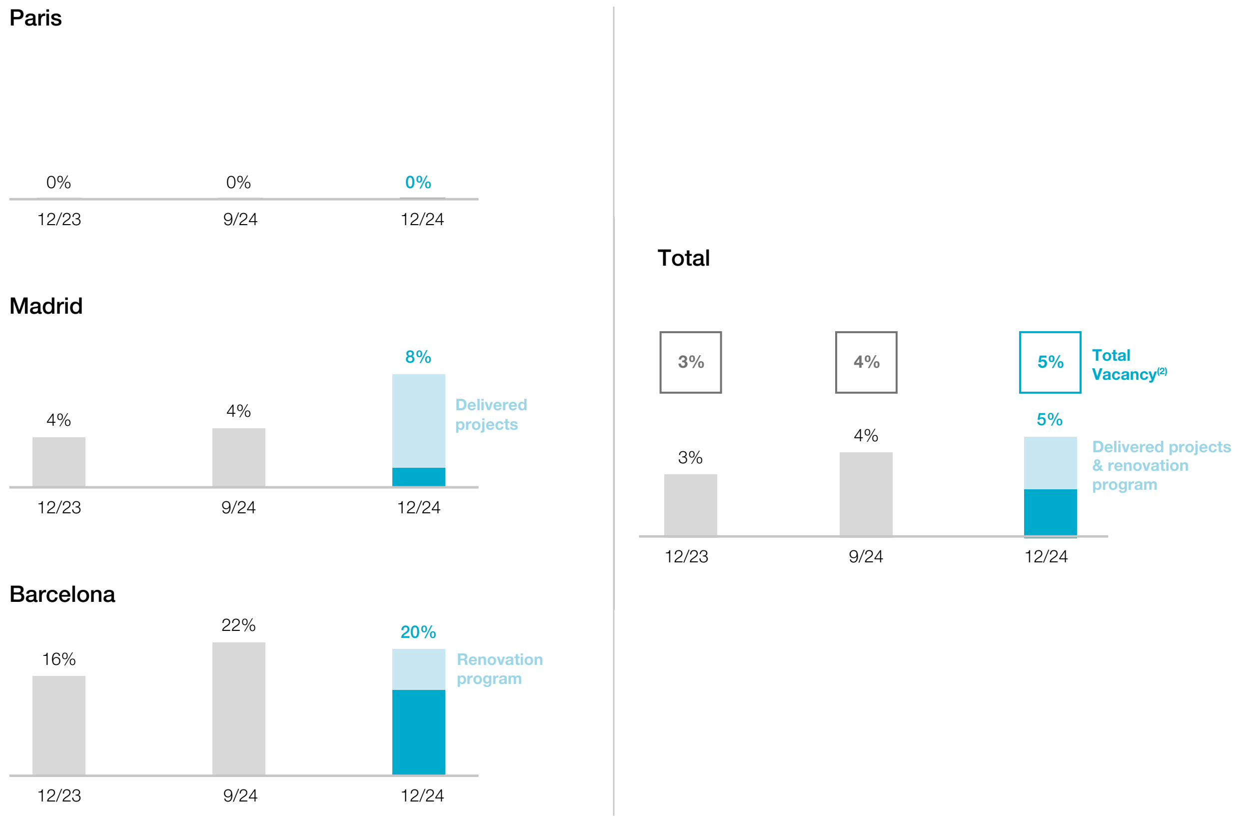


Stability in the occupancy of the portfolio

At the close of 2024**, the total vacancy of the Colonial Group stood at 5%, an improved vacancy rate compared to the same period of the previous year and the last quarter reported, mainly due to the entries into operation of the renovated surfaces.**

EPRA vacancy[1]

Office & Total Vacancy – Evolution of Colonial's Portfolio



(1) EPRA vacancy: financial vacancy according to the calculation recommended by EPRA (1- [Vacant floorspace multiplied by the market rent/operational floor space at market rent]).
(2) Total portfolio including all uses: offices, retail, and others.

The Paris office portfolio is at full occupancy, thanks to the successful implementation of the renovation program and the strength of the prime market in Paris.

The Madrid office portfolio has a vacancy rate of 8%, an improved rate compared to the previous year, mainly due to the **completion and delivery of the Madnum Urban Complex, as well as the entry into operation of the Torre Visionary asset**. These two assets offer significant growth potential for future rental income through high quality buildings in the dynamic Méndez Álvaro submarket in the city centre of Madrid.

The vacancy rate of the Madrid CBD office portfolio is 2%.

The Barcelona office portfolio has a vacancy rate of 20%, an improved rate compared to the previous year. This is mainly due to the entry into operation of the renovation program on Diagonal 197. **The vacancy rate of Barcelona** mainly corresponds to the **entries into operation** of the renovated surface areas, as well as the client rotation in secondary assets.

The vacancy rate of the Barcelona CBD office portfolio stands at 4%.

Contract portfolio and reversionary potential

Commercial lease expiry

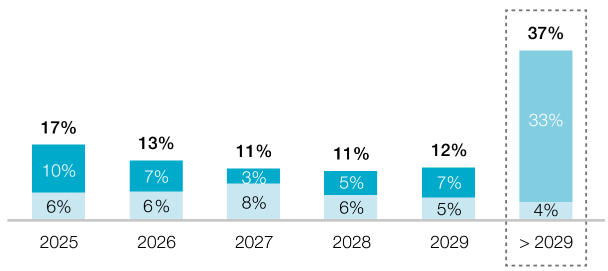
The following graphs show the contractual rent roll for the coming years.

The **first graph** shows the **commercial lease expiry** dates for the **Colonial Group's entire portfolio**. If the tenants choose to end the contract at the first possible date in 2025 (break option or end of contract), it will correspond to 17% of the contract portfolio. If the tenants remain until the contract expires in 2025, the figure is reduced to 10%.

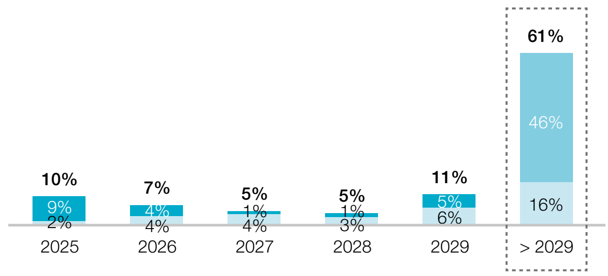
Colonial Group

Commercial lease expiry dates in economic terms[(1)]
(% passing rent of surfaces to be leased)

First Potential Exit[(2)]



Expiry Date[(3)]



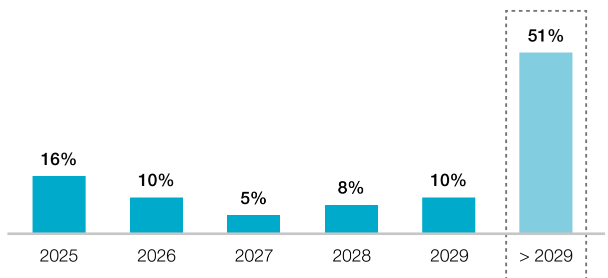
France Spain

The **second graph** shows the **commercial lease expiry** dates of the assets **in France** if the tenants choose to end the contract at the first possible date (break option or end of contract), or if the tenants remain until the contract expires. In France, the contract structure is over the long term.

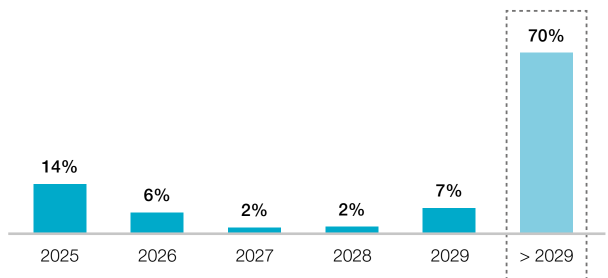
France

Commercial lease expiry dates in economic terms[(1)]
(% passing rent of surfaces to be leased)

First Potential Exit[(2)]



Expiry Date[(3)]



(1) % = surface to rent x current rents / current rental revenues.
(2) Renewal dates based on first potential exit of the current contracts.
(3) Renewal dates based on the expiry date of the current contracts.

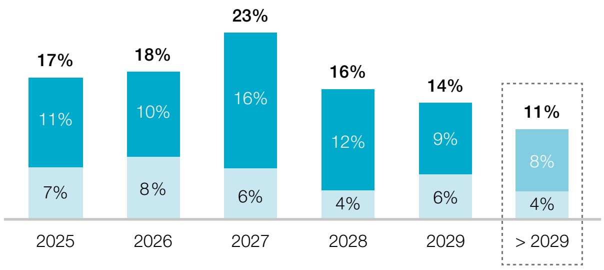
The **third graph** shows the **commercial lease expiry** dates of the assets **in Spain** if the tenants choose to end the contract at the first possible date (break option or end of contract) or if the tenants remain until the contract expires.

It is worth mentioning that the contract structure in Spain is over a shorter term than the contract structure in France.

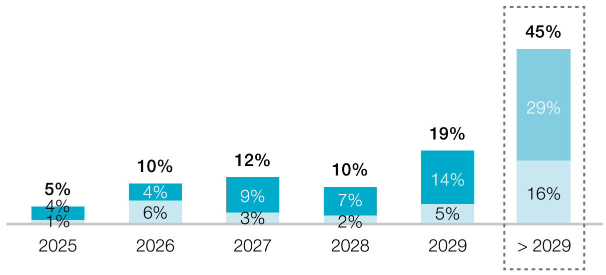
Spain

Commercial lease expiry dates in economic terms[1]
(% passing rent of surfaces to be leased)

First Potential Exit[2]



Expiry Date[3]



▪ Madrid ▪ Barcelona

Reversionary potential of the rental portfolio

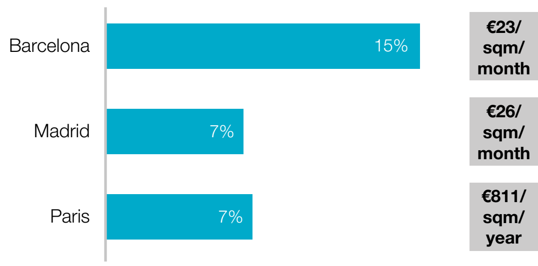
The Colonial Group's rental portfolio has significant reversionary potential. This reversionary potential is the result of comparing the rental income of the current contracts (contracts with current occupancy and current rents) with the rental income that would result from letting the total surface at the market prices estimated by independent appraisers as at the close of 2024 (not including the potential rents from the projects and significant renovations underway).

The static reversionary potential (assets at 100% occupancy applying current market rents without taking into account future indexation impacts and rental growth) of the rental revenues of the office portfolio stood at:

- +15% in Barcelona
- +7% in Madrid
- +7% in Paris

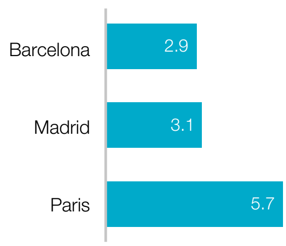
Figures at December 2024

"Reversionary potential" Current passing rent[4]

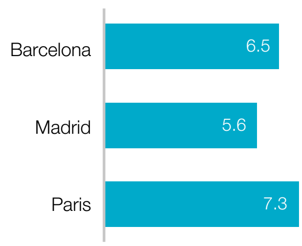


Average maturity of the contracts (years)

First Potential exit



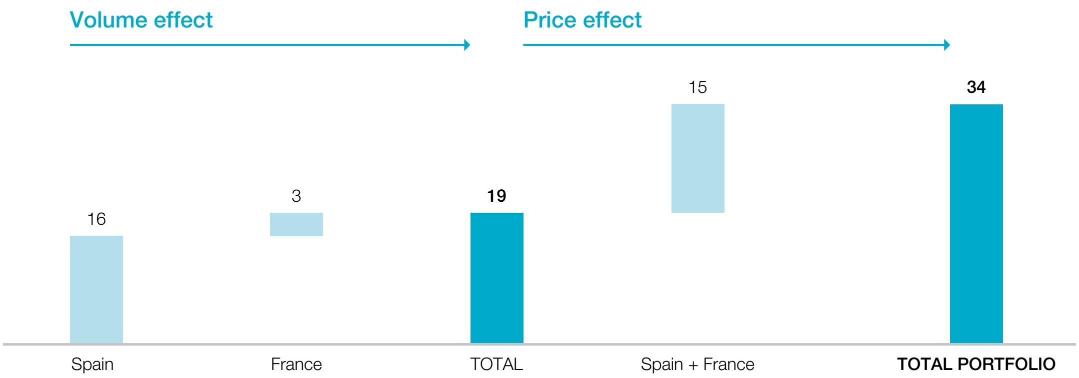
Expiry date



(1) % = surface to rent x current rents / current rental revenues.
(2) Renewal dates based on first potential exit of the current contracts.
(3) Renewal dates based on the expiry date of the current contracts.
(4) Current office rent of occupied surfaces.

Specifically, the static reversionary potential of the current portfolio **would result in approximately €34m of additional annual rental income**.

Rental Income Reversionary Potential
€m



5.2.2. Project pipeline

At the close of 2024, the **Madnum Urban Campus** was delivered. It is a **complex located in the south of the Paseo de la Castellana in Madrid with more than 60,000 sqm of offices and retail space**.

This project is generating a lot of market interest, with an expected **yield on cost of approximately 8%**, as well as significant value creation upon completion of the project.

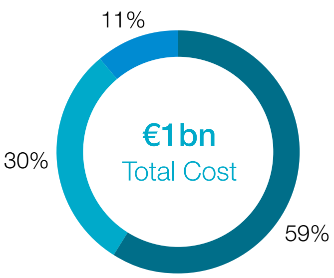
In this case, Colonial has not only bet on creating a pioneer Urban Campus project in Madrid, but it has also acted as the catalyst in the urban transformation of one of the neighborhoods in the city with the greatest forecasted business and residential growth.

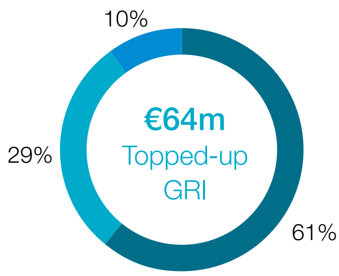
In 2024, within the Alpha X Project framework, the Colonial Group launched a new project pipeline with an investment capex of €380m and an ungeared IRR of more than 9%. This project will transform more than 110,000 sqm of assets in Paris, Madrid and Barcelona, and will generate additional annual rents of €64m.

The Alpha X Project is a new, well-diversified, large-volume project portfolio with a high capacity to generate value. It is made up of 4 assets which will be the object of urban regeneration.

	Project	Use	Delivery	GLA (sqm)	Total Cost €m[(1)]	Ungeared IRR
1	**Scope** *Paris City Center*	Business Campus	2026	22,000	309	> 9%
2	**Sancho de Ávila** *Barcelona 22@*	Life Science / Healthcare	2027	17,860	114	> 7%
3	**Condorcet** *Paris City Center*	Urban Mixed-Use	2027	24,000	366	> 9%
4	**Santa Hortensia** *Madrid City Center*	Urban Mixed-Use	2028	46,928	237	> 9%
NEW PIPELINE				**110,788**	**1,026**	**> 9%**

(1) Total Cost Finished Product = Acquisition Cost/ Asset Value pre Project + future Capex.





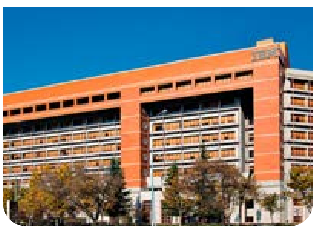
▪ Urban Mixed-Use ▪ Business Campus ▪ Life Science / Healthcare

The new project portfolio, covering over 100,000 sqm of urban regeneration, includes two assets in central Paris, a mixed-use complex in Madrid, and a Life Science/ Healthcare project in Barcelona.

Life Science / Healthcare | **Urban Mixed-Use** | **Business Campus**

Sancho de Ávila
Barcelona – 22@

Condorcet
Paris – City centre



Santa Hortensia
Madrid – City centre

Scope
Paris – City centre

In particular, the following large four assets will be renovated:

- **Scope – Business complex of 22,000 sqm in the centre of Paris**

  A business complex located in the Bercy/Gare de Lyon district in Paris with a surface area of 22,000 sqm. It will be transformed into a benchmark building, with high sustainability standards, quality infrastructure with the latest technology, and architecture and design excellence.

- **Condorcet – A mixed-use urban complex in the centre of Paris**

  A building located in the 9th district in Paris, which will be transformed into a mixed-use urban complex of more than 24,000 sqm for office and residential use. It will also house student residences and public sports facilities. This transformation will be carried out with the highest sustainability standards.

- **Santa Hortensia – A mixed-use complex of 47,000 sqm in the centre of Madrid**

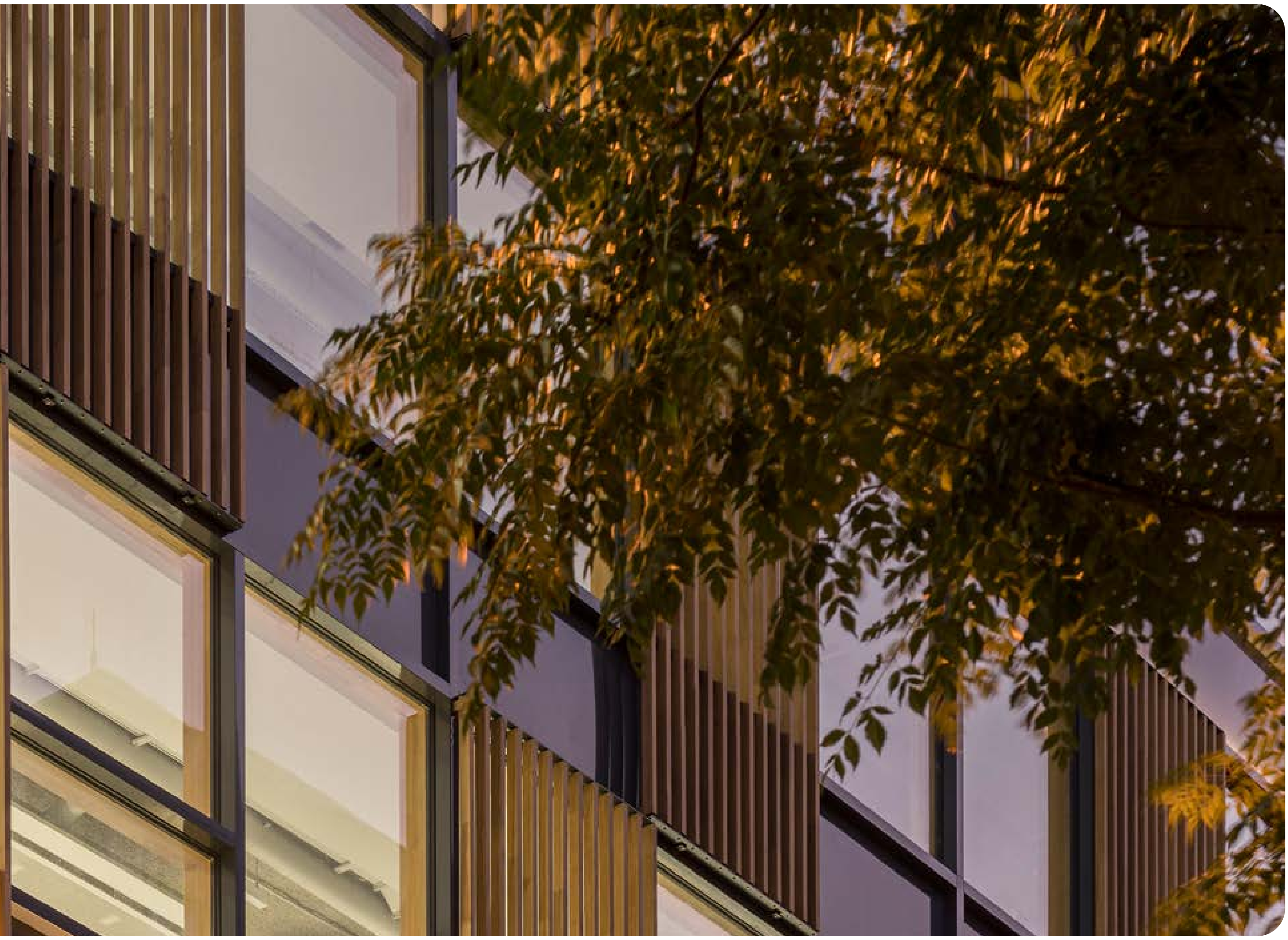
  A building located in the centre of Madrid which will be transformed into a mixed-use complex of 47,000 sqm. This asset is considered to be one of the buildings with the largest floor surface areas in the centre of Madrid and will offer the highest sustainability standards.

- **Sancho de Ávila – A Life Science/Healthcare building of 18,000 sqm in the centre of the 22@ district in Barcelona**

  A building located at the heart of 22@ in Barcelona, which will be transformed into a mixed-use complex of 18,000 sqm for Life Science/Healthcare. It is currently pre-let to one of the strongest providers in the country. Colonial's project will be a transformational drive in the area which expects a strong acceleration of facilities related to Health Sciences.

With the launch of this new project portfolio, the Colonial Group is reloading its future growth profile, where it is expecting very interesting returns with yields of more than 9%.

In 2024, **the Colonial Group completed the renovation program for the Diagonal 197 building**, a landmark office tower located in **Barcelona** with 15,000 sqm above ground, spread across 16 floors. Once let, it is expected to generate an additional annual rental income of €4.4m.



In addition, in Paris, **a renovation program is underway for the Haussmann - Saint Augustin asset**, a prime property situated in one of the most sought-after areas of **Paris**. With 12,000 sqm above ground, the property is undergoing an efficient short-term renovation aimed at enhancing its market appeal and maximizing future rental income. The primary objective of the renovation is to reposition the property, maintaining its status as a high-demand asset and attracting top-tier tenants seeking exclusive locations in the Paris market.

The project is scheduled for completion by mid-2025, at which point the repositioned property will be reintroduced to the market.

5.2.3. Active portfolio management

1. Alpha X Project – Capital increase and acceleration of new investments

During the first half of the year, Colonial announced Alpha X Project, a strategic operation designed to relaunch its growth strategy, strengthen its capital structure, and primarily achieve the following:

- Strengthen its capital structure with Criteria Caixa as a new reference shareholder.
- Revitalise Colonial's growth profile with a solid capital structure.
- Ensure an attractive total shareholder return through new growth projects and increased financial flexibility.

Colonial has carried out a **capital increase worth €622m, strengthening its capital structure** and thereby accelerating the Group's growth plans.

The capital increase **was executed at an average issue price of €7.1 per share**, with a premium over the trading price, and was structured through a **non-cash contribution of €272m** in real estate assets (60% residential and 40% offices) and **€350m in cash**.

The new capital injection is 100% subscribed by a key institutional investor – Criteria Caixa, which strongly supports and endorses Colonial's strategy, becoming one of its **reference shareholders**.

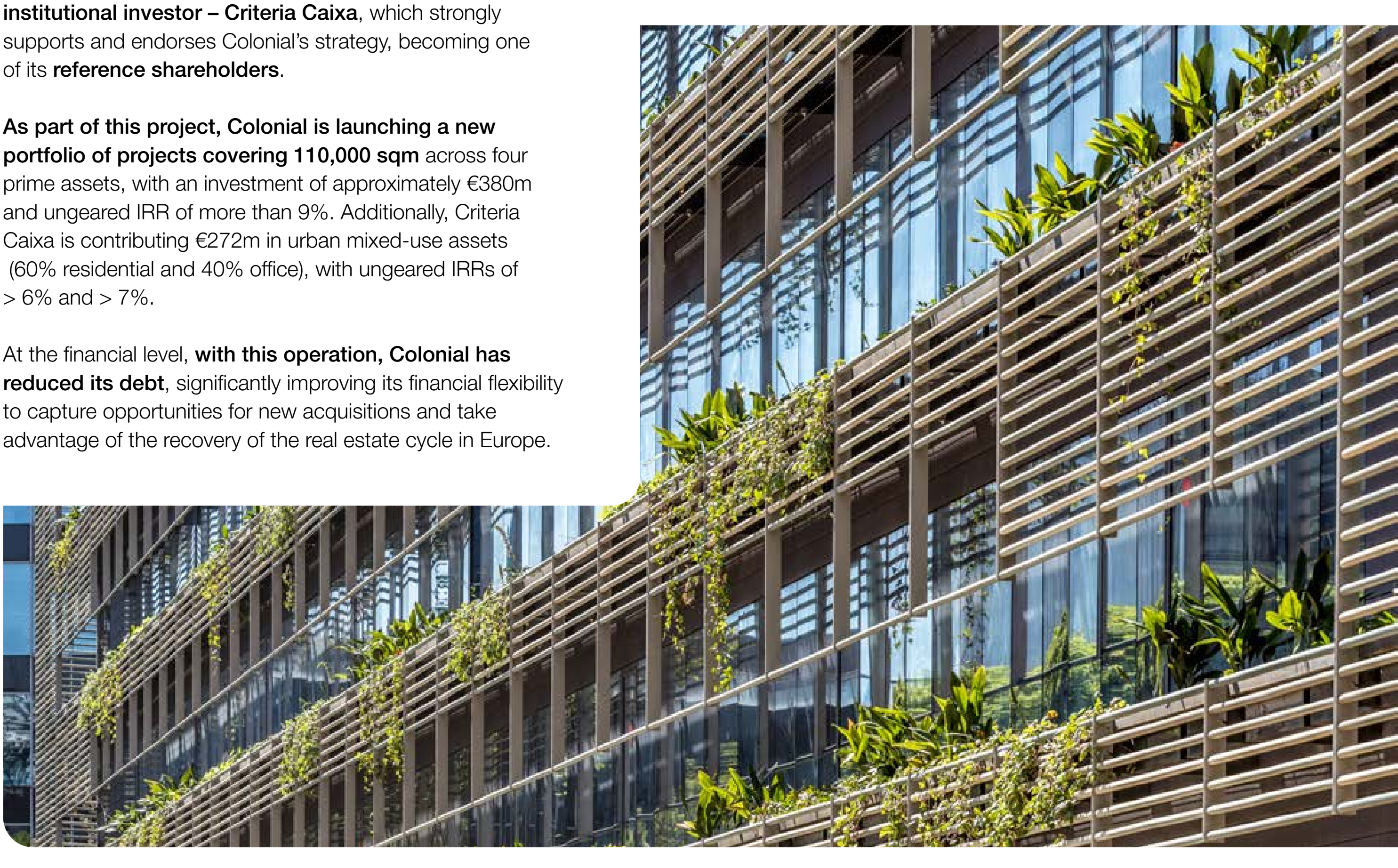
As part of this project, Colonial is launching a new portfolio of projects covering 110,000 sqm across four prime assets, with an investment of approximately €380m and ungeared IRR of more than 9%. Additionally, Criteria Caixa is contributing €272m in urban mixed-use assets (60% residential and 40% office), with ungeared IRRs of > 6% and > 7%.

At the financial level, **with this operation, Colonial has reduced its debt**, significantly improving its financial flexibility to capture opportunities for new acquisitions and take advantage of the recovery of the real estate cycle in Europe.

In short, with this operation, Colonial:

- Accelerates investment in projects.
- Accelerates its growth profile to capture returns from the recovery of the European real estate cycle through attractive alpha strategies.
- Incorporates a new long-term, prestigious reference shareholder.
- Strengthens and gains financial flexibility for new market opportunities while reducing debt.
- Adds new assets with additional value-creation potential.

On May 16, 2024, the transaction was announced and was unanimously approved by the Board of Colonials and by the Extraordinary General Shareholders' Meeting, held in June. As of July 3, 2024, 87,729,050 shares have been issued, and the asset contribution has been executed.



2. Disposal Program

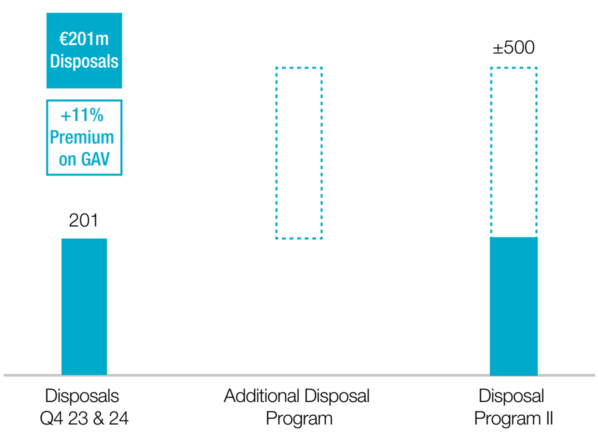
In 2024, the Colonial Group closed **disposals for €201m with a premium of +11% over the last appraisal**, confirming the liquidity and the value of its asset portfolio.

In particular, the Colonial Group disposed of three non-strategic assets located in the Madrid market: Sagasta 31-33, Recoletos 27, and the residential part of the Madnum Urban Campus. Of the total sales, two floors of the Recoletos 27 property were sold at the end of 2023. The rest were sold in 2024.

These disposals enable Colonial to recycle capital, maximise the value creation, and obtain additional liquidity to take advantage of the opportunities at the start of the new cycle in the European real estate market.

New disposal program

€m



5.2.4. Gross Rental Income and EBITDA of the portfolio

Colonial closed 2024 with **Gross Rental Income of €391m, a figure +4% higher than the previous year**.

This solid increase has been driven by 6% in the like-for-like portfolio, this meaning adjusting for disposals and variations in the project pipeline and renovation program, and other extraordinary items. **This increase has generated €22m compensating for the loss of income registered in the Madrid market due to the commencement of renovation work on the Santa Hortensia project**.

In **France, the rental income increased +8% in absolute terms**, driven by: 1) **the like-for-like increase of +7%**, due to higher rents in the Washington Plaza, #Cloud, Cézanne Saint Honoré and Edouard VII assets, among others, as well as: 2) **the income deriving from the renovation projects and programs** in the **Louvre Saint Honoré** asset, rented to **Cartier & Compagnie to house the Cartier Foundation**, and from the commercial space of the **Galeries Champs-Elysées rented to Adidas.**

In Barcelona, the rental income increased by +6% like-for-like, mainly due to the higher rents in the Diagonal 530 asset as a result of increased occupancy, as well as higher rents in the Diagonal 609-615, Via Augusta 21-23 and Parc Glories assets, among others. **In Madrid, the like-for-like rental income increased by +4%**.

Madnum Resid.
Madrid

Recoletos, 27
Madrid CBD

Sagasta, 31
Madrid CBD

The like-for-like variance in rental income by market is shown below:

	Barcelona	Madrid[1]	Paris	Total
Rental revenues 2023R	**46**	**96**	**234**	**377**
EPRA like-for-like[2]	**3**	**3**	**16**	**22**
Projects & refurbishments	(0)	(11)	3	(8)
Acquisitions & disposals	1	0	0	1
Indemnities & others	(2)	(0)	1	(1)
Rental revenues 2024R	**47**	**89**	**254[3]**	**391**
Total variance (%)	***3%***	***(8%)***	***8%***	***4%***
Like-for-like variance (%)	**6%**	**4%**	**7%**	**6%**

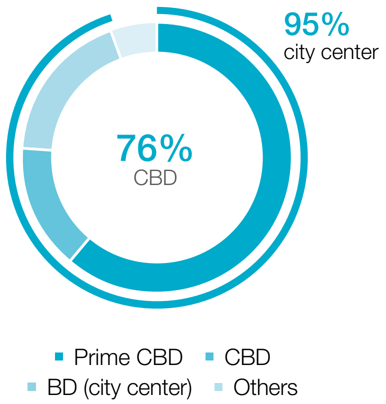
(1) Includes income from the residential sector in Spain.
(2) EPRA like-for-like: Like-for-like calculated according to EPRA recommendations.
(3) Rental income including the impact of the reversal of provisions in relation to the early termination of a contract.

In Madrid, of special mention is the decrease in rental income due to the entry into refurbishment of the Santa Hortensia asset, following the departure of IBM.

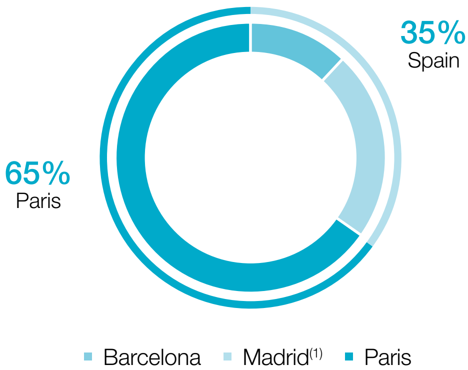
Rental income breakdown: 95% of the Group's rental income is concentrated in the city centre.

In Group terms, **65% of the rental income came from the subsidiary in Paris** and 35% was generated by properties in Spain.

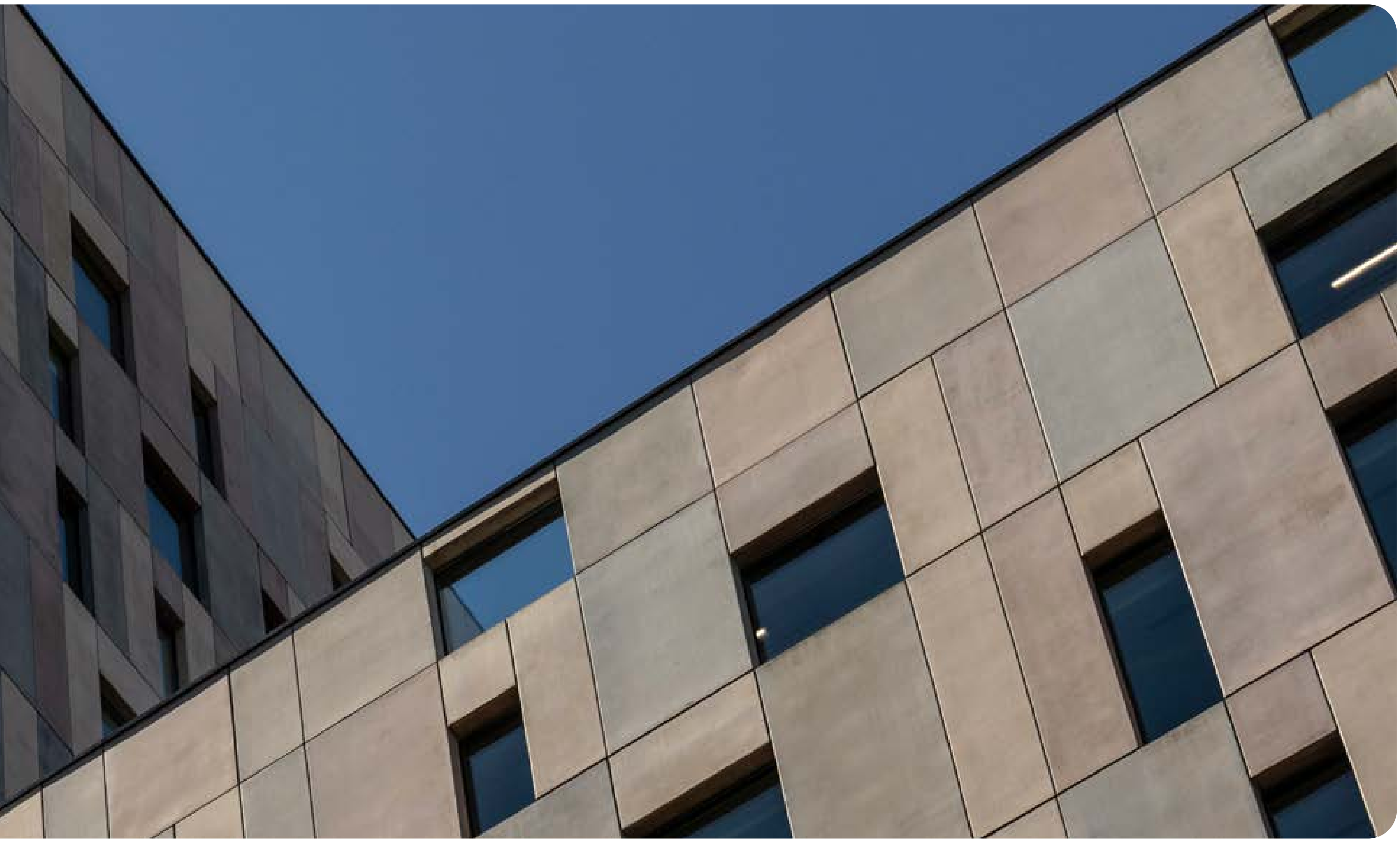
Revenues – by area



Revenues – by market



(1) Includes income from the residential sector in Spain.



The Net Rental Income at the close of 2024 reached €368m, an increase of +4% compared to the same period of the previous year. In like-for-like terms, the Net Rental Income increased +7%.

Property portfolio

				EPRA Like-for-like[1]	
December cumulative – €m	2024	2023	Var. %	€m	%
Rental revenues – Barcelona	47	46	3%	3	6%
Rental revenues – Madrid[2]	89	96	(8%)	3	4%
Rental revenues – Paris	254[3]	234	8%	16	7%
Rental revenues Group	**391**	**377**	**4%**	**22**	**6%**
Net Rental Income – Barcelona	40	40	0%	2	6%
Net Rental Income – Madrid	81	90	(10%)	4	6%
Net Rental Income – Paris	247	223	11%	15	7%
Net Rental Income Group	**368**	**353**	**4%**	**22**	**7%**
Net Rental Income/Rental revenues – Barcelona	*85%*	*87%*	*(2 pp)*		
Net Rental Income/Rental revenues – Madrid	*91%*	*93%*	*(2 pp)*		
Net Rental Income/Rental revenues – Paris	*97%*	*95%*	*2 pp*		
EBITDA rents/Rental revenues – Others	***94%***	***94%***	***1 pp***		

Pp: Percentage points.
(1) EPRA like-for-like: Like-for-like calculated according to EPRA recommendations.
(2) Includes income from the residential sector in Spain.
(3) Rental income including the impact of the reversal of provisions in relation to the early termination of a contract.

5.2.5. Analysis of the Profit and Loss Account

The Colonial Group closed **2024 with an EPRA net profit of €193m, representing net recurring earnings per share of €33cts/share**.

December cumulative – €m	2024	2023	Var.	Var. %[1]
Rental revenues	390.8[2]	377.1	14	4%
Net operating expenses[3]	(22.8)	(24.0)	1	5%
Net Rental Income	368.0	353.1	15	4%
Other income[4] [5]	9.7	10.6	(1)	(9%)
Overheads	(55.8)	(48.2)	(8)	(16%)
EBITDA	**321.9**	**315.6**	**6**	**2%**
Change in fair value of assets, capital gains & others exceptional items	126.4	(1,423.6)	1,550	–
Amortisations & provisions	(12.9)	(12.5)	(0)	(3%)
Financial results	(79.9)	(94.7)	15	16%
Profit before taxes & minorities	**355.5**	**(1,215.3)**	**1,571**	**–**
Income tax	35.0	37.7	(3)	(7%)
Minority Interests	(83.2)	158.6	(242)	–
Net profit attributable to the Group	**307.4**	**(1,019.0)**	**1,326**	**–**

Results analysis – €m	2024	2023	Var.	Var. %
Recurring EBITDA	321.5	315.6	6	2%
Recurring financial result	(77.4)	(93.1)	16	17%
Income tax expense & others – recurring result	(13.8)	(14.9)	1	8%
Minority interest – recurring result	(37.7)	(35.2)	(3)	(7%)
EPRA net profit - post company-specific adjustments[6]	**192.6**	**172.4**	**20**	**12%**
NOSH (million)[7]	*583.2*	*539.6*	*44*	*8%*
EPS recurring (€cts/share)	33.0	31.9	1.1	3%

(1) Sign according to the profit impact.
(2) Rental income including the impact of the reversal of provisions in relation to the early termination of a contract.
(3) Invoiceable costs net of invoiced costs + non invoiceable operating costs.
(4) Reinvoiced Capex & EBITDA of the Coworking centers.
(5) Includes result from equity method.
(6) Recurring net profit = EPRA Earnings post company-specific adjustments.
(7) Average number of shares outstanding without considering treasury stock adjustments.

- Colonial closed 2024 with a Gross Rental Income **of €391m, a figure +4% higher in absolute terms, up +6% in like-for-like terms**.
- Net Rental Income amounted to **€368m, a figure +4% higher than the same period of the previous year**.
- The EBITDA of the Group amounted to **€322m**, a figure **+2% higher than the same period of the previous year**.
- The impact on the profit and loss account from the revaluation as of 31 December 2024, and from the sales margin of the property investment, amounted to €126m.
- The net financial result of the Group amounted to (€80m), a figure €15m higher compared to the financial result of the previous year.
- **The Result before taxes and minority interests** at the close of 2024 **amounted to €356m**.
- Finally, following the inclusion of the minority interests of (€83m), as well as corporate income tax of €35m, the **Net Result attributable to the Group amounted to €307m, a figure higher than the previous year**.

5.2.6. Financial structure

At the close of 2024, the Colonial Group significantly improved in almost all key debt figures compared to 2023. Net Debt decreased by 8%, the LTV improved by 350 bps, the spot financial cost of debt decreased by 5 bps and liquidity increased by 7%. In addition to the above, the Group maintained a debt profile with an average maturity of 4.1 years, without mortgage-security, and with a fixed/hedged debt ratio of 100%.

In 2024, as a result of the Criteria Caixa transaction, the sale of assets in line with the capital recycling policy, and the positive business performance, the capital and financial structure of Colonial Group has been significantly strengthened. Specifically, the net financial debt decreased by €399m (amounting to €4,465m), positioning the LTV at 36.0%. In addition, the liquidity of the Group increased by €210m (amounting to €3,113m), which will cover all debt maturities until 2028.

The Colonial Group extended the maturity of its bank loans in the amount of €300m and the maturity of undrawn credit lines in the amount of €1,935m, which enable the Group to achieve an average maturity of 4.1 years. From the renewals of the above-mentioned lines of credit, it is worth highlighting the renewal of €1,000m with a new maturity of 5+1+1 years, with improved conditions and margins, and the inclusion of ESG metrics. These ESG metrics enable Colonial to maintain high green debt levels, whilst meeting its commitment to sustainability.

Consequently, in September 2024, the Moody's rating agency increased Colonial's rating to Baa1 with a stable outlook. Likewise, the Colonial Group maintained its Standard & Poor's rating of BBB+ with a stable outlook.

S&P Global Ratings	Moody's
BBB+	Baa1
STABLE	STABLE
Colonial and SFL	Colonial

In a market environment characterised by interest rate hikes, the Colonial Group has maintained its spot financial cost and net financial debt at 1.70% and 1.54%, respectively, thanks to its interest rate risk management policy:

i. 100% of debt covered at fixed and hedged rates.

ii. A portfolio of interest rate hedges for debt at variable rates.

iii. A pre-hedged portfolio which enables the Group to ensure a rate under 2.5% for the current debt volume over the next 3 years.

iv. Active management and remuneration of available funds.

With the aim of mitigating interest rate risks, the Colonial Group has a long-term hedging strategy based on:

i. An ongoing, liquid pre-hedging portfolio in the amount of €2,507m with an execution schedule aligned with the debt maturity, enabling the Group to cover 56% of the nominal value of its refinancing with a positive cumulative value of €207m and an average maturity of 5 years from the date of execution.

ii. A hedging portfolio (IRS) for the current variable interest rate for debt in the amount of €500m, with a negative cumulative value of €7m. The strike rate is 2.5% and the average maturity is 4.5 years.

The Colonial Group successfully executed two debt issuances of €70m and €130m at November 2023 and April 2024, respectively, on its bond maturing in November 2029. Thanks to the Group's pre-hedging strategy, an effective average interest rate of 1.9% has been fixed on the issuances, compared to an average cost of 4.2% of unhedged issuances. The funds deriving from these issuances were used for the amortisation of the €187m bond, maturing in October 2024.

In November 2024, the Group defined a new Green Financing Framework, aligned with the best market practices. The framework includes ambitious KPIs linked to European Taxonomy, energy certificates, and CO_2 emissions, in compliance with the Carbon Risk Real Estate Monitor (CRREM) trajectory of the Group's asset portfolio. Developed in line with ICMA (International Capital Markets Association) Green Bond Principles, the framework promotes transparency, accuracy and integrity of divulged and reported information on bond issuances. It has been validated by independent third-party Morningstar Sustainalytics, acting as "Second Party Opinion".

Subsequent to the close of 2024, in January 2025, Colonial formalised its first green bond issuance under the new Green Financing Framework. Listed on the Irish stock exchange, the issuance in the amount of €500m has a maturity date of 5 years and a coupon of 3.25% which, thanks to the Group's effective pre-hedging strategy enables the Group to fix an effective rate of 66 bps below its yield.

The demand exceeded the issuance volume by up to 8 times and was backed by leading international institutional investors.

This issuance is aimed at refinancing short-term debt and consequently, significantly reducing the Group's refinancing needs and risk for the period 2025-2026. Likewise, it extends the average debt maturity to 4.2 years and increases liquidity to cover all debt maturities until October 2028.

The table below shows the main debt figures of the Group at the close of 2024:

Colonial Group

€m	Dec.-24	Dec.-23	Var.
Gross Debt	5,008	5,302	*(6%)*
Net Debt	4,465	4,864	*(8%)*
Total liquidity[1]	3,113	2,903	*7%*
% debt fixed or hedged	100%	100%	–
Average maturity of the debt (years)[2]	4.1	4.2	*(0.1)*
Spot cost of current Net Debt[3]	1.54%	1.56%	*(2) bp*
Spot cost of current Gross Debt[3]	1.70%	1.75%	*(5) bp*
Average cost of debt	1.67%	1.84%	*(17) bp*
LtV Group (DI)	36.0%	39.5%	*(350) bp*
Secured Debt	0.0%	0.0%	–
Fair value of derivatives instruments	200	215	*(7%)*

(1) Cash & Undrawn balances.
(2) Average maturity based on net debt and available liquidity.
(3) Including hedges.

The net financial debt of the Group at the close of 2024 stood at €4,465m, the breakdown of which is as follows:

Net financial debt

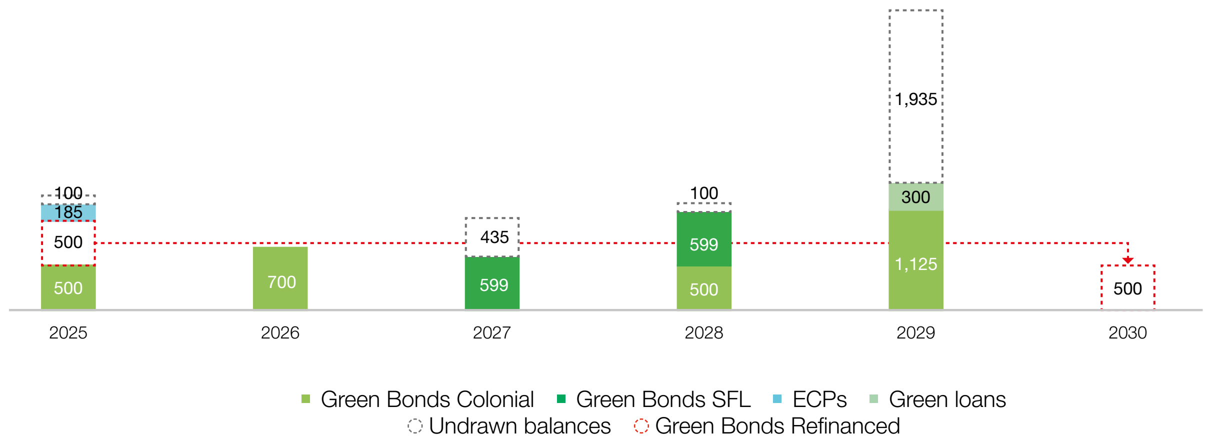
€m	December 2024 Colonial	December 2024 SFL	December 2024 Total	December 2023 Colonial	December 2023 SFL	December 2023 Total	Var. Total	Average Maturity(1)
Unsecured debt	–	300	300	129	300	430	(130)	3.9
Bonds Colonial	2,825	1,698	4,523	2,882	1,698	4,580	(57)	4.1
Issuances notes	–	185	185	–	292	292	(107)	0.1
Gross debt	**2,825**	**2,183**	**5,008**	**3,011**	**2,290**	**5,302**	**(294)**	**4.1**
Cash & Equivalents	(458)	(85)	(543)	(341)	(97)	(438)	(105)	
Net Debt (exc. Intercompany)	**2,367**	**2,098**	**4,465**	**2,670**	**2,194**	**4,864**	**(399)**	
Intercompany loan	(562)	562	–	(345)	345	–	–	
Net Debt (inc. Intercompany)	**1,805**	**2,660**	**4,465**	**2,325**	**2,539**	**4,864**	**(399)**	
Total liquidityl (2)	**1,458**	**1,655**	**3,113**	**1,236**	**1,667**	**2,903**	**+210**	
Cost of debt – Spot (%)(3)	**1.65%**	**1.75%**	**1.70%**	**1.68%**	**1.85%**	**1.75%**	**(5) bp**	

(1) Average Maturity calculated based on the available debt.
(2) Cash & Undrawn balances.
(3) Margin + reference type with hedges and without incorporating commissions.

The Group is mainly financed on the securities market. 90% of the Group's gross debt corresponds to bond issuances, 3.7% to short-term ECPs and the rest to bank financing, without mortgage-security.

The Colonial Group's high liquidity enables the Colonial Group to cover all its debt maturities until 2028.

Debt maturity in years(1) – (€m)



(1) Includes the new bond issued in January 2025, maturing in 2030.

Financial results

The main figures of the financial result of the Group are shown in the following table:

December cumulative

€m	COL	SFL	4Q 2024	4Q 2023	Var.%
Spain	*(19)*	–	*(19)*	*(44)*	*56%*
France	–	*(63)*	*(63)*	*(58)*	*(8%)*
Recurring Financial Exp.	**(19)**	**(63)**	**(82)**	**(102)**	**20%**
Capitalised interest expenses	3	2	5	9	(47%)
Recurring Financial Result	**(16)**	**(61)**	**(77)**	**(93)**	**17%**
Non-recurring financial exp.	(4)	0	(4)	(2)	–
Non-recurring Financial Income	0	1	1	–	–
Financial Result	**(20)**	**(60)**	**(80)**	**(95)**	**16%**

The recurring financial expenses of the Group have improved by 17%, equivalent to a reduction of €16m. This improvement has lowered the recurring financial expenses on the average net debt for 2024 to 1.67% (compared to 1.84% in 2023), mainly due to the following:

- The management and remuneration of available cash, resulting in an improvement of 17bps.
- Lower net debt volume (€4,465m at 31 December 2024 vs. €4,865m at 31 December 2023).

Main debt ratios and liquidity

The undrawn balances of the Group at 31 December 2024 amounted to €3,113m. The average life of these credit lines is 4.0 years (5.1 years making use of the extensions available on the syndicated credit lines). This liquidity enables the Group to guarantee its financing needs in the coming years.

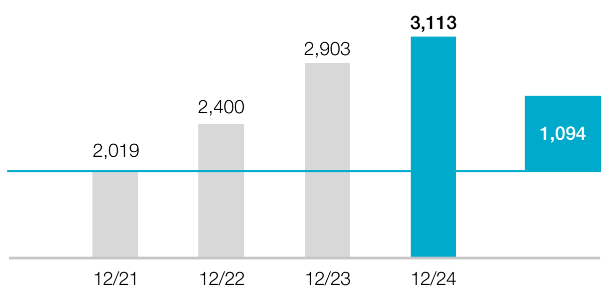
The breakdown of balances is shown in the following graph:

Cash & undrawn balances

€m	Colonial	SFL	Group
Current accounts	458	85	543
Credit lines available	1,000	1,570	2,570
Total	**1,458**	**1,655**	**3,113**

Undrawn balances evolution

€m



5.2.7. Asset Valuation

The Gross Asset Value of the Colonial Group at the **close of 2024 amounted to €11,646m (€12,276m including transfer costs)**, showing an increase of +3% compared to the previous year.

In like-for-like terms, the asset value increased by +3% year-on-year.

The assets in Spain and France have been appraised by Cushman & Wakefield and CB Richard Ellis. The appraisal values are updated every 6 months, following the best market practices, in compliance with the Regulation Standards of the Royal Institution of Chartered Surveyors (RICS) comprised in the Red Book – the valuation manual.

The market valuations defined by the RICS are internationally recognised by advisors and accountants of investors and corporations that own real estate assets, as well as The European Group of Valuers (TEGoVA) and The International Valuation Standards Committee (IVSC). The appraisers' fees are determined by the volume for the specific workout of each assignment.

Gross Asset Values – Excluding transfer costs

				Dec 24 vs. Jun 24		Dec 24 vs. Dec 23	
Asset valuation (€m)	31-Dec-24	30-Jun-24	31-Dec-23	Total	LfL (1)	Total	LfL (1)
Barcelona	1,305	1,176	1,187	11%	2%	10%	1%
Madrid(2)	2,152	1,887	2,054	14%	1%	5%	(1%)
Paris	7,098	7,209	7,135	(2%)	2%	(1%)	3%
Portfolio in operation(3)	**10,555**	**10,272**	**10,375**	**3%**	**2%**	**2%**	**2%**
Projects	**1,091**	**996**	**961**	**10%**	**6%**	**14%**	**10%**
Colonial Group	**11,646**	**11,267**	**11,336**	**3%**	**2%**	**3%**	**3%**
Spain	4,076	3,861	4,004	6%	2%	2%	2%
France	7,571	7,406	7,332	2%	2%	3%	3%

Gross Asset Values – Including transfer costs

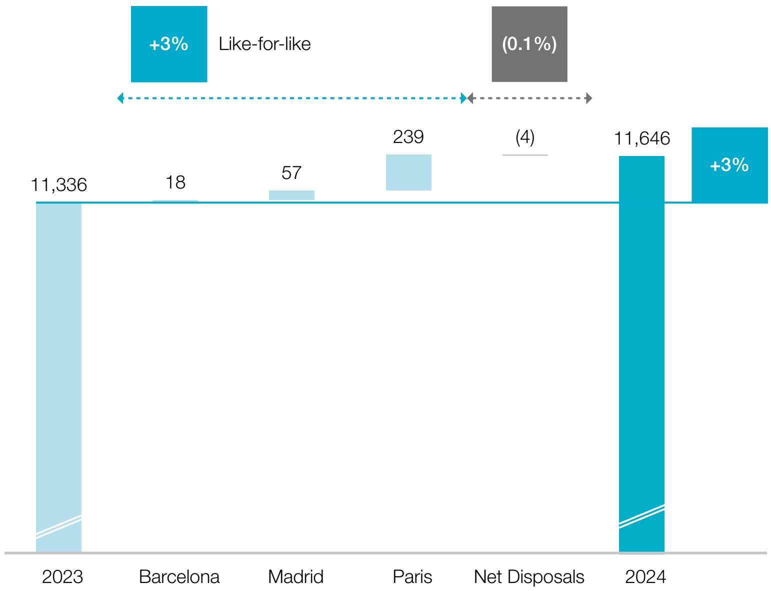
Colonial Group	**12,276**	**11,894**	**11,944**	**3%**	**2%**	**3%**	**3%**
Spain	4,201	3,995	4,127	5%	2%	2%	2%
France	8,075	7,899	7,817	2%	2%	3%	3%

(1) Portfolio in comparable terms.
(2) Includes other assets corresponding to retail non core and living in Spain.
(3) Portfolio in operation: current rental portfolio as well as new entries into operation of completed projects.

The value variance analysis is as follows:

Variance analysis value 2024

€m



GAV variance LFL

	2024	2H 24	1H 24
Barcelona	+1.3%	+1.9%	(0.5%)
Madrid	+2.4%	+1.9%	+0.6%
Paris	+3.3%	+2.2%	+1.0%
Total LFL	+2.8%	+2.1%	+0.7%
Net disposals	(0.1%)	+1.3%	(1.4%)
Total Var.	+2.7%	+3.4%	(0.6%)

Following a period of high volatility and interest rate hikes, the market situation has begun to stabilise, observing a like-for-like growth in asset values during the year. Higher rental prices, as well as the successful delivery of projects, have offset the impact of the increase in yields.

This growth reflects the robustness and resilience of Colonial's portfolio, as well as its capacity to effectively adapt to changing market conditions. This is mainly due to:

1. The high concentration in prime CBD locations with strong fundamentals allows for greater protection in downturn cycles and a better growth profile in upward cycles.

2. The superior quality of the buildings that attract clients with high solvency and high levels of loyalty.

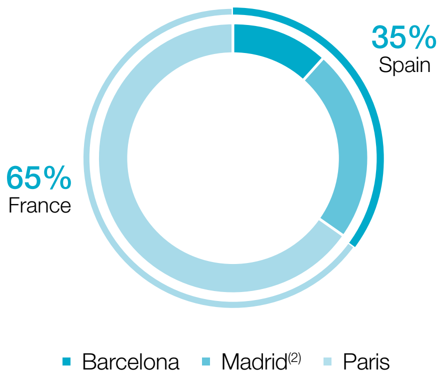
3. A proven diversification strategy that enables the optimisation of the portfolio's risk profile.

4. An industrial focus on value creation through the repositioning of assets that create "Alpha" real estate value with a market differential resulting in above-average profitability.

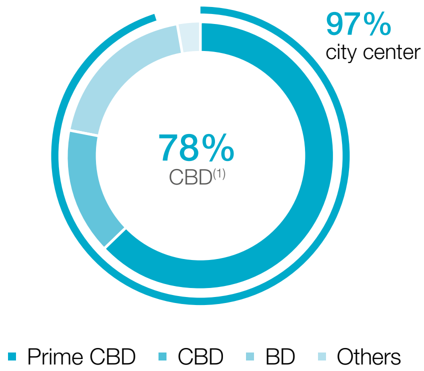
The breakdown of the valuation of the Group's rental portfolio by use, market and type of product is shown below:

Consolidated Group

Valuation – by market



Valuation – by area



(1) CBD Barcelona, includes the assets in the @22 market.
(2) Includes the non-core assets corresponding to Living and Retail in Spain.

Regarding the valuation of the portfolio in operation, the main value parameters are as follows:

Main parameters of Asset appraisal

Portfolio in operation	€m	sqm above ground (*)	€/sqm(*)	Valuation Yield	
Barcelona	1,305	256,963	5,079	5.1%	Gross Yields
Madrid	1,983	300,262	6,604	4.9%	Gross Yields
Paris	5,881	318,504	18,466	4.2%	Net Yields

(*) In Barcelona, the sqm for the calculation of the capital value correspond to the surface above ground of all Barcelona assets, excluding the Sancho de Ávila project. In Madrid, the sqm correspond to the surface above ground of all assets in Madrid, excluding the Madnum Urban Complex, Luca de Tena 7 asset, the Santa Hortensia asset, as well as the Living surface area and the surface area of non-strategic assets.
In France, the sqm correspond to the office surface above ground in operation, excluding the main commercial assets and including certain rentable surfaces below ground in the portfolio not corresponding to parking units.

When **comparing the valuation parameters of Colonial's appraisal values with market data**, the following must be taken into consideration:

1. **In Spain, consultants publish gross yields in their market reports.**
   (Gross yield = gross rent/value excluding transfer costs).

2. **In France, consultants publish net yields in their market reports.**
   (Net yield = net rent/value including transfer costs).

The appraisal certificate is as follows:

CONSEJO DE ADMINISTRACIÓN

INMOBILIARIA COLONIAL, SOCIMI S.A.

Av. Diagonal 532, 08006 Barcelona

Barcelona, 31st December 2024

Dear Sirs,

In accordance with your instruction, **Cushman & Wakefield RE Consultants Spain, S.L.** and **CBRE Valuation Advisory S.A.,** as valuers of the **Inmobiliaria Colonial** portfolio in Spain, and **BNP Paribas Real Estate Valuation France** and **CBRE Valuation**, as **SFL** valuers in France; have carried out the valuation reports of the freehold interest of the portfolio of properties of Inmobiliaria Colonial (Spain and France) as at 31st of December 2024 for internal use of the company.

According to the aforementioned reports, the Net Market Value of the company's portfolio is:

€ 11,646,424,364

(Eleven billion, six hundred and forty-six million, four hundred and twenty-four thousand, three hundred and sixty-four Euros)

The breakdown is as follows:

Unit	Market Value (Excl. Transfer Costs)	Gross Value (Incl. Transfer Costs)
Madrid	2,609,370,000 €	2,682,938,899 €
Barcelona	1,384,180.000 €	1,433,811,152 €
Rest Of Spain	82,025,364 €	84,727,802€
Total Colonial (Spain)	**4,075,575,364 €**	**4,201,477,853 €**
Total SFL (París)	**7,570,849,000 €**	**8,074,809,000 €**
Total Colonial + SFL	**11,646,424,364 €**	**12,276,286,853 €**

Definitions:

- **Market Value = Net Market Value**
- **Net Market Value** of the Properties: Market Value, net of purchaser's cost (typically IAJD taxes, notary and agent and legal/ technical advisors costs.
- **Gross Market Value** of the Properties: Market Value, plus purchaser's costs (typically IAJD taxes, notary and agent and legal/ technical advisors costs).

For the avoidance of doubt, each valuer company and valuer individual only accept responsibly for the assets that they have valued within the portfolio.

The portfolio value assumes 100% ownership for all properties.

The valuation has been prepared in accordance with the RICS Valuation - Global Standards (current edition), as stated in the "the Red Book" published by the Royal Institution of chartered Surveyors by a valuer acting as an External valuer, as defined within the Red Book.

Signature électronique certifiée
Anne DIGARD -FRICS-REV
Président -CEO
CBRE Valuation

Mr. Tony Loughran MRICS	Mr. Fernando Fuente MRICS	Mr. Josep Carrió MRICS	Ms. Anne Digard FRICS-REV	Ms. Aurore Cormier MRICS
Partner Head V&A Spain	Executive Director	Director	Président-CEO	Directeur Adjoint
Cushman & Wakefield RE Consultants Spain, S.L.	**CBRE Valuation Advisory S.A.**	**CBRE Valuation Advisory S.A.**	**CBRE Valuation**	**BNP Paribas Real Estate Valuation**

5.2.8. EPRA Net Tangible Assets (NTA)

The Net Asset Value at 31 December 2024 amounted to €6,036m corresponding to €9.62/share. The Net Asset Value has increased by more than €664m compared to year-end 2023, driven by a combination of factors: strong recurring earnings, rental growth, successful project deliveries, and the capital increase resulting from the transaction with Criteria Caixa.

The **EPRA Net Tangible Assets (EPRA NAV – NTA)** is calculated based on the Group's consolidated equity and adjustments of specific items following EPRA recommendations.

EPRA Net Tangible Assets

€m (Net Asset Value)		12/2024	12/2023
IFRS Equity attributable to shareholders		**5,677**	**4,936**
Include:			
(i)	Hybrid instruments	–	–
Diluted NAV		**5,677**	**4,936**
Include:			
(ii.a)	Revaluation of investment properties (if IAS 40 cost option is used)	–	–
(ii.b)	Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	–	–
(ii.c)	Revaluation of other non-current investment	137	124
(iii)	Revaluation of tenant leases held as finance leases	–	–
(iv)	Revaluation of trading properties	–	13
Diluted NAV at Fair Value		**5,814**	**5,073**
Exclude:			
(v)	Deferred tax in relation to fair value gains of IP	210	289
(vi)	Fair value of financial instruments	12	10
(vii)	Goodwill as a result of deferred tax	–	–
(viii.a)	Goodwill as per the IFRS balance sheet	–	–
(viii.b)	Intangible as per the IFRS balance sheet	–	–
Include:		–	
(ix)	Fair value on fixed interest rate debt	–	n. a.
(x)	Revaluation of intangibles to fair value	–	n. a.
(xi)	Real estate transfer tax	–	–
EPRA NTA (NAV) – €m		**6,036**	**5,372**
Nº of shares (m)		***627.3***	***539.6***
EPRA NTA (NAV) - Euros per share		***9.62***	***9.95***

Calculation of the EPRA NTA (NAV). Following the EPRA recommendations and starting from the consolidated equity of €5,677m, the following adjustments were carried out:

1. Revaluation of other investments: registry at fair value of several investments of the Group registered in the balance sheet at acquisition cost, mainly treasury shares and assets dedicated to own use.
2. Revaluations of assets held for sale. Registry of the unrealised gain of the properties posted under this heading.
3. Adjustment of deferred taxes: adjustment of the amount of deferred taxes associated with the revaluation of the property assets registered on the balance sheet.
4. Market value of financial instruments: adjustment of the market value (Mark to Market) of derivative instruments.

5.2.9. Tax information

5.2.9.1. Tax Strategy

Colonial's Board of Directors approved its Tax Strategy on 10 December 2015, taking into account the changes laid down by the Capital Companies Act on matters of tax governance and being aware of the importance of tax in matters of social responsibility and good corporate governance. This strategy is reviewed periodically to include the necessary modifications, and compliance is mandatory for all Colonial employees.

Colonial will strive to apply its Tax Strategy and Tax Risk Management and Control Policy in relation to the group's investee companies except in those cases where said companies have their own tax strategy or their own tax risk management and control policy due to their specific characteristics.

The Tax Strategy includes the guidelines on which Colonial's tax governance model pivots, focusing mainly on reducing tax risk, in collaboration with the tax authorities, both to comply with its tax obligations and to facilitate the information required in the framework of any tax procedure and in compliance with regulations. In this regard, the Group acts in accordance with a reasonable interpretation of tax legislation and according to its economic capacity and business situation.

Promoting tax transparency, responding to the concerns of its stakeholders and Colonial's commitment to contributing to public finances are all essential values of its culture. For this reason, business decisions are in line with the principles of its Tax Strategy and all Group companies are domiciled in the countries where they operate, i.e. Spain and France. To this end, it has created a space on its website (https://www.inmocolonial.com/responsabilidad-social/transparencia-fiscal) where it states its position on different issues related to its Tax Strategy, the management and control of its tax risks, its tax contribution, the status of its main tax inspections and tax litigation, among other aspects.

5.2.9.2. Tax Risk Management and Control Framework

Colonial has a Risk Control and Management System through which the corresponding risks, including tax risks, are identified, analysed, managed, controlled, evaluated and updated, thereby contributing to achieve the Group's business objectives. For this purpose, it has structured a corporate risk map to allow it to assess the corresponding risks based on their impact, measured in economic terms, and their probability (i.e. potential for the risk event to occur over time). A model has been designed to ensure the integrity, reliability, correct presentation and validity of Colonial's financial information (ICFR), including tax aspects.

All of the above has been established by Colonial's Board of Directors which, through the Audit and Control Committee and with the support of Internal Audit, regularly performs the necessary supervision activities to evaluate the effectiveness of the risk management processes and the controls implemented to mitigate risk, and performs the relevant tests necessary to verify the operational effectiveness of the ICFR's organisational model.

The Tax Risk Management Policy, approved on 10 December 2015 by Colonial's Board of Directors, is the base document detailing the corresponding principles, criteria and good practices to be followed to achieve correct management and control of its tax risks.

Colonial has a tax risk management and control framework that develops its tax strategy and complements the Group's global risk control and management system. It is configured as a procedure of mandatory compliance for all Colonial employees (extending to any collaborators or third parties with which Colonial has a relationship) and covering, principally, the following areas:

- Description of the structure, organisation and management of the Group's tax function.
- Collaboration on tax matters between the Organisation's different departments.
- Storage, administration and management of documentation generated by interactions with the different tax authorities (including any resulting from management of the tax function).
- Building on the tax-related knowledge acquired in the past.
- Updating, monitoring and dissemination of tax expertise.
- Management of possible litigation, tax audits and inspections.

- Criteria for delimiting the Group's tax risk in line with that established in the management and supervision system for other risks, factors for its identification and assessment, and protocol for action.

- Definition of transactions of special tax significance and their approval by the Group's governing bodies.

- Reporting of information relating to the tax attributes of the Group's companies.

- Periodic controls of the efficiency and compliance with the tasks necessary to settle and file those taxes to which it is subject in Spain.

- Monitoring of the application requirements of the SOCIMI (Sociétés d'Investissement Immobilier Cotées), SIIC (Sociétés d'Investissement Immobilier Cotées) or similar regimes.

Moreover, Colonial's tax function is leveraged on the Group's transversal systems governing the selection of members of the organisation, communication regarding personnel-related policies, employee performance control and remuneration levers, training plans, third party hiring and approval controls and remaining internal and external due diligence procedures.

Finally, it should be noted that Colonial has developed its fiscal risk management and control framework taking account of best practices in the market on fiscal governance (as recommended by the Tax Administration itself, by NGOs, by experts in the area or by any other stakeholder). These practices are monitored and based on the principle of continuous improvement. Following those criteria, any updates or improvements needed are gradually introduced to strengthen the control procedure.

The Group has set up an Ethics Channel so any employee or third party can report any concerns related to unethical or illegal conduct that may affect the integrity of the organisation in relation to taxation, among other issues.

The tax information was obtained from the Group's audited consolidated financial statements or verified by the Group's external auditor in the context of a limited assurance framework.

5.2.9.3. Co-operative Relationship with Tax Administrations

On 10 December 2015, Colonial's Board of Directors decided to adhere voluntarily to the Code of Good Tax Practices drawn up by the Spanish Ministry of Finance, assuming a series of commitments based on transparency, mutual trust and preventive actions of assistance and collaboration.

During 2024, Colonial filed the Annual Tax Transparency Report for 2023, following the proposal for the reinforcement of good corporate tax transparency practices of the companies adhering to the Code of Good Tax Practices.

Furthermore, with regard to the tax governance compliance behaviours encouraged by the Code, Colonial states that it has adopted them satisfactorily:

- The Board of Directors has established and documented a tax strategy.

- The Board of Directors has approved the operations and investments of particular tax risk.

- The Company's risk management policy includes measures to mitigate identified tax risks and has established internal corporate governance rules in this area.

- The Company has used effective internal control and reporting systems for tax risks in that their design and operation is fully integrated into the overall internal control systems of the business it conducts.

In any case, the Group continues to work on building an even closer relationship with the tax authorities, using the cooperative relationship instruments available in each of the jurisdictions in which it operates, such as prior consultations, prior assessment or valuation agreements or other similar instruments.

Colonial attempts to respond to all tax matters raised by stakeholders through the various communication channels in place.

5.2.9.4. Breakdown of tax information

Adequately explaining the importance of the Colonial Group's tax contribution is a priority for Colonial from the point of view of transparency and corporate social responsibility.

Non-financial information of a tax nature

The list of entities that make up the Group, their name and principal activity, as well as their tax residence, are included in the Appendix to the consolidated financial statements for 2024.

The number of employees of the Group and their calculation basis are detailed on page 234 of the Integrated Annual Report 2024.

The reporting period for the Group corresponds to the calendar year.

The Group's revenues from sales to third parties are presented by jurisdiction in the table below:

Revenues from sales to third parties

(In million euros)	2024	2023
Spain	252.9	152.8
France	248.8	234.4
Total	**501.7**	**387.2**

There have been no intra-group transactions between tax jurisdictions.

The consolidated profit before tax attributable to each jurisdiction is presented in the following table:

Accounting profit before tax

(In million euros)	2024	2023
Spain	93.2	–400.4
France	262.3	–814.9
Total	**355.5**	**–1,215.3**

The Colonial Group applies the fair value through profit or loss method to the accounting records of its investment property and, therefore, the consolidated results include the impact of the change in value recorded during the year. These results do not have an impact on the tax payable in each country, since (i) they are either treated as deferred taxes as they are deferred unrealised capital gains, (ii) or do not generate such deferred tax as they are properties that have met the minimum maintenance requirements laid down by the REIT Law, or (iii) are French assets subject to the SIIC regime for which the Group has already paid the corresponding tax (exit tax) and, therefore, no additional taxation is associated with them.

The amount of investment property revaluations recorded for 2024 in Spain and France amounts to 2.1 million euros of losses and 104.5 million euros of profit, respectively (2023: 465.5 and 960.3 million euros of losses, respectively). These amounts do not include the effect of possible deferred taxes associated with them, nor the portion of such results attributable to non-controlling interests.

The Group's consolidated accounting profit before tax, excluding the effect of recording its investment property at fair value through profit or loss, is shown in the table below:

Accounting profit before tax

(In million euros)	2024	2023
Spain	95.3	65.2
France	157.8	145.4
Total	**253.1**	**210.6**

Given the Group's activity, tangible assets other than cash and cash equivalents basically correspond to property investments owned by the Group. The following table shows property, plant and equipment and investment property (including those classified as non-current assets held for sale) by jurisdiction:

Property, plant and equipment and investment property

(In million euros)	2024	2023
Spain	3,997.7	3,868.3
France	7,380.5	7,179.5
Total	**11,378.2**	**11,047.8**

Most of the group's companies, both Spanish and French, form part of so-called REITs (*Real Estate Investment Trust*), which are real estate companies listed on official national markets that generate income for their shareholders through the exploitation, development and sale of their real estate assets. Investors in this type of entity (be they small investors or institutional investors) can invest in a listed real estate company in the same way as in other listed entities, and instead of investing in individual properties, they can invest collectively in a portfolio of assets.

Since the purpose of the REIT is to channel the collective investment in real estate assets, the profits generated by these companies is not taxed from the REIT, and in fact it is the shareholder who is taxed on these profits when they are distributed via dividends. Spanish REITs and French SIICs are legally obliged to distribute as dividends the following gains/losses that have benefited from these tax regimes:

	REIT	SIIC
Net gain/(loss) on leasing of properties	80%	95%
Net gain/(loss) on sales of assets	50%(*)	70%
Net gain/(loss) on dividends from REIT companies	100%	100%

(*) The remaining 50% must be reinvested in new assets subject to the REIT regime within 3 years from the date of the transfer, and if not reinvested, the net gain must be distributed as a dividend.

Taxation of net rental income and sales of real estate assets is passed on to its shareholders to ensure that such gains are only taxed once and not twice (first by the REIT and then by the shareholder). This creates an incentive for investing in property through REITs, as they are accessible, transparent and liquid.

In addition to the Spanish REIT and French SIIC companies, there are companies under the general Spanish and French corporate income tax regime. Some of the results in REIT companies are also included in the general regime, such as sales of assets where the minimum holding period of three years required by the REIT Law has not been met, or the inclusion of certain adjustments from years prior to the adoption of the REIT regime, which Colonial opted for, effective from 1 January 2017 onward.

Details of the accrued income tax recognised in the Group's consolidated accounts, as well as a reconciliation between nominal and effective corporate tax, are set out in note 18 to the Group's consolidated financial statements for 2024.

The following table shows the amount of tax on profits paid in 2024 and 2023:

Profit tax paid

€m	2024	2023
Spain	7.1	(7.5)
France	(1.1)	(4.2)
Total	**6**	**(11.7)**

Tax contribution report

Colonial publicly breaks down the main tax payments in those countries in which it operates. This reflects the importance attached by Colonial to tax matters, as well as its level of commitment to the main stakeholders. To view this information, access the tax transparency section on the corporate website https://www.inmocolonial.com/responsabilidad-social/transparencia-fiscal.

Total Tax Contribution 2024

Total Tax Contribution of the Group

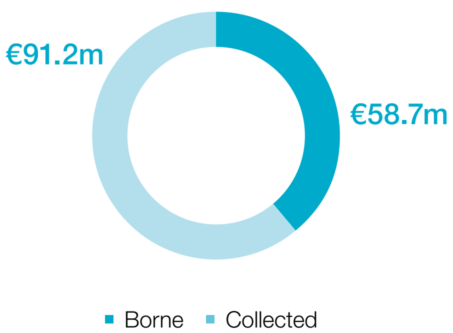
Total taxes generated by the Group's activity in 2024 in all the territories in which it operates **amounted to €149.9m**, of which **39% refers to taxes borne** and **61% refers to taxes collected**.

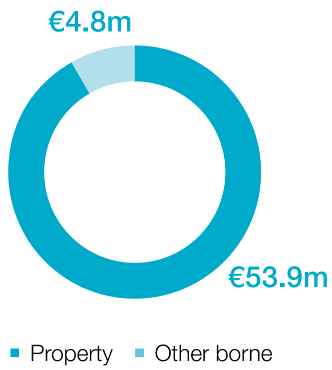
Taxes borne in 2024

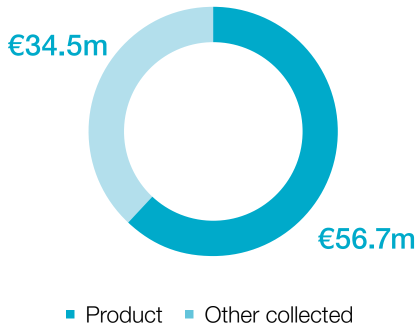
The taxes borne by the Colonial Group in 2024 amounted to 58.7 million euros. Property taxes are of particular importance, representing 92%.

Taxes collected in 2024

The taxes collected by the Colonial Group in 2024 amounted to 91.2 million euros, the most significant of which are the taxes on products and services, mainly VAT, which represent 62% of the total taxes collected.







Source: Prepared in-house.

Colonial's Tax Contribution with respect to 2024 turnover

For every 100 euros of the Group's turnover, 30 euros are used to pay taxes. Of that amount, 12 euros are taxes borne and 18 euros are taxes collected.

Total Tax Contribution Rate in 2024

During 2024, the Total Tax Contribution Ratio of the Colonial Group represents 19% of the profits before taxes borne (the profit before taxes borne is adjusted for the impact of revaluations).

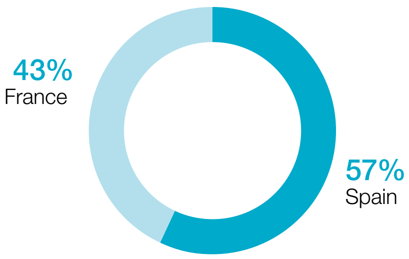
Distributed tax value in 2024(*)

Of the value generated by the Colonial Group while carrying out its business activities, 149.9 million euros has been paid to the Public Treasury through taxes borne and collected. Thus, of every 100 euros of value generated by the Group in 2024, 36 euros were used to pay taxes.

(*) The value generated by the company is calculated as the sum of taxes (borne and passed on), net withholding dividends, net interest and wages and salaries net of taxes collected on behalf of employees.

Geographical distribution of the tax contribution in 2024

Of every 100 euros that the Colonial Group pays in taxes throughout the world, 57 euros are paid in Spain.



Source: Prepared in-house.

Total amount of payments to Public Administrations

Total Tax Contribution (TTC)

149.9 million euros in Total Tax Contribution (TTC).

Property taxes

53.9 million euros in property taxes, all of which are borne.

Taxation of products and services

56.7 million euros, almost all of which is VAT collected by the Group's various companies.

Source: Prepared in-house.

Taxes paid to the Public Treasury

	Spain		France		Total	
€m	Taxes borne	Taxes collected	Taxes borne	Taxes collected	Taxes borne	Taxes collected
Corporation tax	**–4.5**	**24.2**	**1.2**	**–**	**–3.3**	**24.2**
Corporate tax	–7.1	–	1.1	–	–6.0	–
Other	2.6	24.2	0.1	–	2.7	24.2
Property tax	**29.9**	**–**	**24**	**–**	**53.9**	**–**
Real estate tax	16.1	–	23.3	–	39.4	–
Other	13.8	–	0.7	–	14.5	–
Taxes associated with employment	**2.2**	**6.1**	**5.5**	**3.9**	**7.7**	**10.0**
Payments to Social Security	2.2	0.4	3.9	2.0	6.1	2.4
Earned income withholdings	–	5.7	0.8	1.9	0.8	7.6
Other	–	–	0.8	–	0.8	–
Taxes on products and services	**0.4**	**26.1**	**–**	**30.6**	**0.4**	**56.7**
VAT settled	–	26.1	–	30.6	–	56.7
Other	0.4	–	–	–	0.4	–
Environmental taxes	**0.0**	**0.3**	**–**	**–**	**0.0**	**0.3**
Subtotal of taxes paid	**28.0**	**56.7**	**30.7**	**34.5**	**58.7**	**91.2**
Total	84.7		65.2		149.9	

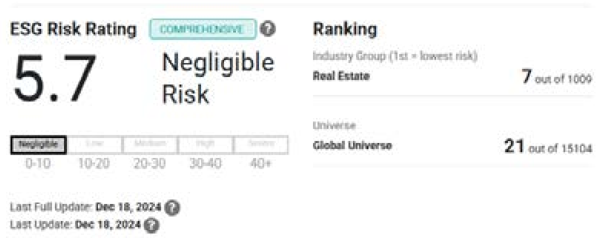
5.3. ESG Ratings

The Colonial Group continues to consolidate its leadership in sustainability, achieving the highest ratings in ESG, which reflects the Group's strong commitment to the highest environmental standards.

Sustainalytics – 1st IBEX 35 company with a rating of 5.7 (Top percentile)

Sustainalytics has granted Colonial a rating of 5.7 in ESG risk, showing an improvement of 8% compared to the previous rating given.

- Colonial is positioned in the Top 5 of the 427 listed Real Estate companies analysed (European REITs).
- Colonial is positioned in the Top 0.7% of the rated real estate companies (7th out of the 1,009 companies covered).
- Globally, **Colonial is positioned in the Top 0.1% of the companies analysed** (Top 21 of the 15,101 companies in total).

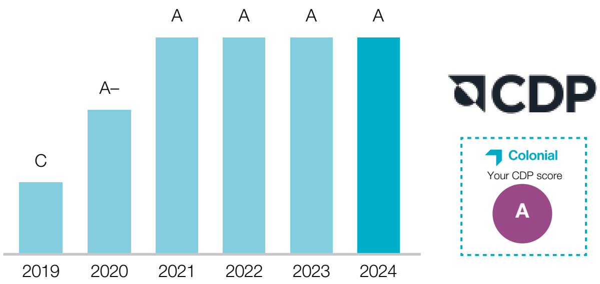


CDP: Maximum "A" score in the leading carbon index

Colonial has continued to achieve the highest "A" score from CDP for the fourth consecutive year, consolidating itself as one of the leading companies in sustainability on a global scale.

This recognition clearly demonstrates the Colonial Group's firm commitment to energy efficiency, reducing emissions and implementing sustainable strategies in the real estate sector.

Score evolution CDP



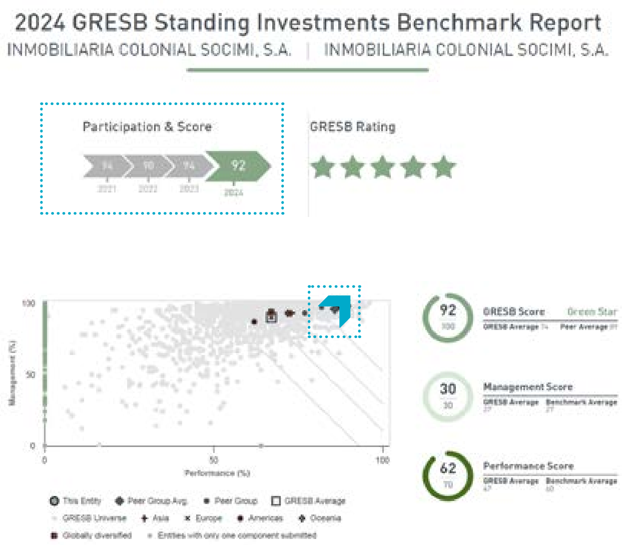
Consolidation of leadership in the GRESB rating

GRESB REAL ESTATE

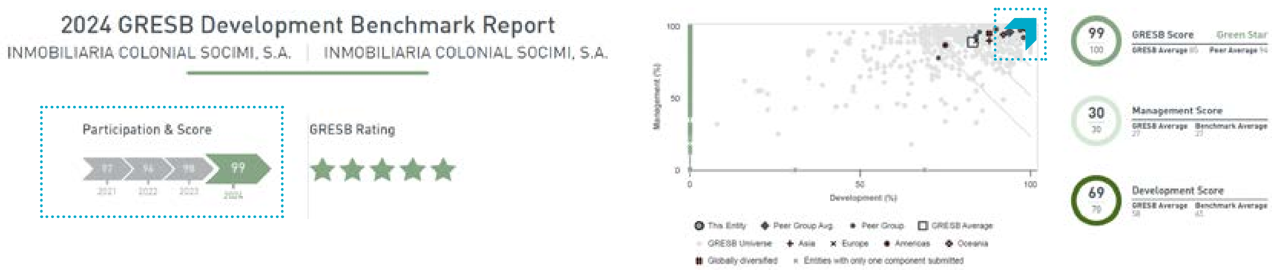
Colonial has confirmed its leadership in ESG and specifically the sustainable management of its asset portfolio, which is advancing on the path towards carbon neutrality.

Colonial has been awarded with a 5-star rating, evidence of its leadership together with the best companies in the index, with ratings equal to or higher than 90 out of 100.

This fact is reflected in the score of 92 out of 100 by the Global Real Estate Sustainability Benchmark index (GRESB) for the real estate portfolio, in line with the latest ratings and positioning Colonial among the 5 best public European Real Estate companies included in the Standing Investments Benchmark.



In the Development Benchmark (area of sustainable project management), Colonial achieved a rating of 99 out of 100, improving its rating by 1 point compared to the previous year. Thanks to this rating, Colonial is recognised as sector leader in the offices segment in Europe and worldwide.



EPRA Best Practices - EPRA Gold sBPR & EPRA BPR

The Colonial Group obtained the **EPRA Gold sBPR** rating for the 9th consecutive year, which certifies the highest reporting standards in ESG. Likewise, it also obtained the rating of **EPRA Gold BPR**.

Colonial received the award "Most Improved ESG Program" in the 3rd Iberian Equity Awards 2024

In the 3rd Iberian Equity Awards 2024, Colonial has been honored with the award for "Most Improved ESG Program" in the category of medium-sized listed companies in Spain.

This prestigious award, awarded by the Spanish Investor Relations Association and EXTEL (Institutional Investor Research), places value on Colonial's solid long-term ESG strategy, as well as the Group's capacity to effectively implement it.

The Awards Ceremony counted on the participation of more than 1,800 institutional investors and European analysts. Among the 200 listed companies assessed, only 16 of them received awards across a total of 6 categories.


6

6. Environmental

6.1. Climate strategy and decarbonization

6.1.1. Transition to carbon neutrality

Environmental sustainability policies

The Colonial Group's environmental sustainability policy, approved in 2017, is a key element for the sustainable management of its properties in accordance with its strategy. The policy sets targets on a range of environmental issues, all of which are aligned with the UN Sustainable Development Goals (SDGs).

Colonial's environmental policy is materialised in the *Manual of Good Environmental Management Practices* as a management tool that provides specific guidelines for the building, aimed at managing the activities of its facilities in a manner consistent with Colonial's sustainability criteria. This manual is organised around the three main areas of environmental management of the buildings (Colonial, maintenance companies, clients and users of the installations).

Additionally, specific policies have been developed following the best industry practices. These are available on the company's corporate website:(1)

- Corporate social responsibility policy.
- Environmental policy.
- Biodiversity policy.
- Climate change policy.
- ESG criteria policy to choose suppliers.
- Renewable energy policy and Nearly Zero Energy Buildings (NZEB).
- Well-being policy.
- Life Cycle Analysis Standard

Sustainability policies are regularly reviewed and updated to ensure the highest standards of eco-efficiency and sustainable management.

(1) Company policies are available at https://www.inmocolonial.com/en/social-responsibility/social-responsibility.

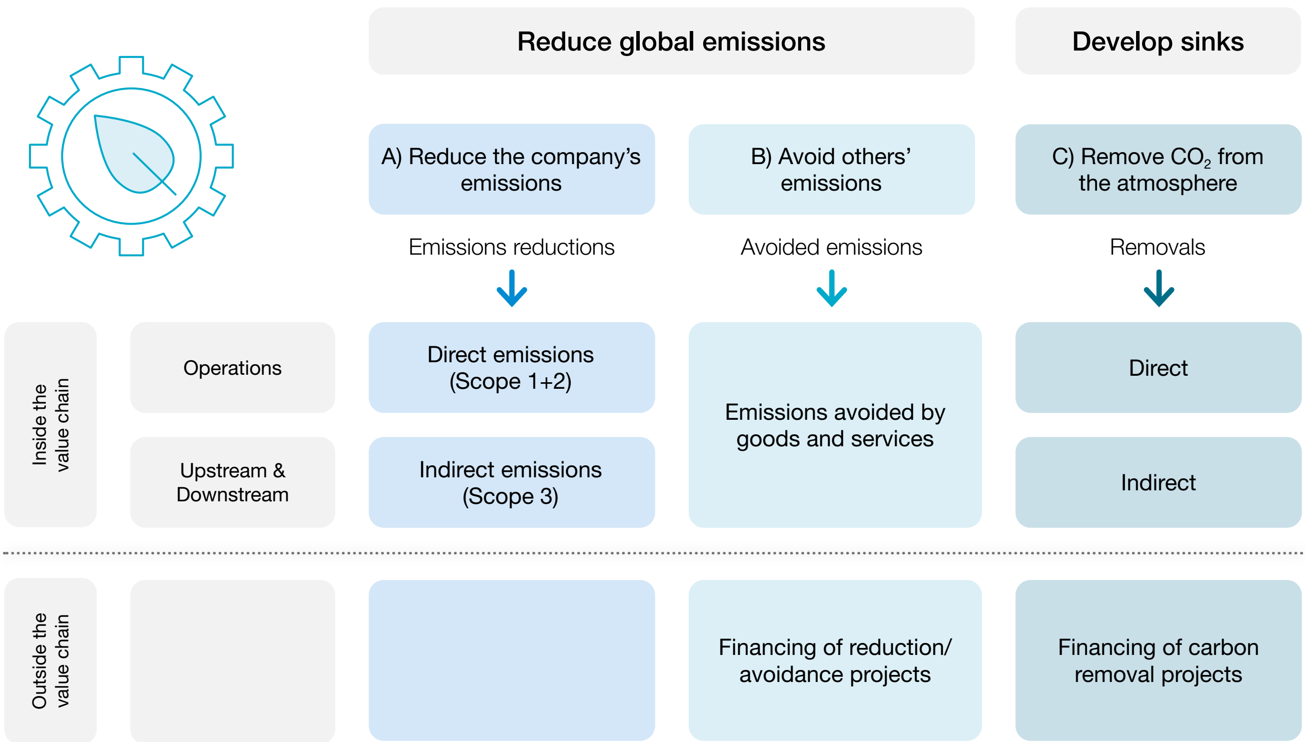
Ambitious plan for a comprehensive climate change strategy

The Colonial Group aspires to maintain a clear leadership in sustainability, which is a key element in its corporate strategy to generate a long-term sustainable return based on a model where quality is a priority.

The Colonial Group's strategy involves a firm commitment to the decarbonisation of its portfolio, a progressive reduction of its consumption and a responsible and efficient use of resources, resolutely promoting a circular economy throughout the real estate value chain.

In 2023, the Colonial Group developed an ambitious new climate strategy, not only in terms of emission reduction targets, but also in terms of scope, developing and identifying actions for the entire carbon footprint of the Group's entire value chain.

Regarding the carbon footprint, the strategy focus on three main aspects:



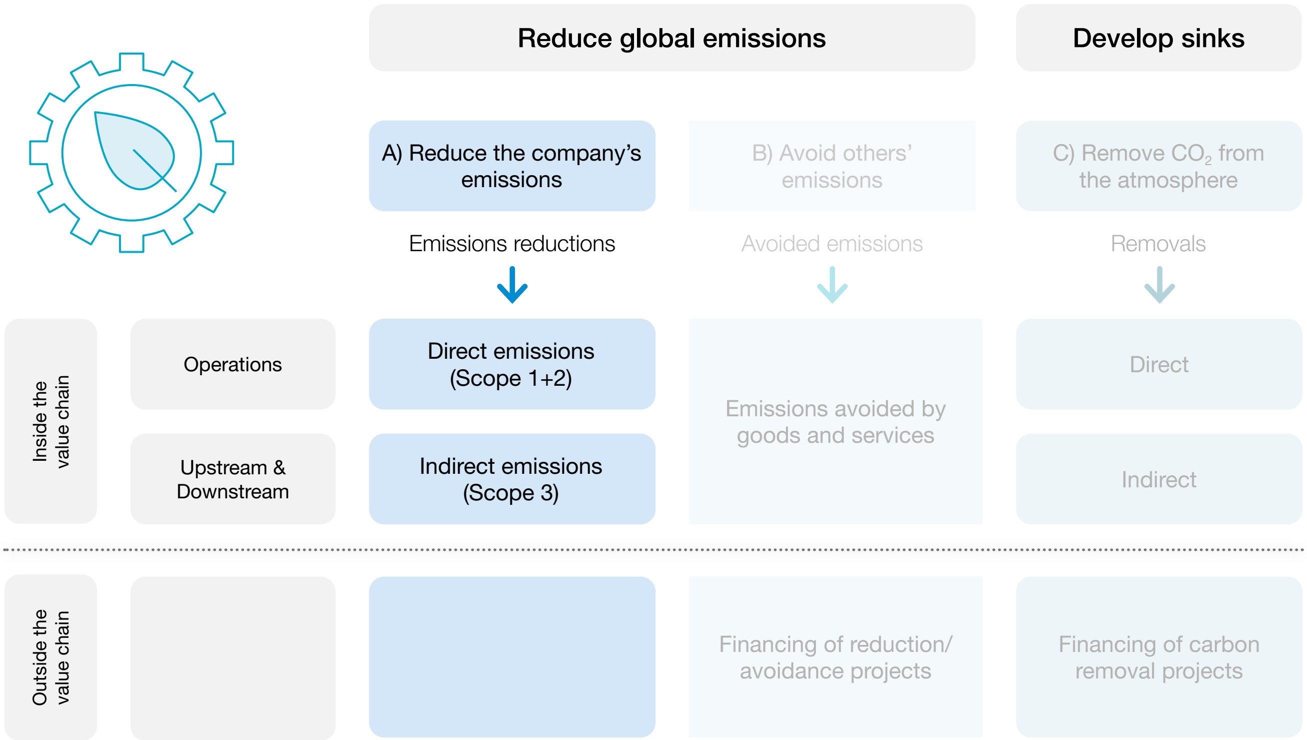
Pillar A - Reduce emissions: consists of reducing the company's carbon footprint for all categories by developing and identifying actions to reduce emissions across the Group and achieve maximum efficiency in terms of energy or emission source.

Pillar B - Avoid emissions: consists of helping to avoid third-party carbon footprint emissions, with products and buildings with features that offer an efficient option to avoid carbon emissions.

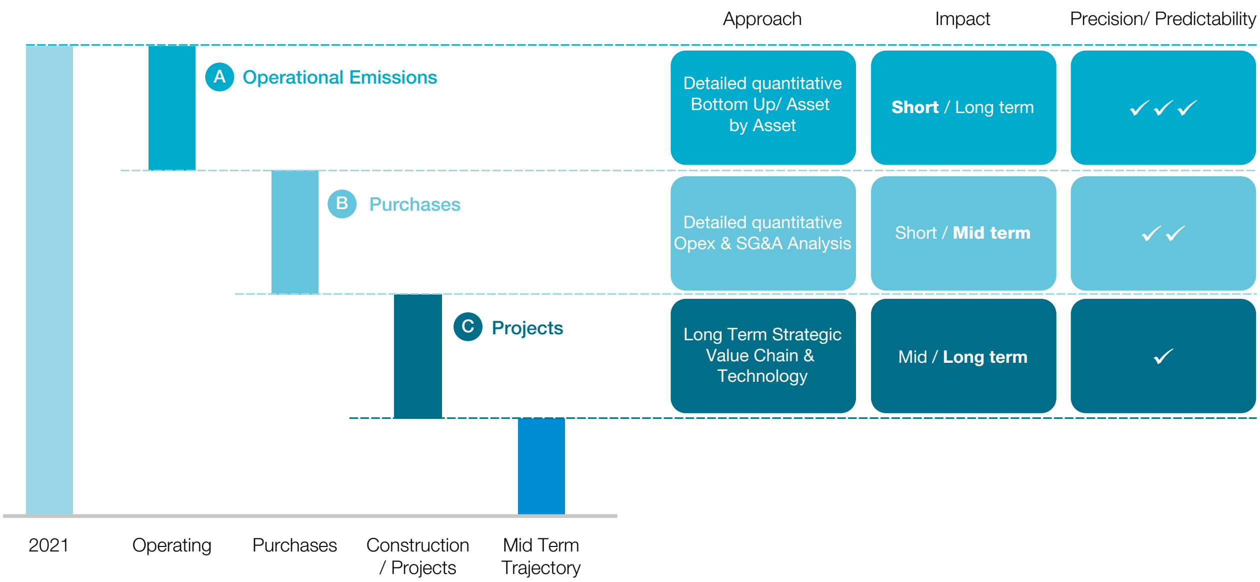
Pillar C - Carbon absorption: by developing sinks, i.e. natural elements or technological processes that absorb and store carbon, which will help mitigate climate change by removing carbon dioxide from the atmosphere.

6.1.2. Pillar A: Carbon reduction plan – Reduction

One of the essential pillars of the Colonial Group's climate strategy is the reduction of its carbon footprint, through the reduction of both direct and indirect emissions.



To this end, actions have been developed and identified for the entire carbon footprint covering the three main areas into which it is divided:



- **Operational emissions**: includes all emissions associated with the operational part of the Group's portfolio. Consists of reducing the need for energy by optimising the energy systems available, through an energy transition from conventional energy sources to more sustainable and renewable sources. Likewise, to make more responsible use of facilities and spaces, the social and client cooperation aspect is essential. For this reason, a series of webinars have been launched this year for clients with the aim of supporting and raising awareness of this objective.
- **Purchases**: includes all emissions from purchased goods and services (operating expenses of all assets and structural costs). Consists of reducing and optimising carbon emissions in relation to operational and structural costs, with an appropriate choice of all suppliers, using the necessary tools to obtain these reductions.
- **Projects**: includes all emissions associated with the Group's construction and major refurbishment projects.

To implement this climate strategy, a Decarbonisation Plan has been developed, supported by analysing and monitoring all segments of the real estate value chain using the best technical teams in the Paris, Madrid and Barcelona markets. This strategy is based on the identification of potential actions based on four driving factors for each of the areas into which the action is divided.

This capacity is applied efficiently in terms of managing the consumption of resources and energy through more sustainable suppliers, which ensure that the different activities are carried out in the best and most sustainable manner.

Levers to identify carbon reduction potentials

Lever / Driver		Action / Objective
1. Sufficiency	→	■ Reduce energy needs ■ Optimize/ reduce energy demand
2. Efficiency	→	■ Reduce the amount of energy to satisfy the same need ■ Analyze how to optimize system/ reduce losses of energy
3. Low Carbon Substitution	→	■ Produce and use low carbon materials ■ Analyze how to switch materials and/ or energy
4. Involvement	→	■ Employees: training/ awareness/ tools for carbon management ■ Clients/ Suppliers: training/ awareness/ tools for carbon management

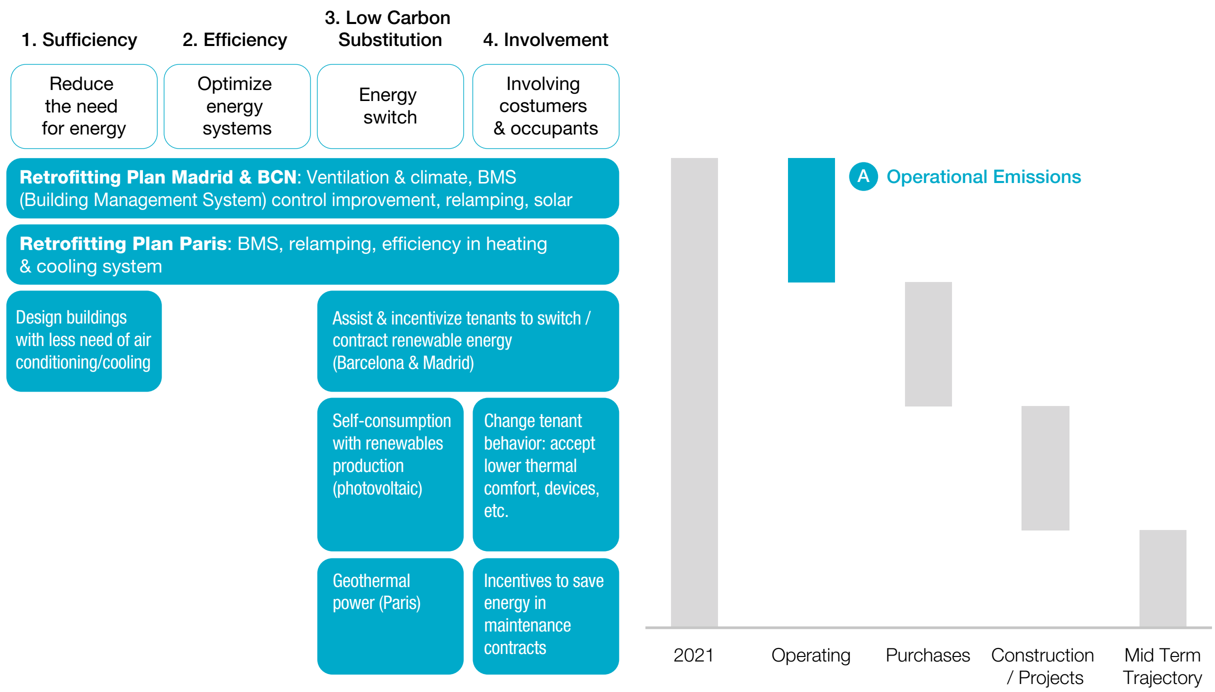
6.1.2.1. Carbon reduction pathway in operational emissions

Operational emissions comprise all greenhouse gas (GHG) emissions linked to the operational part of the Group's portfolio, both direct and indirect.

This approach involves reducing energy demand by optimising available energy systems. This is achieved through an energy transition, which involves a shift from conventional energy sources to more sustainable and renewable sources.

By focusing on efficiency and adopting more sustainable practices, we seek to mitigate the environmental impact of Group operations, while promoting a more sustainable and environmentally friendly approach in all operational activities.

Operational Carbon Reduction Roadmap



I. Retrofitting plan - Portfolio actions

In order to reduce energy needs and move towards an energy transition, the Colonial Group has drawn up a Decarbonisation Plan as an integral part of the strategic plan for the asset portfolio, establishing the main financial and non-financial KPIs for each of the assets, analysed year by year.

To this end, during the 2024 financial year, the Colonial Group has continued to develop and update the 2018-2030 Decarbonisation Business Plan, approved by the Board of Directors.

This Decarbonisation Plan, with a baseline year of 2018, was implemented to monitor reductions in consumption (in particular, energy and carbon footprint) and to chart a path towards carbon neutrality, in response to the Colonial Group's commitment to achieve carbon neutrality.

This Decarbonisation Plan is very ambitious, not only in terms of emission reduction targets, but also in terms of asset scope. The two main KPIs are carbon intensity (total carbon footprint of the portfolio in terms of ratio per square metre) and energy intensity (kWh/sqm).

Specific actions

The Decarbonisation Plan has been developed by the ESG Committee and approved by the Sustainability Committee and the Board of Directors of the Colonial Group at the end of 2021.

A Decarbonisation Plan has been developed to individually analyses each asset of the Group in all the cities where it operates. The plan assesses the current status and characteristics of each asset, and their potential for energy efficiency and carbon emission reduction, with the aim of identifying all the options for improvement, and the possibilities for implementing renewable energies and other decarbonisation mechanisms.

The master plan, which analyses the different actions in terms of decarbonisation, has been approved with an investment of €42m in CapEx linked to the Decarbonisation Plan to be distributed over the next five years.

The Colonial Group has approved a series of improvements in four major areas of activity:

A. Ventilation and climate: replacement of air-conditioning systems and installation of more efficient equipment.

B. Improved building automation and control: PropTech 2.0.

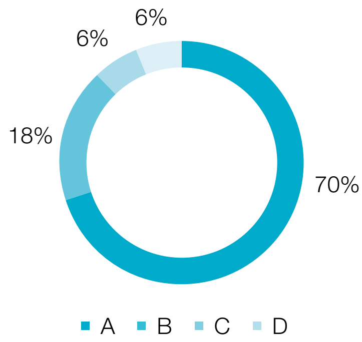
C. Relamping: LED lighting and lighting control and dimming systems.

D. Photovoltaic solar panels: installation of solar photovoltaic systems for self-consumption.

These actions will lead to a reduction in energy consumption and CO_2 emissions throughout the portfolio.

Below is the distribution of capex for each action:

Group		
A	Ventilation and climate	70%
B	BMS control improvement	18%
C	Relamping	6%
D	Solar photovoltaic	6%
Total		**100%**



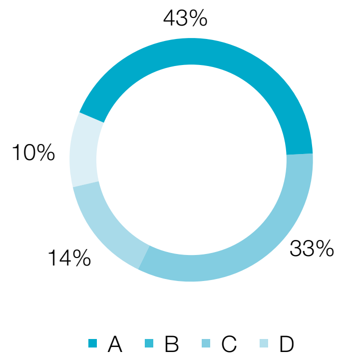
This Decarbonisation Plan is intended to act on a perimeter of 52 assets, 15 in Barcelona, 21 in Madrid and 16 in Paris, which represent 780,312 sqm and a market value of €9,601m.

The distribution of actions in the cities of Colonial's portfolio is as follows:

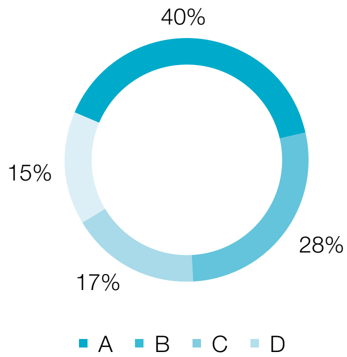
	Barcelona	Madrid	Paris	Group
Action A	9	19	14	42
Action B	9	5	11	25
Action C	7	10	4	21
Action D	8	10	2	20
No. Assets per action	**33**	**44**	**31**	**108**

Breakdown by action

Market Value



Surface



Return on decarbonization CAPEX

Also, based on the internal carbon price, the price of energy and estimates of the impact on income and value, the Colonial Group has developed a carbon yield model to prioritise sustainability actions appropriately.

In new acquisitions, projects and rehabilitations, the Colonial Group calculates, in addition to the traditional IRR,[1] a sustainability IRR (*green IRR)*, which includes all the costs and benefits of improving the eco-efficiency of the asset analysed.

II. Management of clients' private consumption

One of the main pillars of the Group's strategy to achieve carbon neutrality is to mitigate emissions and maximise the procurement of renewable energy.

The procurement of guarantees of origin (GoOs) certificates, and where applicable Power Purchase Agreements (PPAs) from 100% renewable sources allows the Colonial Group to have a low level of impact in terms of carbon footprint for Scope 2 and a significant part of Scope 3, in those buildings where electricity is supplied through Colonial.

During 2023, Colonial Group launched an action plan to advance together with single-user clients in optimising consumption and contracting renewable energy. In 2024, this niche was expanded to multi-user clients who occupy a significant amount of space. The result of this initiative has been very satisfactory, with a very significant reduction in category 13 of scope 3. The project started during 2023 will continue to expand its scope in the coming years.

Clients have access to the Environmental Management Best Practices Manual via the intranet, a document that serves as a guide to identify actions with a positive impact on their operations and their use of the building.

Additionally, visual content is displayed on all reception screens across the buildings, showcasing Colonial's environmental objectives and key performance indicators.

Furthermore, in 2024, a new training initiative was launched for clients through webinars delivered by top-level accredited experts, aimed at increasing environmental awareness among clients and users. These webinars are scheduled to continue throughout the coming year.

(1) Internal Rate of Return.

6.1.2.2. Carbon reduction route in purchases

The development of the Colonial Group's new climate strategy has involved the granular analysis of each of the categories that make up the indirect emissions within the value chain (Scope 3 emissions), with the aim of focusing efforts on those types of emissions with the greatest impact. As a result of this evaluation, acquired goods and services have been identified as one of the most significant categories.

For this reason, a key area within the reduction plan of the climate strategy is the reduction of the carbon footprint generated by all the purchases made by the company for the development of its activity.

This item aims to reduce all emissions related to the purchase of goods and services, which includes both the operating expenses of all assets and the company's structural costs. To this end, different areas of action are established:

- Increased knowledge and traceability of the origin of all acquisitions.
- Improvement in the calculation methodology used.
- Choosing low-carbon suppliers and service companies.

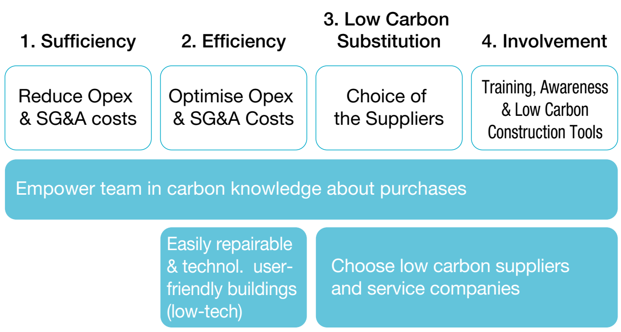
The objective is to internalise the emissions derived from the Group's contribution to the activity of the supplier companies, generated by all the Group's OpEx (direct operating costs) and structural costs (internal costs). Therefore, with an optimal choice of suppliers and the right technical tools, a significant reduction of the Group's carbon footprint can be achieved.

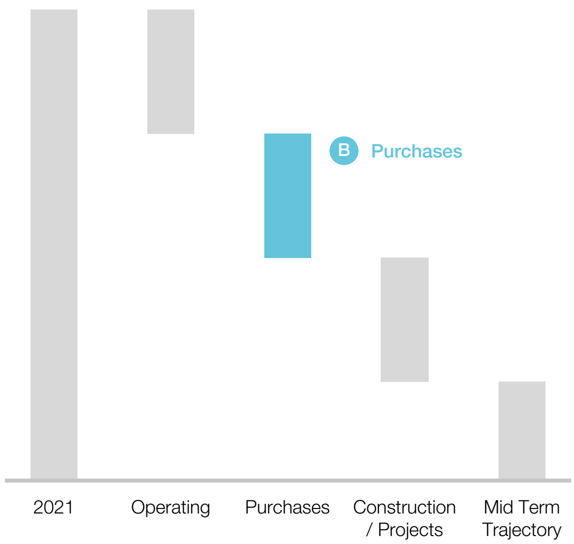
Purchases Carbon Reduction Roadmap

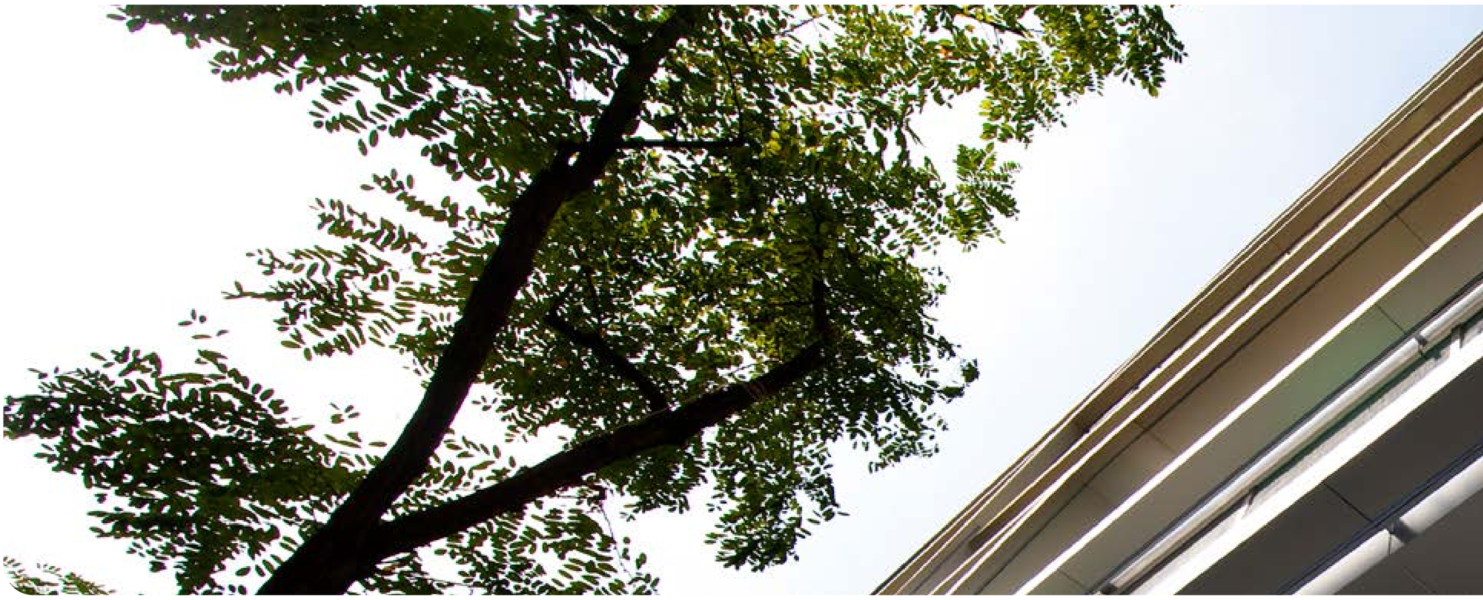
Purchase emission basically are generated by two different drivers:

1. Operational expenses (suppliers) of all the assets
2. SG&A Costs (suppliers/ advisory) in Spain & France

Purchases Carbon Reduction - Actions







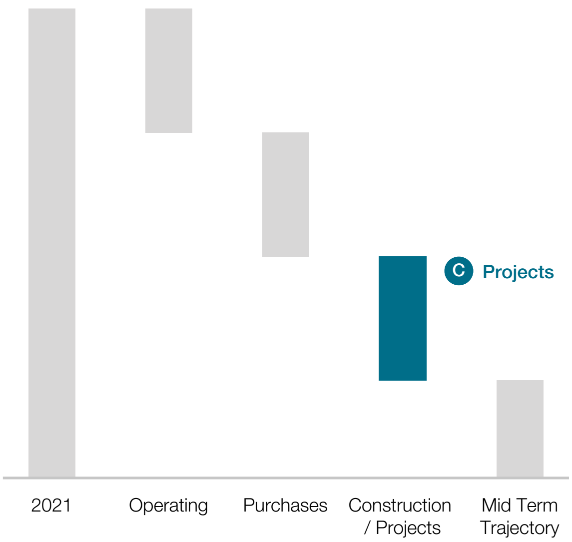
6.1.2.3. Construction projects and major renovations

Carbon emissions related to new asset development activities and comprehensive refurbishment projects are of particular relevance to the Group's carbon footprint, as they make up the largest category of total emissions, accounting for around 60% of the total footprint.

This impact should be monitored as accurately as possible and its results should guide investment decisions and construction processes. For this reason, the Colonial Group has developed a specific strategy to reduce the emissions derived from this asset transformation activity.

Projects Carbon Reduction Roadmap

1. Sufficiency	2. Efficiency	3. Low Carbon Substitution	4. Involvement
Design	Renovation, rehabilitation	Choice of the materials	Training, Awareness & Low Carbon Construction Tools
Empower your team in carbon knowledge/accounting on supply chain			
Adapt buildings for less refurbishments	Reuse materials	Use of low-carbon concrete	Study on ancestral constr. methods
Modular design	No new constructions, more refurb.	Use of bio-based materials	Limiting deconstruction
Industrialization of the process	Industrialization of the process		Perform LCA during concept phase
			Set carbon threshold per area of operation
			Internal carbon price



I. Asset Life Cycle Carbon Footprint Management

The Group's aim to promote a circular economy is to develop and manage real estate assets by limiting the consumption of natural resources and the production of waste.

It contributes to reducing the carbon footprint through different actions and elements:

- The rational use of resources in the construction phase, through the ecological design and reuse of materials.
- Adaptation of assets for greater sufficiency, reducing the need for recurrent renewals.
- The study of the feasibility of more efficient processes, such as modular design and industrialisation.
- The recovery and recycling of waste related to building development and operations.
- Control and reduction of energy and water consumption in the operating estate.
- The use of low-carbon materials.
- Following new industry developments for implementation.

As part of its decarbonisation strategy and with the aim of optimising the eco-efficiency of the entire value chain, the Colonial Group applies to refurbishment projects and new asset development, the integrated life-cycle analysis (LCA).

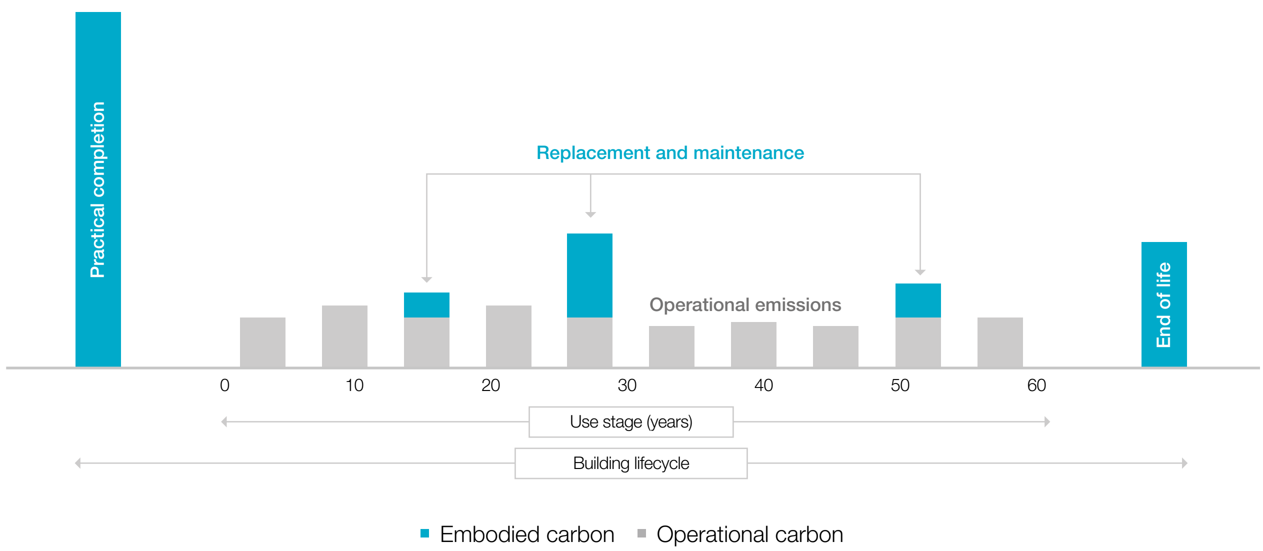
For all new building acquisitions and renovations or major refurbishments, the Colonial Group carries out an exhaustive analysis of each of the phases established in the useful life of the asset to be considered (acquisition, construction and refurbishment, renovation and remodelling, management of properties in operation and repositioning or sale of the property) beyond the current situation. At a technical level, Colonial considers a reference period of 100 years for the durability of the structures, developments and interior divisions of common areas of its assets, which exceeds industry standards, e.g. the *CTE – DB SE and EN 1990: Eurocode: Basis of structural design consider 50 years and Level(s)* considers an average useful life for structures of 60 years. However, in the LCA methodology and in order to achieve a comparable standardisation with respect to other market references (RICS, Hines, LCBi and Level(s)), a double life span period is established for the study. This will enable us to provide useful indicators to different stakeholders, establishing scenarios of 50 and 60 years of durability.

It is also important to highlight that the Colonial Group involves design teams, suppliers, contractors, maintenance providers and technical managers in the building's life cycle strategies. Their involvement in the strategic sustainability plan is key for a sustainable and integrated value chain.

In this context, the focus of the analysis is on the greenhouse gas emissions associated with the non-operational phase of an asset, i.e. emissions released through the extraction, manufacture, transport, assembly, maintenance, replacement, deconstruction, disposal and end-of-life of the materials and systems that make up a building. All these emissions form the **embodied carbon** and are present in all parts of the asset's life cycle.

Stages in the life cycle of buildings	Carbon at the beginning of the life cycle		Operations			Carbon at the end of the life cycle
			Embodied carbon	Operational carbon		
Cycle	Design	Building	Maintenance, repairs and renovations	Energy use	Water use	Demolition, transport and disposal of waste
Definition	Phases of production and construction of materials prior to building use		Materials and processes needed to maintain the building during use	Use during the building's operational period		Demolition and demolition of a building after use
	A1 to A3	A4 to A5	B1 to B5	B6 to B7		C1 to C4
	Embodied carbon					**Embodied carbon**

Carbon emissions ($kgCO_2$)



Note: Illustration from the LETI Embodied Carbon Primer.

Life cycle analysis considers the different processes of the value chain in all its phases to assess environmental impacts, as well as the role of the owner in the community and the future benefit for customer operations.

The study of the entire life cycle allows for more specific optimisation and management of the dynamics of different buildings in terms of carbon equivalent emissions into the atmosphere. As reflected in the graph below, emissions related to embodied carbon account for a high percentage of the carbon emitted in the operational phases of the asset's life cycle. Also, efforts in energy efficiency improvements have traditionally been focused on the operational phase of the life cycle, given the increased awareness of the sector and more restrictive regulation, so the impact of embodied carbon on total emissions is expected to become increasingly significant. This highlights the need to effectively address this share of emissions in order to achieve the set decarbonisation target.

Decisions made through the life cycle analysis enable operational sustainability benefits to be realised in both the short and long term. Therefore, the life cycle analysis of an asset is essential to be able to implement improvements at each stage of the value chain in order to achieve the carbon targets set by the company.

Given this high importance, in 2023 the Colonial Group developed a standard that specifies the methodological principles to be followed in order to carry out the different LCAs in a comparable manner, taking into consideration best practices and the requirements of the different stakeholders. Consequently, the creation of this standard responds to the need to improve knowledge and the correlation between the procedures for calculating embodied carbon and life cycle, facilitating the comparison between different projects and the analysis of their environmental impact. This is a pioneering initiative in the sector and represents a significant step forward in this field.

For more specific details on the Group standard, please see the website.

II. Optimisation and limitation of embodied carbon

The strategies proposed to reduce the embodied carbon of the Group's activity are the following:

- Commitment to accurate monitoring of emissions throughout the value chain (relevant GHG Protocol Scope 3 categories).
- Improving knowledge on the climate impacts of projects through generalising the life cycle analysis.
- Widespread use of development certifications as a way to anticipate emerging building regulations.
- Strong partnership with construction companies to include higher standards in the use of materials.
- Preliminary studies to limit destruction in renovation and restructuring projects.
- Monitoring of construction materials used and their associated impacts.
- Re-use of materials on site or from other sites (materials markets).
- Increased use of bio-based alternatives (wood, low-carbon concrete, etc.).
- Promotion of industrialisation in projects and implementation of highly efficient management models, such as Lean methodology.

After exploring such reduction strategies at the design stage, the teams continue to look for further potential improvements.

Life cycle analyses are updated between the design and completion of the project, with the awareness that decision-making during early-stage interventions within the project phases yields the greatest benefits in terms of economic efficiency and timelines.

Once the results have been analysed, construction elements and life cycle phases with the greatest potential for improvement are observed. For these elements, improvements are proposed that have an impact on at least one of the following:

- Improved performance of the operational phase of the building, i.e. less energy is needed to run the building according to the established needs.
- Improved embodied carbon of materials and facilities.
- Reduced maintenance of materials and elements.
- Increased lifetime of infrastructure or systems.
- Improved disassembly or recycling of components at the end of their service life.

III. Case studies on embodied carbon reduction

Life cycle analysis Miguel Ángel, 23

The life cycle analysis has identified aspects to optimise the level of sustainability of the property and, consequently, maximise value creation. Specifically, the decision was made to recover materials and set targets to reduce the building's CO_2 emissions to near-zero levels. This made this project one of the first nearly zero-energy office buildings in Madrid, aspiring to the highest energy rating and obtaining the BREEAM Excellent New Construction rating.

It is worth noting that, thanks to its near-zero energy building design, the reduction of its carbon footprint is significant:

- **Operational emissions**: if we compare the intensity of operational emissions that the building would have had if the project had not been carried out, this figure is reduced by around 60% thanks to the measures implemented.
- **Lifetime emissions**: the carbon footprint of the full life cycle analysis, even taking into account the embodied carbon involved in the development of any project, is reduced by 41% for 60-year LCAs and 36% for 50-year LCAs.

This reduction is thanks to excellence in asset transformation processes, incorporating factors such as wood and various renewable energy sources.

Biome Life Cycle Analysis

Biome is a clear example of a sustainable building with triple certification: HQE Exceptional, BREEAM New Construction Excellent and LEED Gold. It also received the Biodivercity Excellent label, highlighting the significant revegetation effort undertaken. It is also worth noting that it was selected as one of the first buildings in Paris to obtain the BBCA (Low Carbon Building) Renovation label.

Biome

The architect-designer teams opted for an ambitious project. The great use of materials, avoiding about 2,500 tCO_2e, together with an exceptional restructuring of the building and an important re-vegetation, stand out.

Life cycle analysis Velázquez 86d

In the design phase, the life cycle analysis of the Velázquez 86d project was taken into account, with the clear objective of being able to have an impact and reduce pollution in the rehabilitation phase. The entire development has been based on life cycle cost optimisation studies, identifying the best alternatives with the aim of achieving a near-zero energy building with the highest energy rating. The asset has achieved a LEED Platinum rating and a BREEAM In-use Excellent rating.

If we contrast the LCA calculation of the building without considering the transformation and improvements implemented by Colonial with the project carried out, the results obtained show a clear mitigation of the carbon footprint:

- **Operational emissions**: emissions are reduced by around 56% compared to what the building would have emitted if the project had not been carried out.
- **Lifetime emissions**: the carbon footprint of the life cycle analysis, considering the embodied carbon generated by the development itself, is reduced by 37% for 60-year LCAs and 33% for 50-year LCAs.

Miguel Ángel, 23

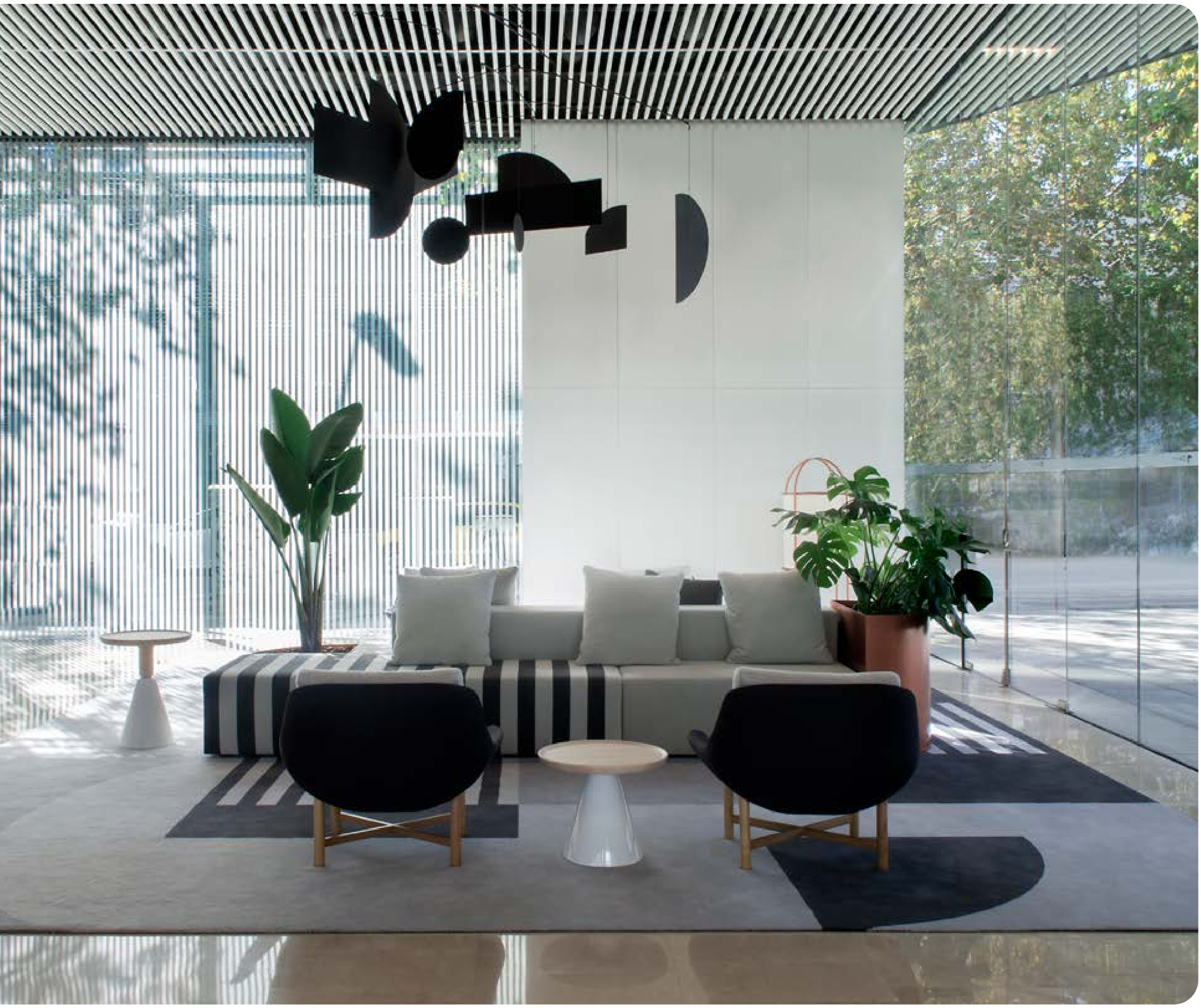
Velázquez, 86d

Main results of the life cycle analysis

The table below shows the embodied carbon ratios of the above projects:

Main results of the life cycle analysis

			Embodied Carbon ($kgCO_2e/sqm$)		Internal company target	
Asset	Location	sqm LCA	(A1-A5)	Complete	(A1-A5)	Complete
Miguel Ángel, 23	Madrid	9,140	332	599		
Velázquez, 86d	Madrid	17,660	350	650	≤500	≤700
Biome	Paris	22,430	283	356		



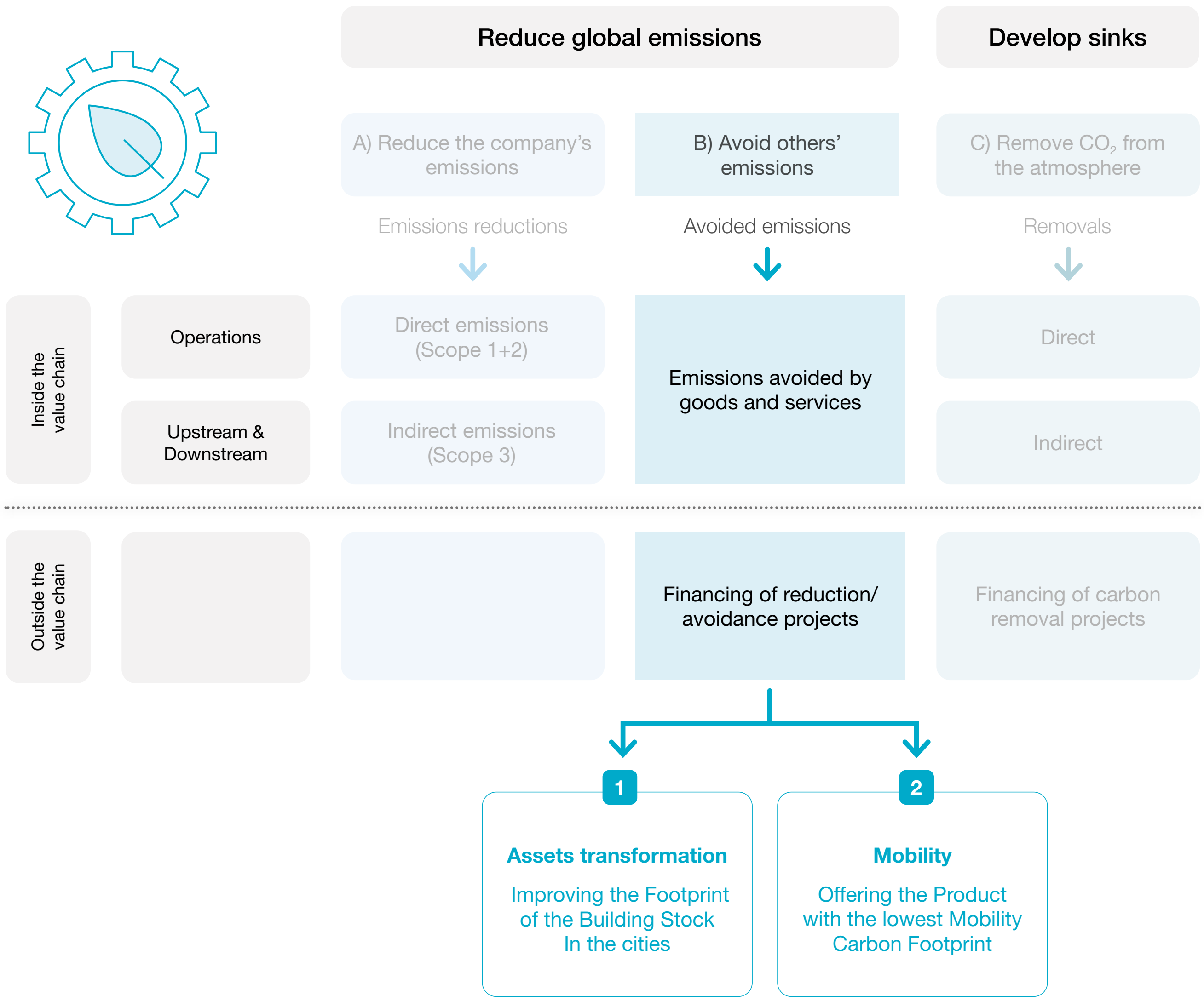
6.1.3. Pillar B: Plan to avoid carbon emissions – Avoidance

The second pillar of the Colonial Group's climate strategy is to offer solutions to the cities and markets where it operates in order to avoid third-party emissions.

The Colonial Group's activity offers two ways to avoid third-party emissions. Firstly, through asset transformation, improving the city's real estate stock and creating low-emission products. Secondly, the location of Colonial's assets in the city centre offers a lower mobility carbon footprint due to an optimal mix of connectivity.

To the extent that interested customers choose Colonial's product and discard inefficient products, Colonial contributes to avoiding third-party emissions.

The Colonial Group, through the development of its activity, enables asset renovations that improve the energy efficiency of the real estate portfolios in the cities where it operates, and which also serve as low-carbon destinations in terms of sustainable mobility.



6.1.3.1. Asset transformation – Low-emission properties

The transformation of obsolete assets into buildings of the highest quality is one of the Group's key activities. The development of transformation projects improves the environmental quality of the urban centres of the cities where Colonial operates. To observe the impact of such an asset transformation, it is necessary to take a life cycle analysis (LCA) point of view.

The Colonial Group, as part of its new LCA standard, has developed a procedure to estimate the carbon emissions avoided thanks to the improvement works carried out, comparing the carbon footprint generated before and after the development of the project. This shows the positive effect of the Colonial Group's actions.

Specific considerations for the study

The impact on carbon footprint reduction through project development is the result of comparing the LCA carbon footprint of the building after the transformation – including all mitigation and energy efficiency actions included in the improvement works – with the LCA carbon footprint under the assumption of keeping the characteristics of the asset constant, considering only maintenance actions.

Impact on carbon footprint reduction through asset transformation	=	**LCA** Carbon footprint after transformation	–	**LCA** Carbon footprint before transformation

This analysis makes it possible to quantify the extent to which the development of the project has reduced the emissions that would have been generated by the asset if the Group had not taken the initiative to transform it. It is worth mentioning that the development of transformation projects inherently entails an increase in embodied carbon emissions due to the construction phase itself, which is an opportunity cost for achieving future improvements. As a result of the company's continuous efforts to improve its environmental performance throughout the life cycle of its assets and the improvement strategies explained above, the latest projects have been carried out following the best standards and methodologies, resulting in an improvement in the amount of embodied carbon generated by the project itself, which is at the lowest level in the sector, and the subsequent carbon intensity it will emit during the future operational phase of the asset. In order to properly consider the impact of the project, emissions must be assessed on a full life cycle basis, as this increase is offset by the improvement of the asset during its use phase.

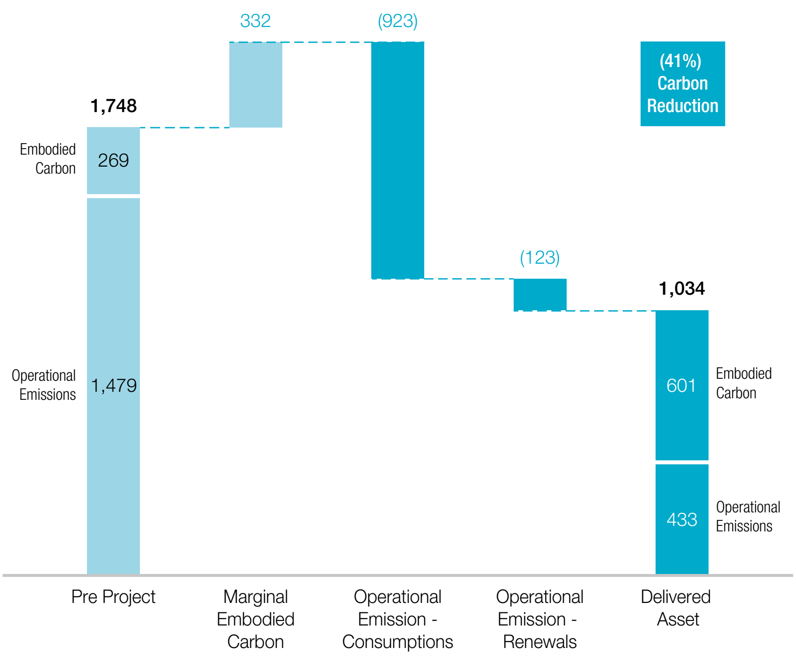
The impact of the main transformations is detailed below, following the methodology explained above.

Miguel Ángel, 23

In the case of Miguel Ángel, 23, thanks to the excellent transformation process of the asset, a 41% reduction in carbon dioxide emissions over its entire useful life (60-year reference period) has been achieved compared to the asset before the transformation process, going from an intensity of 1,748 kgCO_2e/sqm to 1,034 kgCO_2e/sqm. The increase in embodied carbon resulting from the project is offset by the significant decrease in operational emissions due to energy efficiency improvement, thanks to the consumption reduction and the installation of renewable energy sources in the building itself. This reduction translates into 109 tCO_2e avoided each year, equivalent to a total of more than 6,000 tCO_2e over the lifetime of the asset.

Marginal Impact Analysis (60 years)

KgCO_2e/sqm



Note: calculations assuming constant emission factor through full life cycle.
The surface used for intensity KPIs is the Gross Internal Area (LCA methodology): 1,940 sqm.

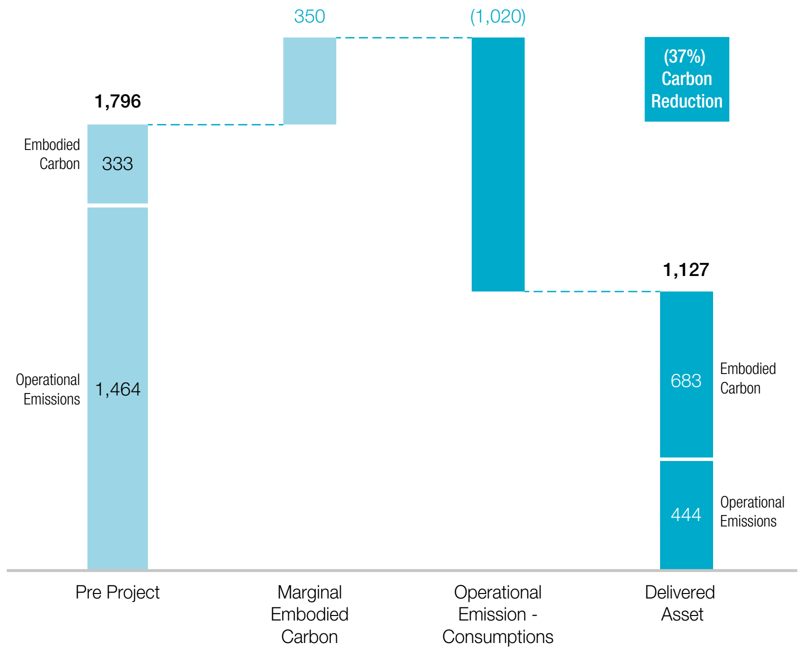
Velázquez, 86d

The Velázquez 86d transformation project has led to a significant reduction in the emissions generated over the entire life cycle (60-year reference period). Starting from an emissions intensity of 1,796 $kgCO_2e$/sqm, a 37% reduction has been achieved, reaching an intensity of 1,127 $kgCO_2e$/sqm. In absolute terms, 197 tCO_2e per year have been avoided, which means a total of 11,000 tCO_2e avoided over the lifetime of the asset.

Therefore, as the above examples show, this excellence in project development made possible by LCA analysis increases the efficiency of the Group's assets as a whole, while improving the quality of the cities' building stock. This achieves a significant reduction in the carbon footprint generated, taking into account the entire operational phase of the asset.

Marginal Impact Analysis (60 years)

$KgCO_2e$/sqm



Note: calculations assuming constant emission factor through full life cycle.
The surface used for intensity KPIs is the Gross Internal Area (LCA methodology): 17,660 sqm.

6.1.3.2. Mobility – Low-emission destinations

The mobility of users from their homes to their workplaces is a major source of carbon emissions from an asset, which can reach levels of up to 60% of total emissions according to the *Observatoire de l'Immobilier Durable*. In this context, real estate companies have an important role to play in implementing levers of action to encourage the decarbonisation of occupant mobility, such as:

- Strategic positioning: central locations, with proximity to different public transport alternatives.
- Establish facilities that promote active mobility, as well as charging stations for electric vehicles.

Strategic positioning and carbon emissions

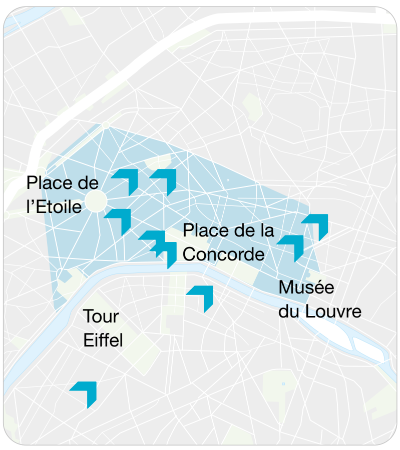
One of the fundamental pillars of the Colonial Group's strategy is to offer top-quality offices in prime locations, which is why all of the company's assets are in the best areas of the cities where it operates. This distinctive feature of the Colonial Group's portfolio allows employees and clients to access the services typically found in city center areas, while also optimising commuting to offices and reducing both the carbon footprint and enhancing user well-being.

The Colonial Group has 99% of its portfolio located in city centres and 79% in business centre areas (CBD). It also prioritises positioning around important transport hubs such as major train and metro stations. In particular, one of Madrid's major projects is located next to Atocha station and three major assets in Paris are located next to Gare de Lyon, Gare Montparnasse and Gare du Nord stations. This positioning optimises the commute time for all users of Colonial's assets.

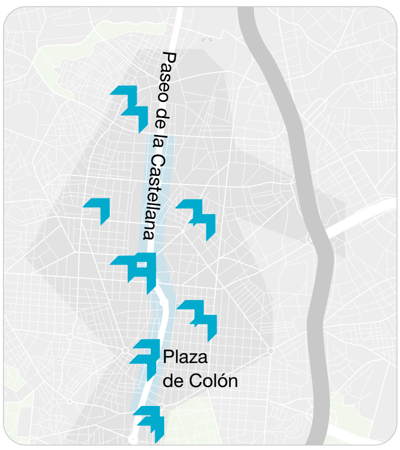
This excellent accessibility characteristic of CBD areas allows for a reduction in commuting-related emissions, mainly due to two factors: firstly, it greatly affects users' choice of mode of transport, reducing the percentage of people who choose to use transport with a higher carbon footprint, and secondly, it reduces the distance from their homes to the company's buildings.

In order to illustrate this impact, a specific case study has been carried out for two assets in Barcelona, one located in a prime CBD location and the other in a secondary area. Comparing both cases, a clear difference can be observed in the typology of carbon emissions according to the means of transport used, with a much higher percentage of private transport in secondary locations. As private transport is the mobility alternative with the highest associated carbon dioxide emissions, this is directly reflected in the commuting carbon footprint generated by the total number of occupants. Specifically, in a central location, the annual carbon footprint per user decreases by approximately 33%.

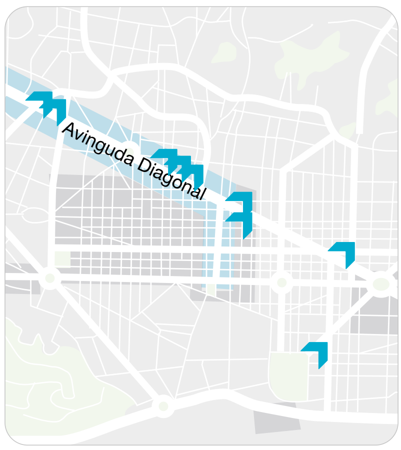
Paris



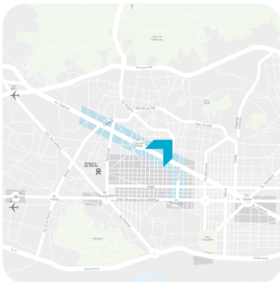
Madrid



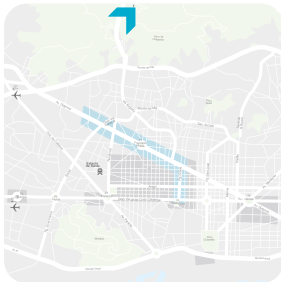
Barcelona



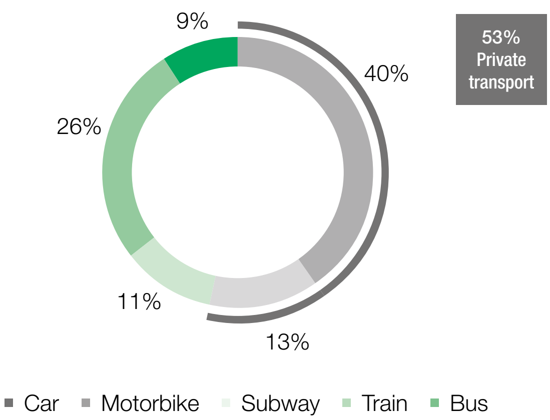
Prime CBD



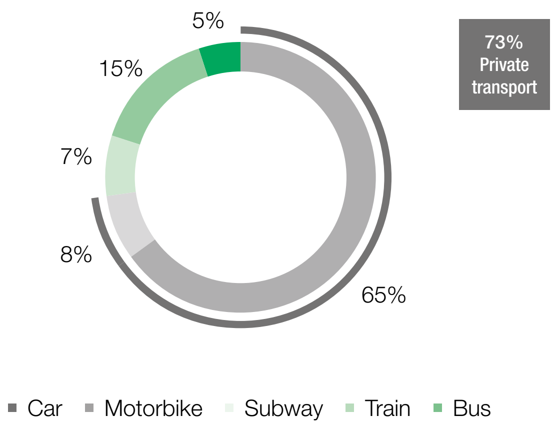
Secondary



Carbon emissions by mean of transport

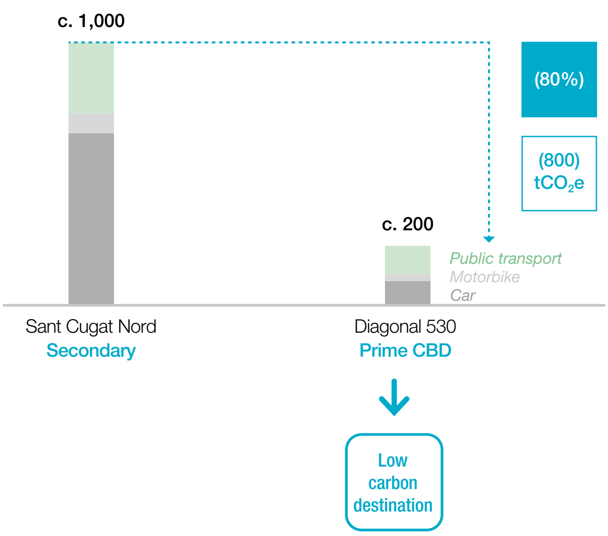


Carbon emissions by mean of transport



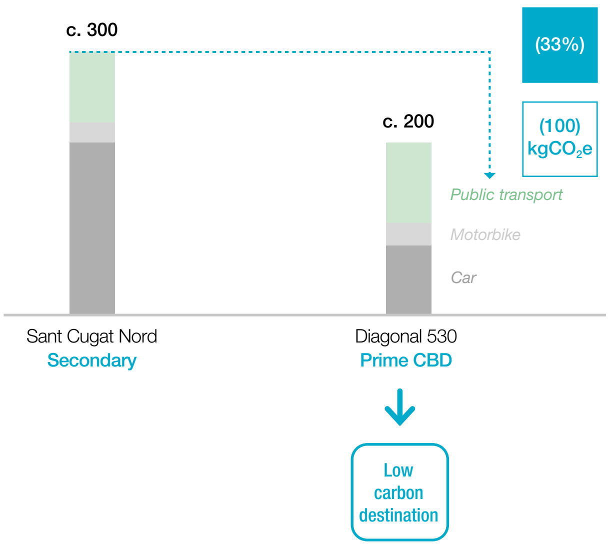
Total absolute carbon emissions

tCO_2e/year

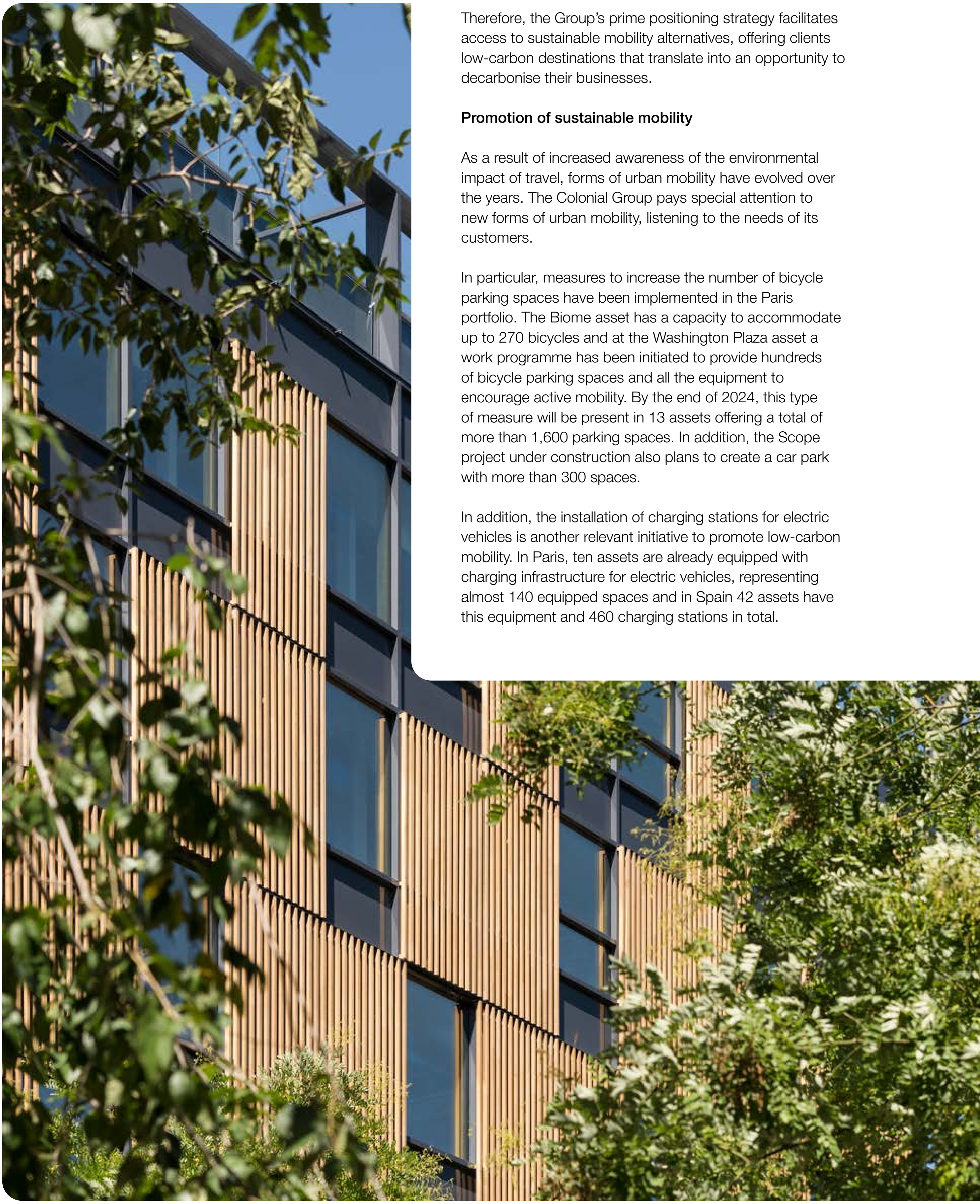


Carbon emissions intensity

$kgCO_2e$/user/year



Note: Study based on the number of parking spaces for each asset, cross-checked with statistical data from the report *Institut d'Estudis Regionals i Metropolitans de Barcelona (2021). La mobilitat per motiu de feina a la província de Barcelona*. Theoretical number of users estimated from the maximum occupancy rate of the building.



Therefore, the Group's prime positioning strategy facilitates access to sustainable mobility alternatives, offering clients low-carbon destinations that translate into an opportunity to decarbonise their businesses.

Promotion of sustainable mobility

As a result of increased awareness of the environmental impact of travel, forms of urban mobility have evolved over the years. The Colonial Group pays special attention to new forms of urban mobility, listening to the needs of its customers.

In particular, measures to increase the number of bicycle parking spaces have been implemented in the Paris portfolio. The Biome asset has a capacity to accommodate up to 270 bicycles and at the Washington Plaza asset a work programme has been initiated to provide hundreds of bicycle parking spaces and all the equipment to encourage active mobility. By the end of 2024, this type of measure will be present in 13 assets offering a total of more than 1,600 parking spaces. In addition, the Scope project under construction also plans to create a car park with more than 300 spaces.

In addition, the installation of charging stations for electric vehicles is another relevant initiative to promote low-carbon mobility. In Paris, ten assets are already equipped with charging infrastructure for electric vehicles, representing almost 140 equipped spaces and in Spain 42 assets have this equipment and 460 charging stations in total.

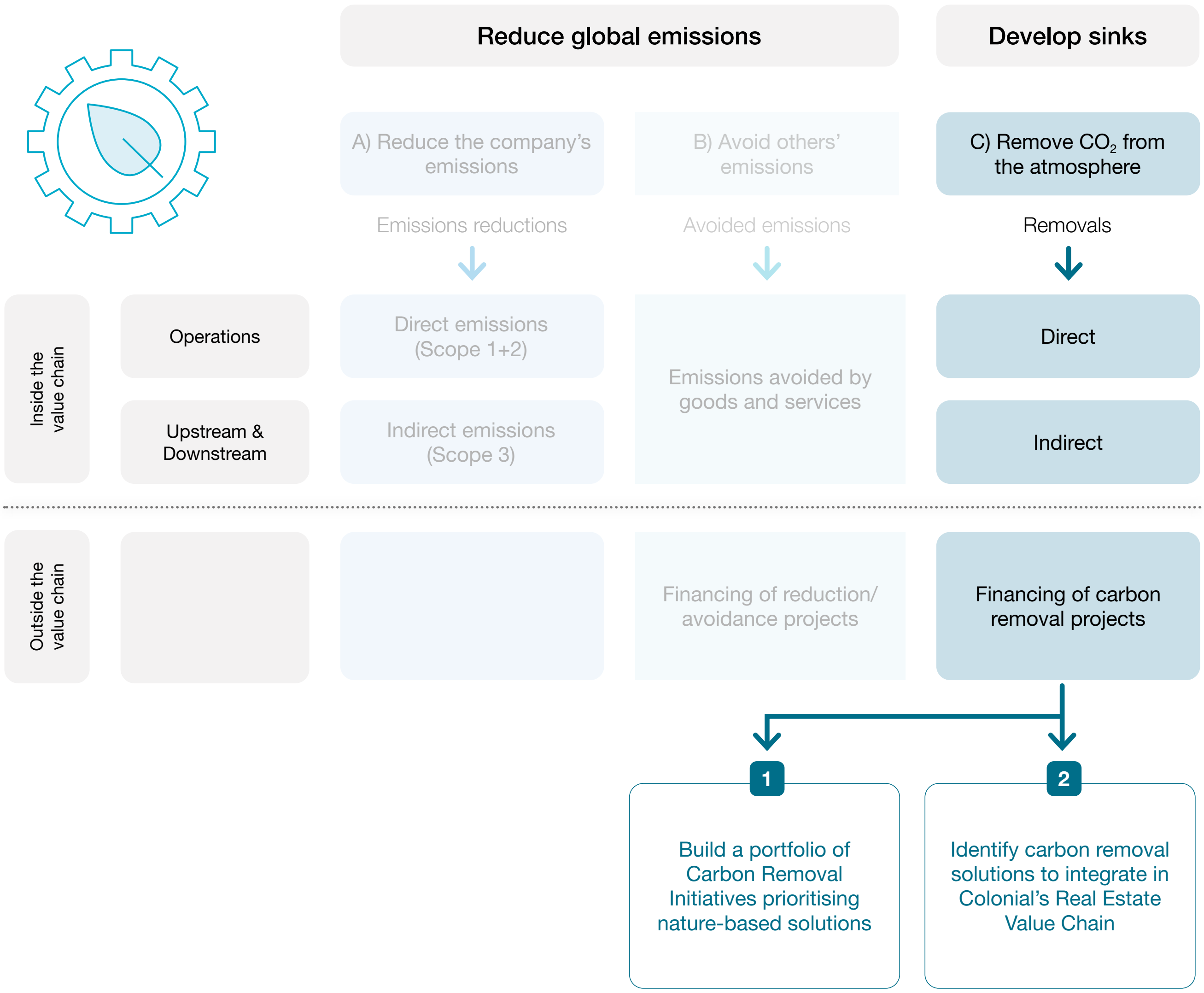
6.1.4. Pillar C: Carbon absorption plan – Removal

The third essential pillar of the Colonial Group's climate strategy is carbon removal.

This absorption is carried out through the development of carbon sinks, that is, natural elements or processes that absorb and store carbon, thus helping to mitigate climate change by removing carbon dioxide from the atmosphere.

There is an imperative need for the real estate industry to decarbonise, so supporting the most innovative ideas in climate technology is a natural move for a real estate company that wants to lead the industry in the coming years.

In addition to the company's continuous efforts to reduce its emissions and mitigate the effects of its activity on the environment, it is important to highlight the need to carry out a comprehensive action plan to absorb the residual emissions inherent to the real estate activity, in order to reach a carbon neutrality objective.



I. Carbon Removal Strategy - Principles for building a portfolio of initiatives

Colonial is designing a strategy to create a portfolio of robust, quality carbon removal initiatives – targeting those emissions that cannot be avoided – by simultaneously assessing three dimensions:

1. Assessing the quality of existing removal solutions

   For the distinction of the highest quality initiatives, a number of essential requirements must be met. For example, carbon absorption must be ensured in the long term, without causing any negative impacts on biodiversity and local communities, or displacing carbon leakage outside the project boundaries. In addition, the solution needs to present a rigorous method for calculating the stored emissions.

2. Assessment of the initiative's provider or partner

   The initiative provider must provide transparency in both the methods and results of the project, as well as comply with the strategic and timetable objectives of the project, with proper management of the non-climate impacts that could be generated by the development of the initiative.

3. Specific portfolio design considerations

   A comprehensive price/cost analysis of the solutions, their degree of alignment with the Group's existing Decarbonisation Plan, the exposure to the company and the potential co-benefits that could be derived will be carried out.

II. Carbon removal projects outside the value chain

Nactiva

The Colonial Group is aware of the need to reverse the negative externalities produced by most economic activities, which is why it is very interested in the possibility of becoming an active agent of change by investing in strategic projects with a positive impact on the environment. For this reason, the Colonial Group has contacted Nactiva to work towards achieving this objective, thus helping to mitigate climate change by absorbing carbon dioxide from the atmosphere.

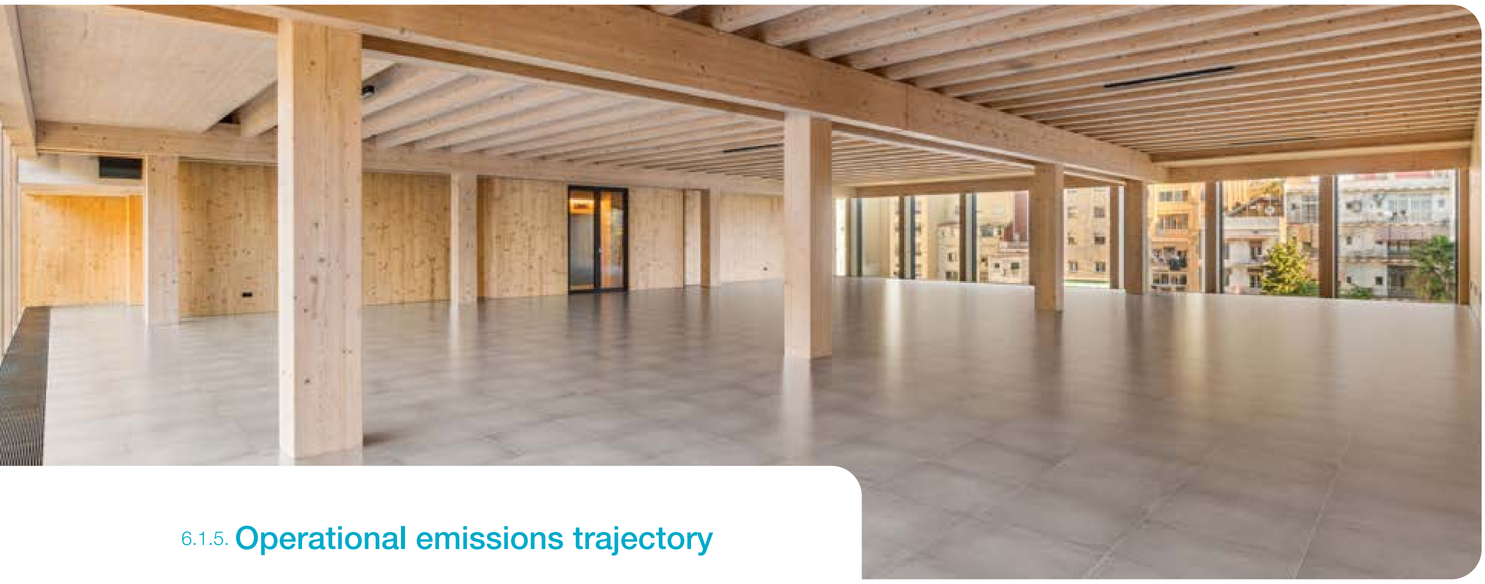
Nactiva is a collective platform for the protection and regeneration of natural capital in the Mediterranean. This platform designs, accelerates and obtains private, public and philanthropic funding for projects and companies with the aim of generating ecological, social and economic impact in the territory, connecting key actors to promote the development of business projects with a cross-cutting impact objective with scale and value generation.

As a collective platform, it integrates all types of private, technical, academic and institutional actors to foster cooperation in order to accelerate and maximise impact, promote scalability and replicability of solutions, reduce risks and share investments.

Nactiva is an innovative instrument capable of catalysing the development of the natural capital market for the protection and regeneration of the Mediterranean. And it does so with a long-term impact strategy acting on the main sectors of activity and with the vision of transforming the Group's economy into a regenerative model.

Nactiva works with several programmes:

Nactiva Forest	Nactiva Water	Nactiva Land	Nactiva Coast
Protection, conservation, forest management and regeneration of Mediterranean forests.	Regeneration of water basins, rivers and aquifers, as well as the recovery of renewable fresh water.	Recovery and regenerative use of agricultural soils and all agricultural by-products of the food value chain.	Restore of marine biodiversity (flora and fauna), as well as initiatives for the protection and conservation of coastal protection and conservation initiatives.



6.1.5. Operational emissions trajectory

I. Group Decarbonisation Plan

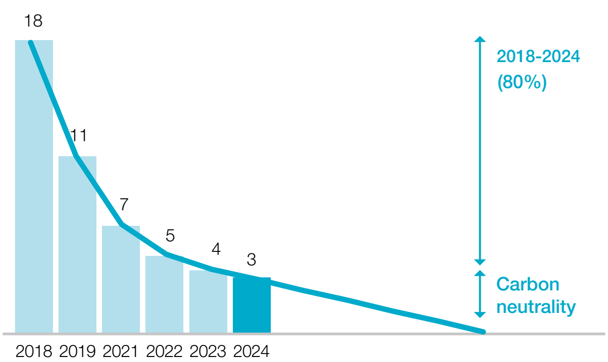
The approved decarbonisation plan sets forth the roadmap to make the Colonial Group's entire asset portfolio carbon neutral and, therefore, to be able to contribute to meeting the objectives set in the Paris Agreement, signed in December 2015, achieving the maximum reductions in carbon footprint and reaching the lowest levels in the European sector. The Colonial Group aspires to achieve this carbon neutrality through the specific actions indicated above.

In relation to the carbon emissions intensity metric for scopes 1 and 2 per square metre, the Colonial Group has made significant progress. This key performance indicator (KPI) shows that the Group has achieved a substantial reduction in carbon intensity per square metre, reaching a level of 3 $kgCO_2e$/sqm, one of the lowest ratios in the sector (equivalent to an 80% reduction since the base year 2018).

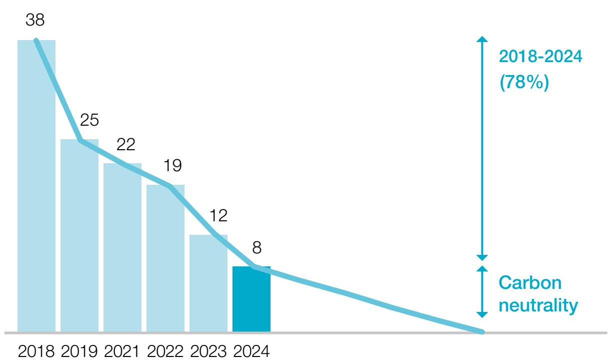
Furthermore, by extending the analysis to include emissions associated with tenant's private areas (category 13 of Scope 3), the Group has reached a total emission intensity of 8 $kgCO_2e$/sqm. This result represents a 78% decrease since 2018, an achievement that reinforces its commitment to sustainability and the transition towards a low-carbon economy.

In terms of the key performance indicator (KPI) measuring the carbon emission intensity of scopes 1 and 2 per euro generated, Colonial Group has reached a significant milestone by reducing this value to 0.010 $kgCO_2e$/€. This achievement represents a 79% decrease compared to the base year 2018, reflecting the Group's ability to operate more efficiently and sustainably. This indicator shows how the Group has optimised its processes not only to minimise its environmental impact, but also to maximise its net operating income, while consolidating a more environmentally friendly business model.

Intensity Scopes 1 and 2 ($kgCO_2e$/sqm)



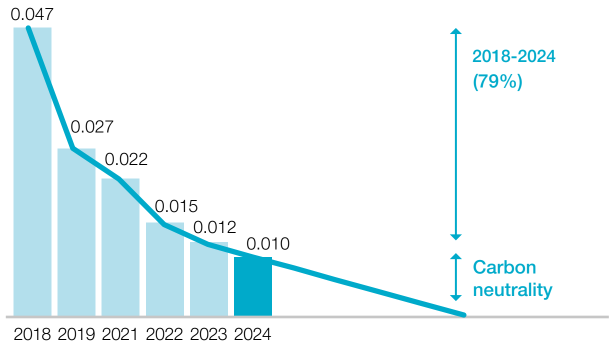
Intensity Scopes 1, 2 and 3 ($kgCO_2e$/sqm)



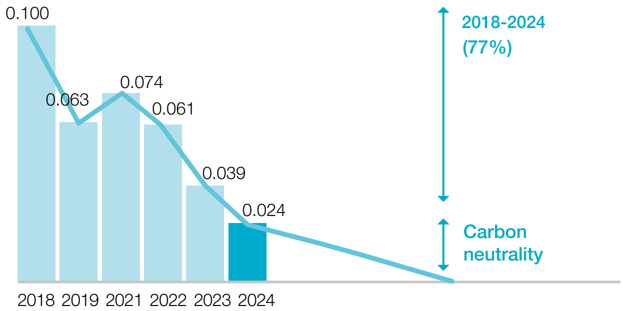
Furthermore, considering the emissions associated with tenat's private areas (category 13 of Scope 3), Colonial Group has achieved a emission intensity of 0.024 kgCO_2e/€. This result is equivalent to a 77% reduction since the base year 2018.

These results reflect the Group's efforts to optimise energy use and implement effective decarbonisation measures, consolidating its position as a leader in sustainability within the real estate sector. This performance highlights the Colonial Group's leadership in environmental management within the real estate sector and sets a benchmark for other companies in the sector seeking to align their financial results with a lower climate impact.

Intensity Scopes 1 and 2 (kgCO_2e/€)



Intensity Scopes 1, 2 and 3 (kgCO_2e/€)



II. Science Based Targets initiative (SBTi)

To strengthen the Group's commitment to the Paris Agreement, Colonial has committed to the Science Based Targets initiative (SBTi) to establish emission reduction targets aligned with science and with limiting the increase in the Earth's average temperature to below 1.5°C, a very ambitious goal.

The Group's decarbonisation pathway has been endorsed by SBTi, which has reinforced this commitment. Therefore, our target is compatible with a 50% reduction in Scope 1 and Scope 2 (market-based) emissions in absolute tonnes of CO_2e between 2018 and 2030, as set out in the SME approach developed by SBTi.

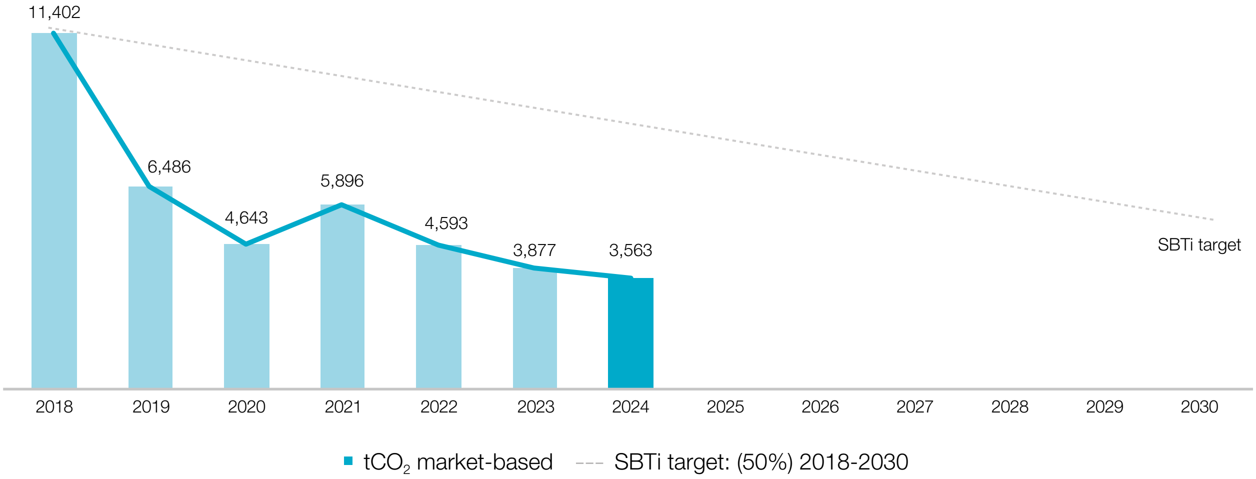
This implies that the Colonial Group's targets are based on the guidelines deemed necessary by the latest climate science to meet the Paris Agreement targets, providing a clear pathway to mitigate greenhouse gas emissions significantly and effectively.

Given the expected progression and increased prominence of energy efficiency, formalising the commitment to SBTi provides other strategically important benefits, such as increased resilience to future regulations; stimulation of growth, innovation and competitiveness; and increased stakeholder confidence. It also offers support and validation by technical experts.

Therefore, adherence to SBTi not only corroborates that the actions Colonial is taking are the right ones to mitigate climate change, but also shows the starting point required to optimise the development of the Group's objectives. This allows the Group to take a step forward with regard to these strictly necessary measures and to draw up a more ambitious action plan built on this scientific basis.

CO_2e scope 1 and 2 (market-based) emissions

tCO_2e market-based



III. Carbon Risk Real Estate Monitor (CRREM)

The Carbon Risk Real Estate Monitor (CRREM) initiative has been developed by various universities together with GRESB, with the support of the European Union’s Horizon 2020 innovation programme, to achieve the goal of decarbonising the real estate sector by 2050, following the objectives set out in the Paris Agreement to limit global warming to below 1.5ºC compared to pre-industrial levels.

CRREM consists of a tool to assess the energy performance of assets and calculate the carbon footprint generated, as well as to analyse the degree of alignment of the portfolio with respect to compliance with established objectives, greater regulatory requirements in terms of efficiency and future market expectations, avoiding a misalignment of assets and the potential depreciation that could result.

The tool provides specific decarbonisation trajectories for each type of use and according to the country where the asset is located. This distinction allows Colonial to accurately analyse its office assets, differentiating between the two countries in which the company operates. Therefore, it allows a specific study of the risk of obsolescence for each asset, facilitating the detection of buildings that are more carbon or energy intensive and pose a greater risk of transition and makes it possible to optimally allocate the investment needed to reverse it.

CRREM is also aligned and collaborates with other international initiatives and organisations such as SBTi, GRESB and TCFD, among others, which implies a greater harmonisation in the measures carried out by companies to mitigate the carbon footprint linked to real estate activity. It should be noted that as a result of the technical collaboration between SBTi and CRREM, the trajectories shown have been developed jointly between the two initiatives, thus ensuring consistency of the different global standards that are key to achieving the objectives.

In 2024, Colonial Group, with the collaboration of independent experts for both countries, has carried out an exhaustive analysis of the resilience of its assets by applying the tool to its portfolio, thus reinforcing the Group's decarbonisation strategy and facilitating the achievement of the carbon neutrality objective. Specifically, the strategic assets of the Group's operating portfolio have been analysed, excluding assets under development or subject to improvement works, given that the tool is designed to address emissions generated during the operational phase of buildings. It should be noted that the study covers only the portfolio's operational emissions, without considering embodied carbon emissions.

The integration of CRREM allows for a better perspective of the level of preparedness of Colonial's assets as a whole in the face of the climate and energy demand forecasts that will affect the company, thanks to the individual positioning of the assets that has been carried out.

In particular, 50 assets in the Spanish portfolio and 15 assets in the Paris portfolio have been analysed, considering energy consumption for the year 2023 as the starting point for the analysis. In those buildings where actual consumption was not available, either because they were just delivered after renovation processes or recently acquired, consumption data has been estimated considering full occupancy. In order to obtain more representative results, the study process was carried out in two phases:

1. Current status of the portfolio without considering improvement actions.

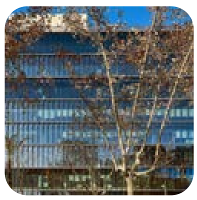
2. Evolution of the portfolio, incorporating in the analysis the improvement actions considered in the Group's Decarbonisation Plan. These savings have been entered into the tool to identify their ability to improve the resilience of each asset.

The assets analysed show an optimum level of compliance with the requirements set out in the CRREM trajectory. Taking into account a medium-term time horizon and considering the improvements of the Plan, it can be seen that only 15% of the value of the assets will have to be revised from 2030 onwards.

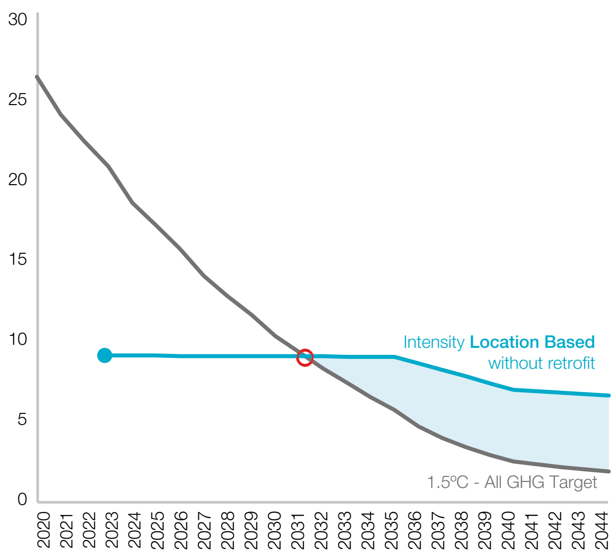
Below are three specific graphical examples of the asset-by-asset analysis are presented, comparing both location-based and market-based emissions after implementing the improvement actions of the Decarbonisation Plan.

Case study Barcelona – GHG intensity projection

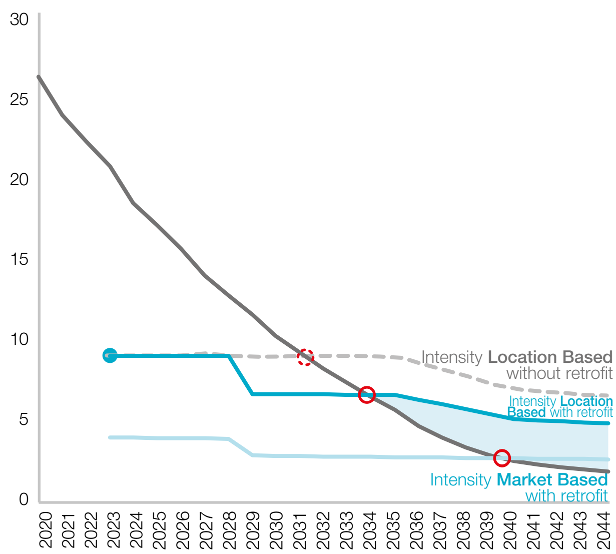
($kgCO_2e$/sqm/year)



Diagonal 530, Barcelona – Current Situation



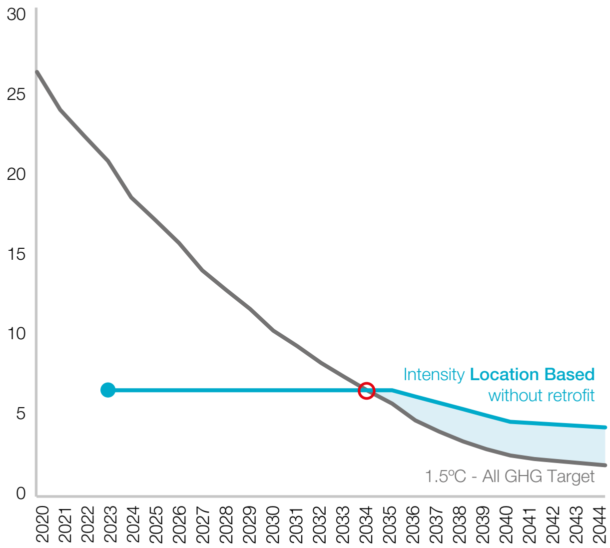
Diagonal 530, Barcelona – Pro-Forma post Decarbonization Plan



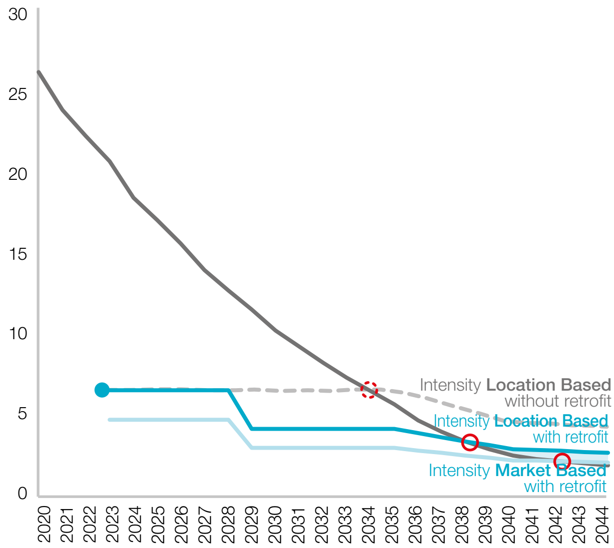
Case study Madrid – GHG intensity projection

(kgCO_2e/sqm/year)

Génova 17, Madrid – Current Situation



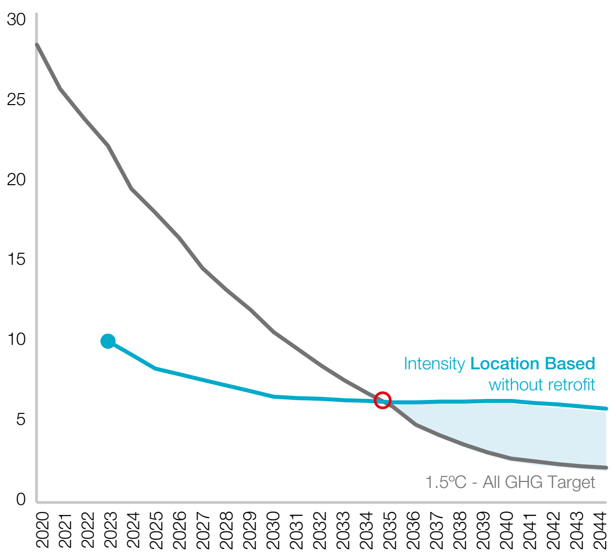
Génova 17, Madrid – Pro-Forma post Decarbonization Plan



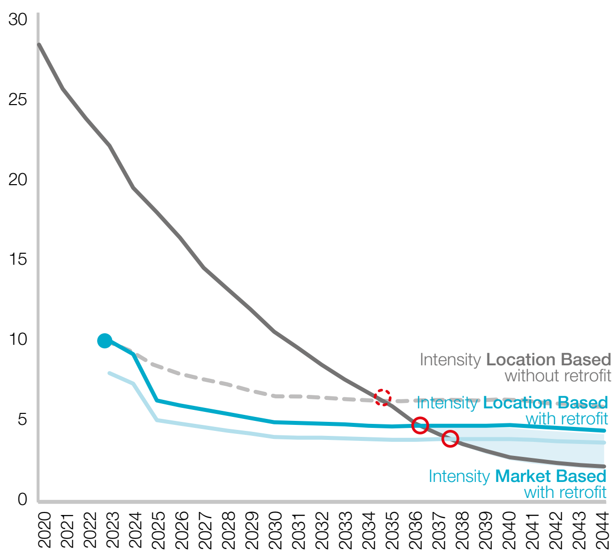
Case study Paris – GHG intensity projection

(kgCO_2e/sqm/year)

106 Haussmann, Paris – Current Situation



106 Haussmann, Paris – Pro-Forma post Decarbonization Plan



The above examples show how the energy savings from the Decarbonisation Plan make it possible to postpone the year of obsolescence by reducing their carbon footprint. If we also take into account the company's efforts to increase the purchase of green energy, the market-based projection shows a significant reduction in the building's carbon intensity curve, improving the asset's carbon emissions trajectory.

This granular analysis thus makes it possible to distinguish both those Group buildings that require greater investment and more intensive efforts to improve their energy efficiency, as well as those assets that are currently already aligned with the 1.5ºC target. This distinction facilitates the consideration of additional measures to those in the plan that allow for a more effective distribution of the investment and prevent the portfolio from failing to comply with the trajectory established by CRREM.

The integration of this study as part of the Group's strategy strengthens the thoroughness of the analysis, which facilitates a better knowledge of the degree of conditioning of each asset and, in turn, implies greater convergence with the methods that govern global standards. It is worth noting that Colonial Group updates the CRREM analysis every year, and this is one of the key parameters for the eligibility of assets in the Group's new Green Bond Framework.

Therefore, this integration work improves the resilience of Colonial's assets to future regulations and reinforces the existing Decarbonisation Plan.

6.1.6. Internal carbon price

In the current context of growing regulatory, social and environmental pressure to decarbonise the economy and, therefore, the real estate sector, it is essential to integrate practices and initiatives that align the company's activity and operations with the Paris Agreement and the Group's specific climate change mitigation commitments.

As a result, the internal carbon price responds to the need to incorporate the negative externalities derived from greenhouse gas emissions in their impact on society, in addition to aligning financial and environmental objectives. It is therefore an effective tool for promoting the sector's decarbonisation, while strengthening the resilience of the Group's activity and enabling Colonial to anticipate regulatory and financial risks.

Similarly, a theoretical internal carbon price ("carbon shadow price") consists of a mechanism that assigns a monetary value to emissions in order to quantify their economic impact and, consequently, internalise the costs associated with each tonne of CO_2 emitted. The term "theoretical" means that this monetary estimate is used solely within the organisation to guide strategic decision-making towards more sustainable practices, without generating a direct economic cost.

The company decided to use this mechanism with the aim of promoting sustainable development, influencing strategic decision-making by internalising and monitoring the negative effects of its activity in terms of carbon footprint, and accelerating the transition towards a low-emission CO_2e economy. Furthermore, this approach enables the Group to analyse in advance the financial implications of a possible implementation of a carbon tax, helping it to minimise the economic impact that this would entail and to optimise the management of the associated financial risk.

The Colonial Group established an internal carbon price (carbon shadow price) of €100/tCO_2e, approved in 2021 by the Sustainability Committee and the Board of Directors.

This theoretical price was calculated using benchmarks created with comparable sectoral companies as a reference. These companies had an internal price range of approximately €50 to €100/tCO_2e. Also, existing prices in carbon emissions markets were taken into account, such as the European Union Emissions Trading System (EU ETS), which has shown an upward trend in recent years, going from €24/tCO_2e in 2019 to €84/tCO_2e in 2023. Various existing national carbon taxes were also considered, such as the German carbon tax of €45/tCO_2e; and other relevant references, such as the estimated technological cost for carbon absorption, which stands at between €350-450/tCO_2e absorbed.

Projections on the possible evolution of these factors were also taken into consideration, given the growing imperative need to decarbonise the real estate sector. Accordingly, the current price may be revised in the future depending on the market and the evolution of potential costs.

The carbon price of €100/tCO_2e is used internally in planning studies for new developments and projects. In this way, the Group can estimate the impact of embodied carbon emissions and encourage their reduction in projects, reducing the implicit cost that offsetting these emissions would entail.

In line with the objective of scope 1 and 2 GHG emission neutrality, the company also quantifies the theoretical costs derived from the operational and recurrent use of buildings, leveraging the decarbonisation plan and the derived actions for energy improvements. The carbon price is therefore applied to all company emissions in a uniform manner, with a single price for both operational and embodied carbon emissions.

In quantitative terms, by applying the internal carbon price to the company's total emissions trajectory, taking 2021 as the initial year of implementation of this mechanism, a significant decrease is observed in the implicit cost associated with the Group's carbon footprint. This analysis reflects a 55% reduction, thanks to the efforts dedicated to decarbonizing the company's asset portfolio and operations.

This progress reinforces the Group's commitment to the transition towards a low-emission economy and demonstrates the effectiveness of integrating internal carbon pricing as a strategic tool.

As a sign of the relevance of this pioneering initiative, the company has attended multiple workshops to analyse and discuss carbon pricing mechanisms, which have been organised by the "C Change" programme of the Urban Land Institute (ULI) in collaboration with EPRA.

These workshops have been held to promote the exchange of knowledge and experience between companies in the sector. It is thus possible to strengthen the skills for an adequate and effective implementation of carbon pricing mechanisms within the respective organisations, and to collaborate with ULI in the creation of a guide of universal principles for these mechanisms.

This guide is a useful tool for companies wishing to implement an internal carbon price.

6.1.7. Strategic objectives and metrics

The Colonial Group is aware of the important role of the real estate sector in the transition towards a carbon-free economy and in preventing the consequences of climate change in its broadest sense. This means that action is not limited to the area of energy efficiency and carbon emissions, but goes beyond the specific objectives of the Decarbonisation Plan.

The Colonial Group has a climate strategy that is based on science-backed reduction targets, aligned with a trajectory that seeks to limit global temperature rise to 1.5°C. This perspective reflects a commitment to sustainability and mitigating the impacts of climate change.

On the road to sustainability, the Colonial Group has established the following objectives:

1. **Short-term objective “Net Zero” – “Near Term Targets”**. This objective focuses on short-term actions. In this regard, the Colonial Group is committed to significantly reducing absolute GHG emissions in scopes 1, 2 and 3 by 45% by 2030, compared to the base year 2021. This objective represents a tangible and urgent step on the path towards sustainability, setting the pace for achieving more ambitious goals in the future.

2. **Long-term “Net Zero” target – “Long Term Targets”**. This target implies an even more significant reduction, with a commitment to reduce absolute GHG emissions in Scopes 1, 2 and 3 by 90% by 2045, starting from the base year 2021. This long-term approach reflects an understanding of the need for bold and sustainable action to address global environmental challenges and contribute effectively to climate stability.

3. **“Net Zero” Global Target**. This ambitious target involves the total elimination of net greenhouse gas (GHG) emissions across the entire value chain by 2045, with a baseline year of 2021. This long-term vision demonstrates the determination to make a significant contribution to climate change mitigation and create a positive impact on the environment.

In this regard, the Colonial Group has established ten key performance indicators (KPIs) grouped into four main areas:

a) Indicators of mitigation and, in particular, of optimisation of energy consumption and reduction of operational carbon emissions of buildings.

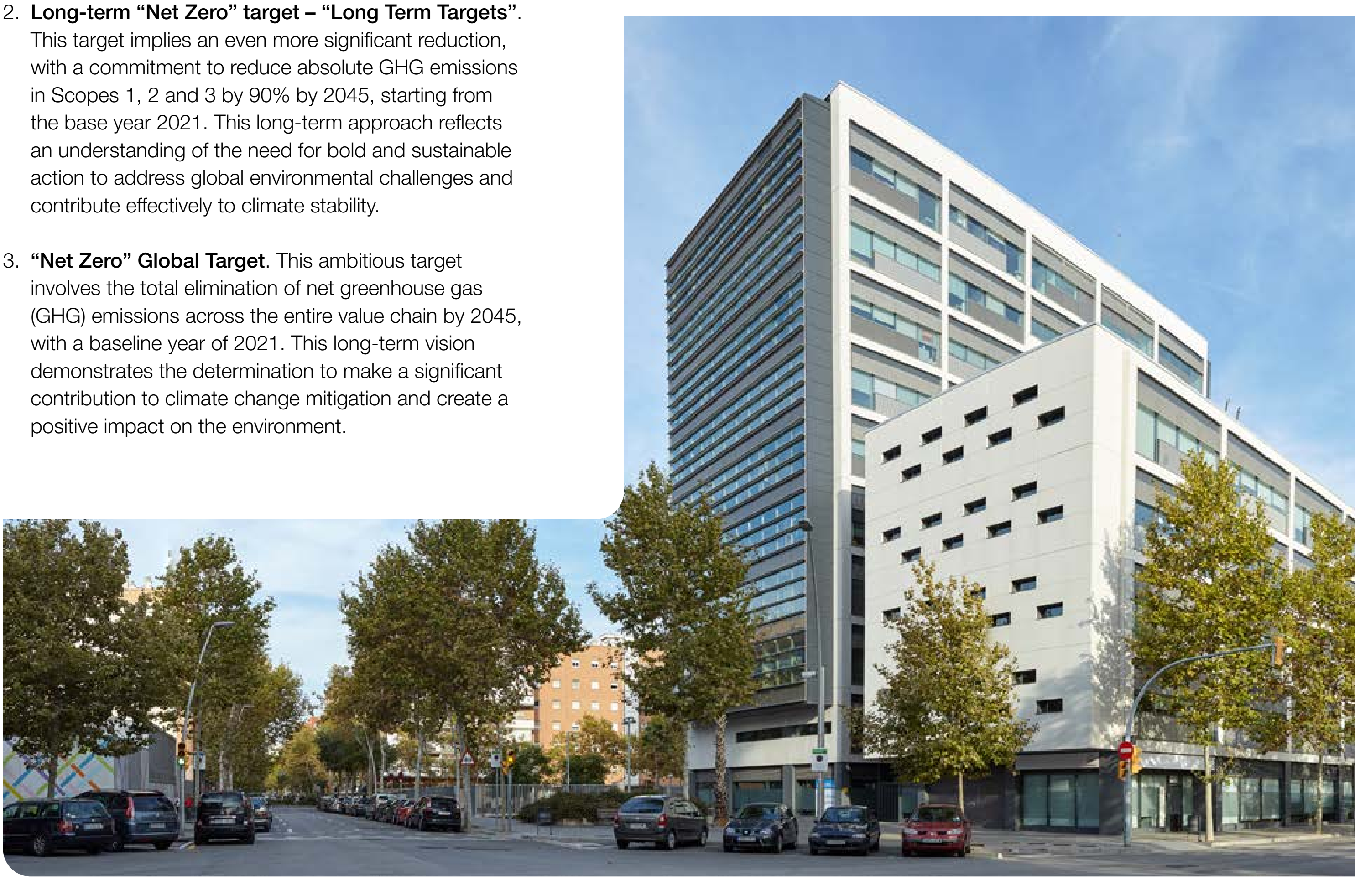
b) Circular economy and embedded carbon in projects, to mitigate the environmental impact of projects and therefore in the real estate value chain.

c) Water and biodiversity management, preserving limited resources essential for well-being.

d) Adaptation to climate change, for the improvement of the resilience of buildings to future needs arising from climate change.

Each indicator presents its short-term objective, its long-term objective, the situation at the end of 2024, as well as its progress in the transition.

The monitoring matrix for both long-term and short-term sustainability objectives shows the following KPIs:



Colonial's Climate Strategy Ambition

Our Climate Strategy is based on Science Based Reduction Targets aligned with a 1.5 degree trajectory

Overall Net Zero Target	Near-Term Reduction Target	Long-Term Reduction Target
We commit to reaching **net-zero** greenhouse gas (GHG) emissions **accros the full value chain by 2045**	We commit to reducing absolute Scope 1, 2 & 3 GHG emissions by **(45%) by 2030 from 2021 base year**	We commit to reducing absolute Scope 1, 2 & 3 GHG emissions by **(90%) by 2045 from 2021 base year**

	Key Performance Indicator	Near Term Target 2030	2024 YTD	Progress on Transition
	Energy and carbon in buildings' operations			
1a	Operational Carbon – Scopes 1 & 2 / Reduction[1] in carbon intensity in $kgCO_2e/sqm$	(80%) vs. 18	(76%) vs. 18	
1b	Operational Carbon – Scopes 1, 2 & 3 downstream / Reduction[1] in carbon intensity in $kgCO_2e/sqm$	(70%) vs. 18	(75%) vs. 18	
2	Energy consumption – Reduction[3] in energy intensity in kWh/sqm	(30%) vs. 18	(25%) vs. 18	
3a	Energy mix – % of renewable electricity	95%	84%	
3b	Energy mix – Renewable electricity sourcing through PPAs and on-site generation	50%	67%	
3c	Energy mix – Renewable energy – On-site generation capacity	by 4x vs. 21	by 3.6x vs. 21	
	Circular Economy & Embodied carbon in projects			
4	Waste management – % of waste recovered	97%	98%	
5a	Embodied carbon – Large refurbishment projects – Intensity target stages[2] (A1-A5)	≤ 500 $kgCO_2e/sqm$	✓	
5b	Embodied carbon – Large refurbishment projects – Intensity target all stages[2]	≤ 700 $kgCO_2e/sqm$	✓	
	Water management & Biodiversity			
6a	Water reuse – % major renovations equipped with water reuse systems	100%	n. a.	
6b	Water consumption – Reduction[3] in water intensity in m^3/sqm	(35%) vs. 18	(33%) vs. 18	
7a	Biodiversity – Biodiversity Gain in new refurbishment projects	100%	n. a.	
7b	Biodiversity – Zero use of phytosanitary products in green spaces	100%	n. a.	
	Climate change adaptation			
8	Smart Buildings – Proptech Technologies Roll-Out %	100%	58%	
9	Green buildings – % of buildings with BREEAM / LEED / HQE certifications	> 95%	99%	
10	Portfolio resilience – % of buildings with climate physical risks assessment	100%	100%	

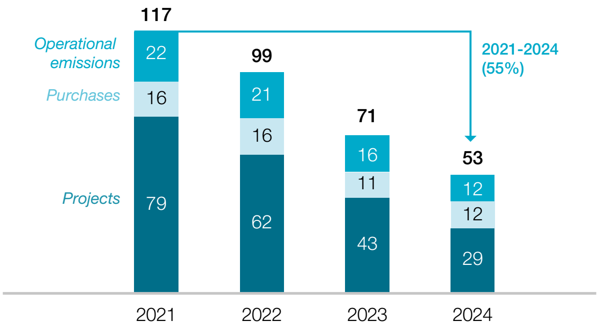
(1) Reduction of carbon intensities like-for-like market-based.
(2) Calculation based on Colonial's Group Life Cycle Policy Calculation Principles aligned with best market practice and with 50 year life cycle assumption.
(3) Reduction like-for-like.

To date, the balance of achievements is highly positive, demonstrating that the Group's efforts have led to significant progress towards carbon neutrality.

As a result of these advances, the Colonial Group's carbon emissions in 2024 using a comprehensive measurement criterion – that is, including Scopes 1 and 2 and all applicable Scope 3 categories for the Group – reach 53 ktCO_2e. This result represents a 55% decrease since 2021, an achievement that demonstrates the Group's commitment to sustainability and the transition towards a low-carbon economy.

Scopes 1, 2 and 3 emissions

Data in thousands of tonnes (kTnCO_2e[1])



(1) Figures reported in Location-Based and Market-Based in the case of operational emissions, taking into account the company's purchase of renewable energy.

6.2. Results in ecoefficiency

Rising greenhouse gas emissions are radically changing the climate, and the latest study by the Intergovernmental Panel on Climate Change (IPCC) stresses more than ever the need to limit warming to 1.5ºC. The risks associated with the effects of climate change and its consideration are becoming increasingly marked for the Colonial Group's activity, whether they result in the multiplication of exceptional physical factors or in the strengthening of market expectations and the development of more ambitious environmental regulations.

The Group establishes its commitment to mitigation and adaptation to climate change in the Climate Change Policy,[(1)] which will be updated and applied to all Group companies and to all persons and entities that maintain contractual and business relationships with the company. Through this policy, the company is committed to promoting adaptation to climate change, climate change mitigation and sustainable mobility. Additionally, it establishes the main lines of action that guide this target. These reflect the main interests of Colonial's stakeholders, and are promoted and approved by the Group's Board of Directors, who is also responsible for ensuring compliance.

The Colonial Group's sustainability strategy is reflected in a very solid ESG governance scheme, an analysis of physical risks and advanced transition risks, an action strategy and objectives supported by the management and monitoring of specific indicators.

In order to respond to the climate emergency and the ambition of a low-carbon future, the Colonial Group's strategy focuses on two aspects in particular: firstly, to reduce greenhouse gas emissions and, secondly, to improve the resilience of assets.

1. Reducing greenhouse gas emissions:

    i. The construction sector is responsible for a large part of greenhouse gas emissions and, therefore, represents a major challenge in the fight against climate change.

    ii. Reference scenarios, such as the revised national low-carbon strategies, or the Science Based Targets initiative (SBTi), also foresee an almost complete decarbonisation of the real estate sector by 2050.

    iii. The Colonial Group assumes its responsibility and has developed a certified greenhouse gas emissions reduction target aligned with a 1.5 ºC trajectory and validated by SBTi.

    iv. This objective requires, first and foremost, a control of energy efficiency and a transition to non-carbon-intensive energies.

    v. The strategy to reduce emissions also involves a more rational use of resources, control of waste and water consumption and continuous engagement with architects, construction partners, operational partners and office users.

2. Improving the resilience of assets:

    i. The Colonial Group's strategy prioritises investment in sustainable buildings of the highest quality and is committed to sustainable transformation and improvement.

    ii. The lifespan of buildings, their suitability to clients' needs and their coherence with the urban fabric, and the long-term challenges related in particular to accessibility, rational use of resources and adaptation to climate change.

    iii. This strategy is completed with an analysis of the physical, environmental and health risks of the portfolio with a focus on continuous monitoring and necessary prevention and adaptation measures.

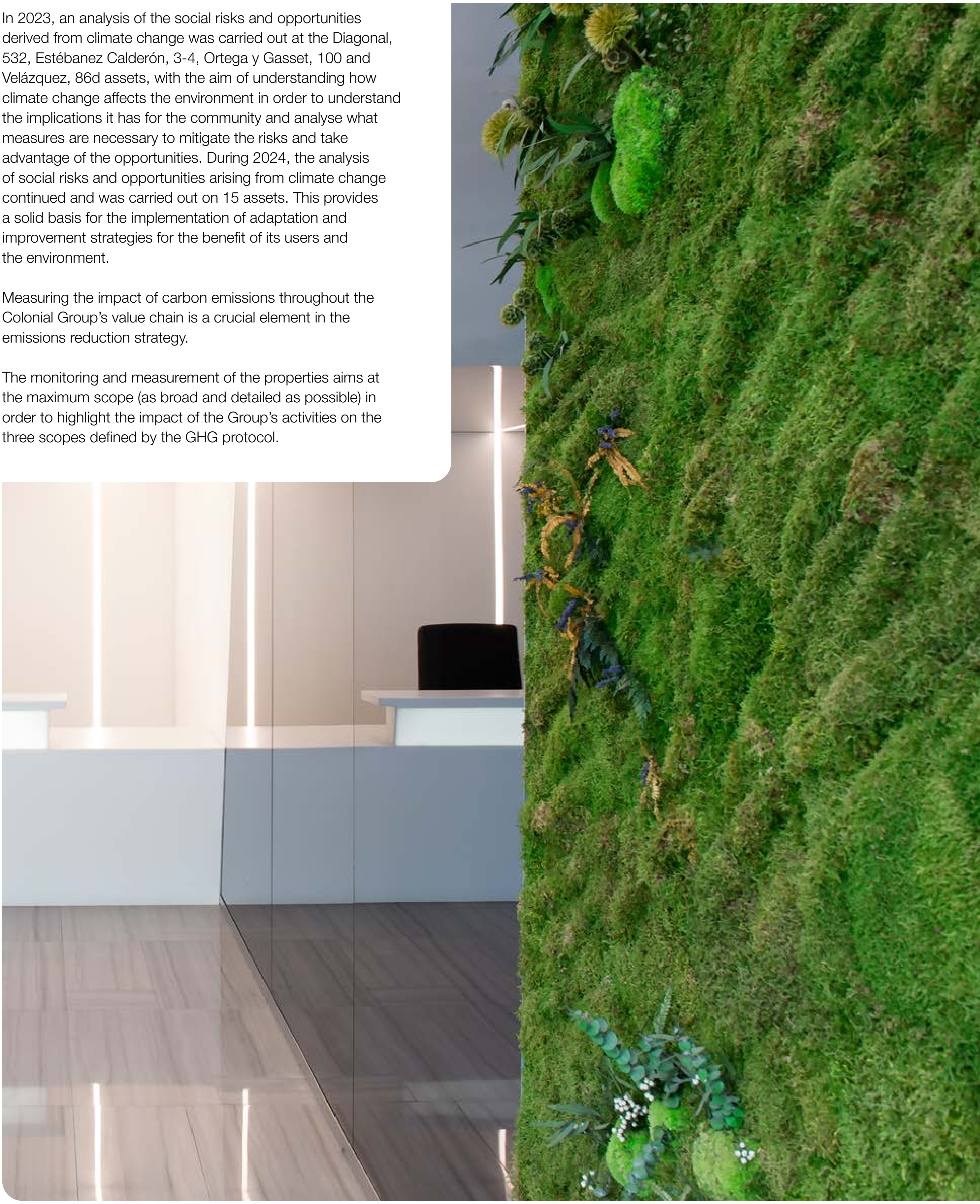
    iv. It also encourages workers' efforts to cope with the effects of climate change, in particular the gradual rise in temperatures and the resulting increase in exceptional climatic events.

(1) Additionally, the Group promotes climate change mitigation upstream of its value chain through the ESG criteria policy for selecting suppliers. The Group selects suppliers considering whether they limit their impacts on climate change, establishing greenhouse gas emission reduction targets and providing their data to determine the Carbon Footprint (Scope 3) of Colonial Group. Likewise, if they participate in positive impact initiatives to balance their Carbon Footprint.

In 2023, an analysis of the social risks and opportunities derived from climate change was carried out at the Diagonal, 532, Estébanez Calderón, 3-4, Ortega y Gasset, 100 and Velázquez, 86d assets, with the aim of understanding how climate change affects the environment in order to understand the implications it has for the community and analyse what measures are necessary to mitigate the risks and take advantage of the opportunities. During 2024, the analysis of social risks and opportunities arising from climate change continued and was carried out on 15 assets. This provides a solid basis for the implementation of adaptation and improvement strategies for the benefit of its users and the environment.

Measuring the impact of carbon emissions throughout the Colonial Group's value chain is a crucial element in the emissions reduction strategy.

The monitoring and measurement of the properties aims at the maximum scope (as broad and detailed as possible) in order to highlight the impact of the Group's activities on the three scopes defined by the GHG protocol.



6.2.1. Climate Change – Energy Transition

Energy efficiency is one of the key levers of the strategic plan for the asset portfolio by accelerating a progressive reduction of the portfolio's consumption and, ultimately, its decarbonisation.

Colonial Group demonstrates its commitment to energy efficiency and the use of renewable energy through the Renewable energy policy and Nearly Zero Energy Buildings (NZEB). Through this policy, which will be updated and applied to all Group companies and to all persons and entities that maintain contractual and business relationships with the company, the Group undertakes to conduct an operational eco-efficiency analysis, develop an environmental strategic plan for each building and create reports on renewable energy and NZEB.

The priority lines of action are developed with the aim of maximising the positive impact, minimising the negative impacts, managing the risks and capitalising on any financial opportunity related to energy consumption. Additionally, the Group's commitments are in line with UN Sustainable Development Goal 13 (climate action) and SDG 9 (industry, innovation and infrastructure), reflect the main interests of Colonial's stakeholders and are promoted and approved by the Group's Board of Directors (responsible for ensuring compliance).

A key factor in reducing carbon emissions in the Group as a whole is the improvement in energy efficiency of the buildings that make up its portfolio, together with the increasing implementation and transformation of renewable energies, both "on-site" by installing renewable technologies in the buildings themselves, and "off-site" through the purchase of 100% renewable energy.

The boom in demand in recent years for the purchase of 100% renewable energy, through recognised mechanisms such as the Guarantee of Origin Certificates (GoO) system, has led to a bottleneck in the supply of this type of product, which could lead to the unavailability of this type of certificate.

Having 100% renewable energy labelling is strategic for the company. For this reason, in 2023 it was decided to hold a tender to contract and guarantee the provision of such green and domestically generated energy for the next five years (2024-2028).

The generator awarded the contract is Grupo Opyce, which is providing a direct contract with the agent that produces renewable energy in the electricity market and will guarantee a PPA-type formula.

Another key factor in relation to the energy management of the asset portfolio is the governance of the energy management system which simultaneously combines top-down and bottom-up management approaches.

In terms of the top-down management approach, the ESG committee sets the strategy, objectives and guidelines for the energy management of the asset portfolio. In this regard, all members of the ESG committee coordinate the corporate areas under which the business units responsible for implementing the guidelines and ensuring compliance with the energy management objectives report.

Furthermore, a bottom-up management approach also coexists through the implementation of robust reporting systems that enable internal and external reporting as well as detecting any significant deviations from the asset portfolio's energy management strategy.

All energy and water consumption is collected and processed in accordance with the Non-Financial Information Internal Control System (NFICIS). In summary, the consultant specialising in environmental matters is responsible for collecting, aggregating and processing data, which is then thoroughly reviewed by the Group's various areas.

Over the last few years, the Colonial Group has implemented a series of energy saving and efficiency measures, such as improvements in the automation and control of building management systems and changes in lighting and air conditioning systems, which have helped to reduce energy consumption.

Residential and tertiary buildings are one of the largest sources of energy consumption, so improving energy efficiency is an important issue. For this reason, very ambitious targets have been set to reduce energy consumption. Their achievement requires targeted investments and continuous improvement of the technical management of assets. It also means taking into account new client needs that may impact the intensity of use of buildings.

In France, an important work of dialogue and analysis has thus been initiated with tenants to understand and reduce the total energy consumption of their buildings by integrating the energy consumed in private areas.

I. Energy mix

The Colonial Group aims to improve the energy mix, in particular through the following actions:

1. Gradual reduction in the use of the most carbon-intensive energies, especially those related to air conditioning.

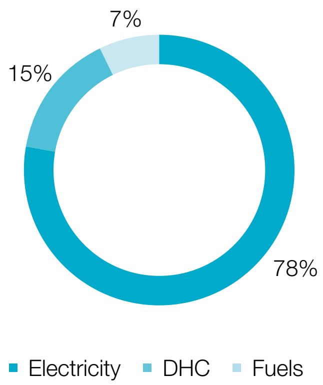
2. Favouring energies with low-emission factors, through a gradual extension of the choice of the district cooling network (network benefiting from a low emission factor) and through negotiations with suppliers to gradually increase the share of energy from renewable sources, in particular for electricity and district heating.

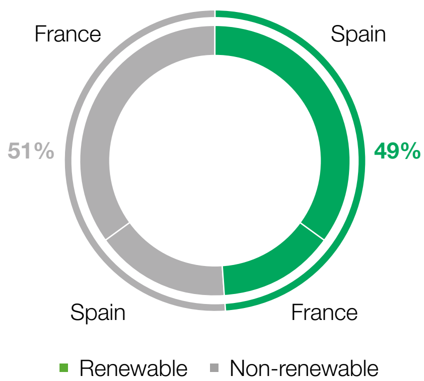
Below is a breakdown of the Group's energy mix:

Group - MWh

	2024		
	Renewable	Non-renewable	Total
Electricity	51,007	9,840	60,846
DHC	16,790	3,587	20,376
Fuels	0	7,338	7,338
Energy contracted	**67,797**	**20,764**	**88,561**
Electricity	3,003	49,351	52,354
DHC	0	1,018	1,018
Fuels	0	2,323	2,323
Rest energy	**3,003**	**52,692**	**55,695**
Electricity	54,009	59,190	113,200
DHC	16,790	4,605	21,395
Fuels	0	9,661	9,661
Total Energy Group	**70,799**	**73,457**	**144,256**

Energy mix





Controlling energy consumption and the associated carbon impact also means optimising the energy mix and choosing less carbon-intensive energy sources.

II. Renewable energy

Colonial Group prioritises a gradual increase of the supply of renewable energy (emission-free), based on two factors: purchasing green energy and renewable energy installations in the portfolio.

1. Purchase of green energy

The Colonial Group acquires its energy from different sources, and therefore exhaustive control of its origin is carried out to ensure that it is generated in a green way. Below is the percentage of renewable energy of Colonial Group.

Group - MWh

	2023			2024			% renewable energy	
	Renewable	Non-renewable	Total	Renewable	Non-renewable	Total	2023	2024
Electricity	55,303	5,750	61,052	51,007	9,840	60,846	91%	84%
DHC	16,668	3,512	20,180	16,790	3,587	20,376	83%	82%
Fuels	0	7,428	7,428	0	7,338	7,338	0%	0%
Energy contracted(1)	**71,971**	**16,689**	**88,660**	**67,797**	**20,764**	**88,561**	**81%**	**77%**
Electricity	11,129	47,467	58,596	3,003	49,351	52,354	19%	6%
DHC	0	1,257	1,257	0	1,018	1,018	0%	0%
Fuels	0	5,799	5,799	0	2,323	2,323	0%	0%
Rest energy	**11,129**	**54,523**	**65,651**	**3,003**	**52,692**	**55,695**	**17%**	**5%**
Electricity	66,432	53,217	119,648	54,009	59,190	113,200	56%	48%
DHC	16,668	4,768	21,437	16,790	4,605	21,395	78%	78%
Fuels	0	13,227	13,227	0	9,661	9,661	0%	0%
Total Energy Group	**83,100**	**71,212**	**154,312**	**70,799**	**73,457**	**144,256**	**54%**	**49%**

(1) Electricity contracted by the landlord.

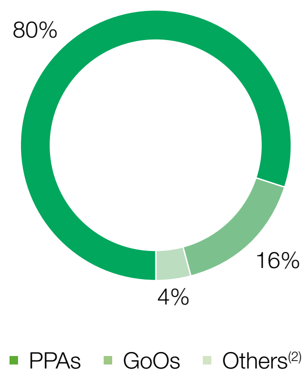
In Spain, the purchase of electric power is 100% renewable, mainly due to the fact that it has Renewable Guarantee of Origin (GoO) certificates, which ensure its correct labelling of origin thanks to the redemption of the CNMC.

It should be noted that the high demand in recent years for the purchase of 100% renewable energy with Certificates of Guarantee of Origin (GoO) may lead to a more limited availability of this type of certificates, which is why an agreement has been reached via PPA with a local generator that is providing a direct contract with the agent that produces renewable energy in the electricity market.

Below is the % of GoOs and PPAs that the Colonial Group currently has:

Renewable electricity 2024(1)

MWh	Renewable	% PPAs	% GoOs	% others
Spain	44,639	92%	7%	1%
France	6,368	0%	76%	24%
Group	**51,007**	**80%**	**16%**	**4%**



(1) Electricity contracted by the landlord.

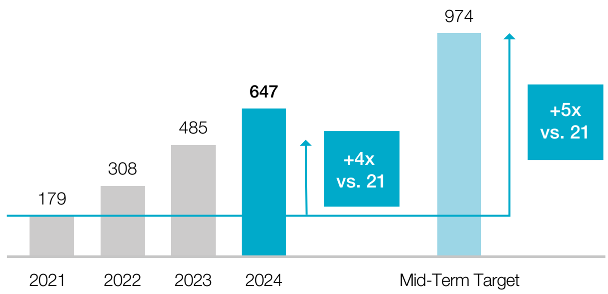
(2) Includes electricity generated onsite and % of renewable sources in the supplier's mix.

2. Green on-site renewable energy installations

The Group currently has on-site solar photovoltaic installations on several assets with a cumulative installed capacity of approximately 485 kWp. Colonial is aware of the importance of decentralised production with renewable energy sources, which is why it plans to implement this type of installation in practically all of the properties it manages and where its installation is technically feasible, as well as in all of the large projects. All photovoltaic energy is used by Colonial. There is no surplus production dumped into the distribution grid.

The following graph shows the evolution of the photovoltaic park installed in Colonial's portfolio of buildings in Spain. In 2024, 647 kWp were installed, 3.6 times the number installed in 2021, and it is planned to continue on this path of implementation of this type of technology up to 974 kWp in the medium term, which will be 5 times the energy generated on-site in 2021.

Energy kWp generated on-site



III. Analysis of energy consumption 2024 in absolute terms

The Group's power consumption in 2024 was 144,256 MWh, 76,670 MWh in Spain and 67,586 MWh in France.

At Group level, energy consumption has been reduced by 7% compared to consumption in 2023.

In Spain, there has been a 12% reduction, with a notable 23% reduction in the Madrid market, mainly due to the assets divested over the last year, as well as the start of the Santa Hortensia project. This reduction has offset the increase in consumption in Barcelona's assets, mainly due to the entry into operation of renovated buildings and greater use of some properties. In Paris, energy consumption has remained stable.

The analysis of energy consumption is as follows:

The main aspects that have led to a reduction in energy consumption are as follows:

a) Good track record in the energy saving measures implemented, together with a further optimisation of the conductive maintenance of the building's installations, i.e. easy-to-make installation adjustments that help to improve energy savings, such as adjusting equipment switch-on times, reducing the building's air-conditioning hours, etc.

b) More favourable weather conditions, both in winter and summer, have meant that the need for heating or air conditioning systems to maintain a comfortable environment has decreased.

In comparable like-for-like terms, the Colonial Group's energy consumption in MWh has remained stable.

All information regarding the origin of energy consumption is detailed in the annexes of this document.

Energy – Absolute

			Var.		Var. LFL	
MWh	2024	2023	MWh	%	MWh	%
Barcelona	33,359	30,590	2,770	9%	1,179	4%
Madrid	43,310	56,233	–12,923	–23%	164	0%
Paris	67,586	67,489	97	0%	–803	–1%
Total	**144,256**	**154,312**	**–10,056**	**–7%**	**540**	**0.4%**
Spain	76,670	86,823	–10,153	–12%	1,343	2%
France	67,586	67,489	97	0%	–803	–1%
Total	**144,256**	**154,312**	**–10,056**	**–7%**	**540**	**0.4%**

IV. Analysis of energy consumption 2024 in terms of energy intensity

In order to enable comparability of the assets in the Group's portfolio regardless of their size, the Colonial Group monitors energy consumption intensity ratios.

The Colonial Group's energy performance or intensity per square metre indicator for 2024 is 141 kWh/sqm, with 124 kWh/sqm in Spain and 167 kWh/sqm in France.

This indicator shows an improvement compared to 2023, with a reduction of 7%. In Spain there has been a 10% reduction and in France a 4% reduction. Of note was the 16% reduction in the Madrid portfolio.

The analysis of the energy performance or energy intensity per square metre indicator is as follows:

Energy – Intensity

			Var.		Var. LFL	
kWh/sqm	2024	2023	kWh/sqm	%	kWh/sqm	%
Barcelona	121	121	0	0%	5	4%
Madrid	126	149	–23	–16%	1	0%
Paris	167	174	–7	–4%	–2	–1%
Total	**141**	**152**	**–11**	**–7%**	**1**	**0.4%**
Spain	124	138	–14	–10%	3	2%
France	167	174	–7	–4%	–2	–1%
Total	**141**	**152**	**–11**	**–7%**	**1**	**0.4%**

For energy intensity in economic terms, i.e. in relation to the capacity to generate operating income, Colonial reaches a level of 0.394 kWh/€, -16% compared versus 2023.

Energy – Intensity

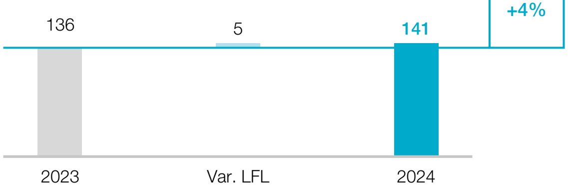
			Var.		Var. LFL	
kWh/€	2024	2023	kWh/€	%	kWh/€	%
Barcelona	0.822	0.760	0.06	8%	–0.01	–1%
Madrid	0.548	0.636	–0.09	–14%	–0.02	–3%
Paris	0.274	0.335	–0.06	–18%	–0.07	–21%
Total	**0.394**	**0.468**	**–0.07**	**–16%**	**–0.06**	**–14%**
Spain	0.641	0.674	–0.03	–5%	–0.01	–2%
France	0.274	0.335	–0.06	–18%	–0.07	–21%
Total	**0.394**	**0.468**	**–0.07**	**–16%**	**–0.06**	**–14%**

In like-for-like terms, if we compare the 2024 period with the previous year, the Colonial Group's energy intensity per square metre has remained stable. In terms of energy intensity per economic unit of the Colonial Group, this ratio has improved with a 14% year-on-year reduction.

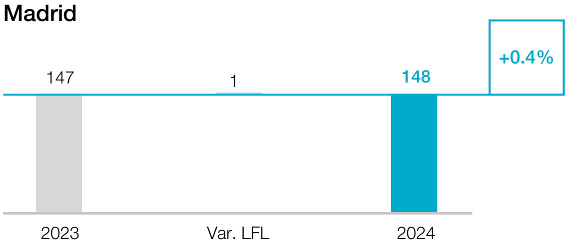
LFL Intensity 2024 vs. 2023 – Energy

kWh/sqm

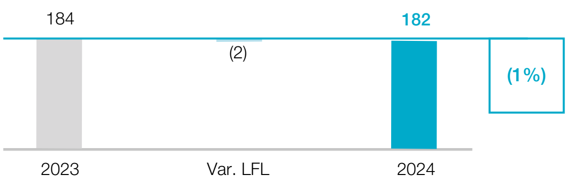
Barcelona



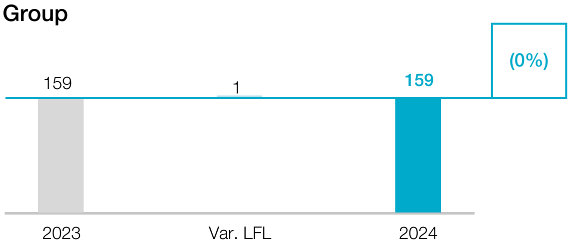
Madrid

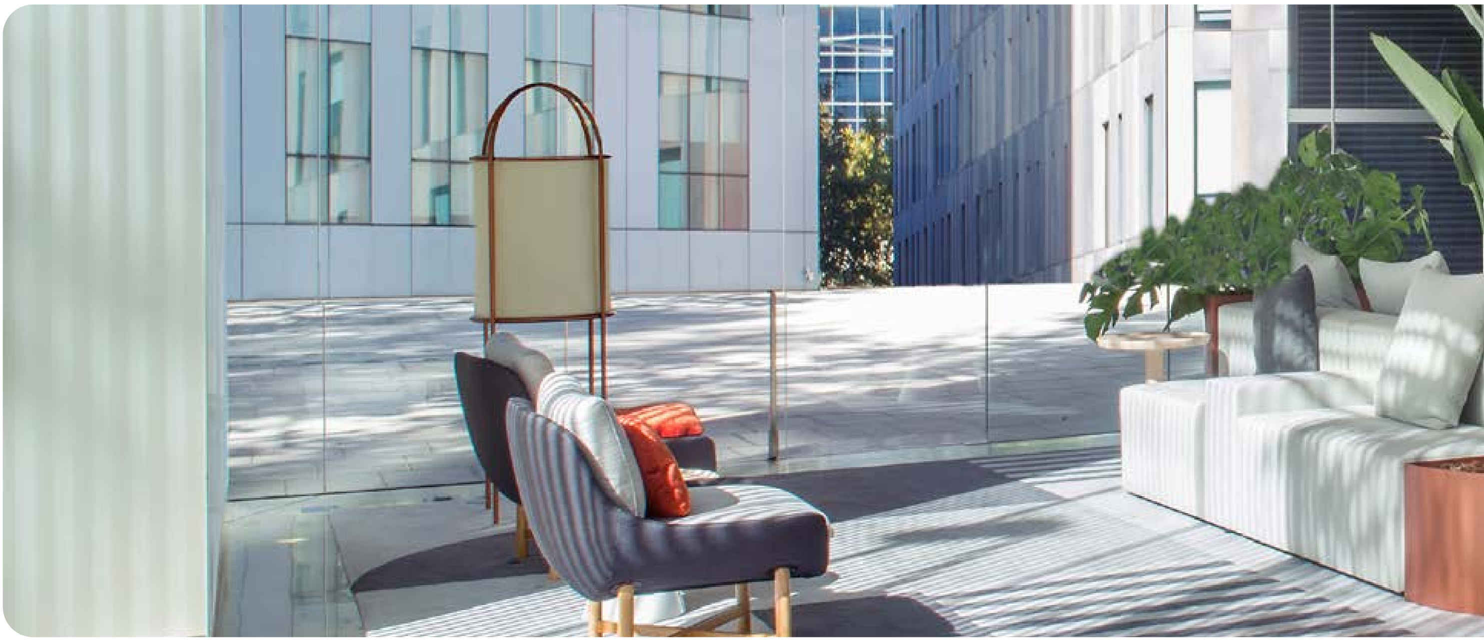


Paris



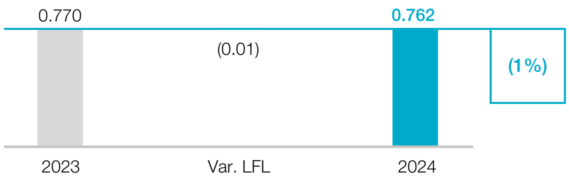
Group



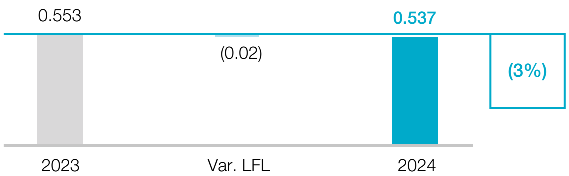


LFL Intensity 2024 vs. 2023 – Energy
kWh/€

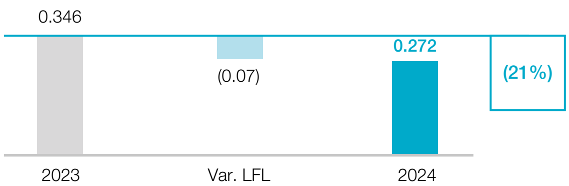
Barcelona



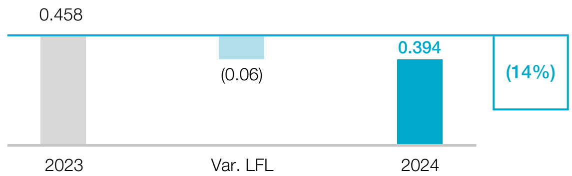
Madrid

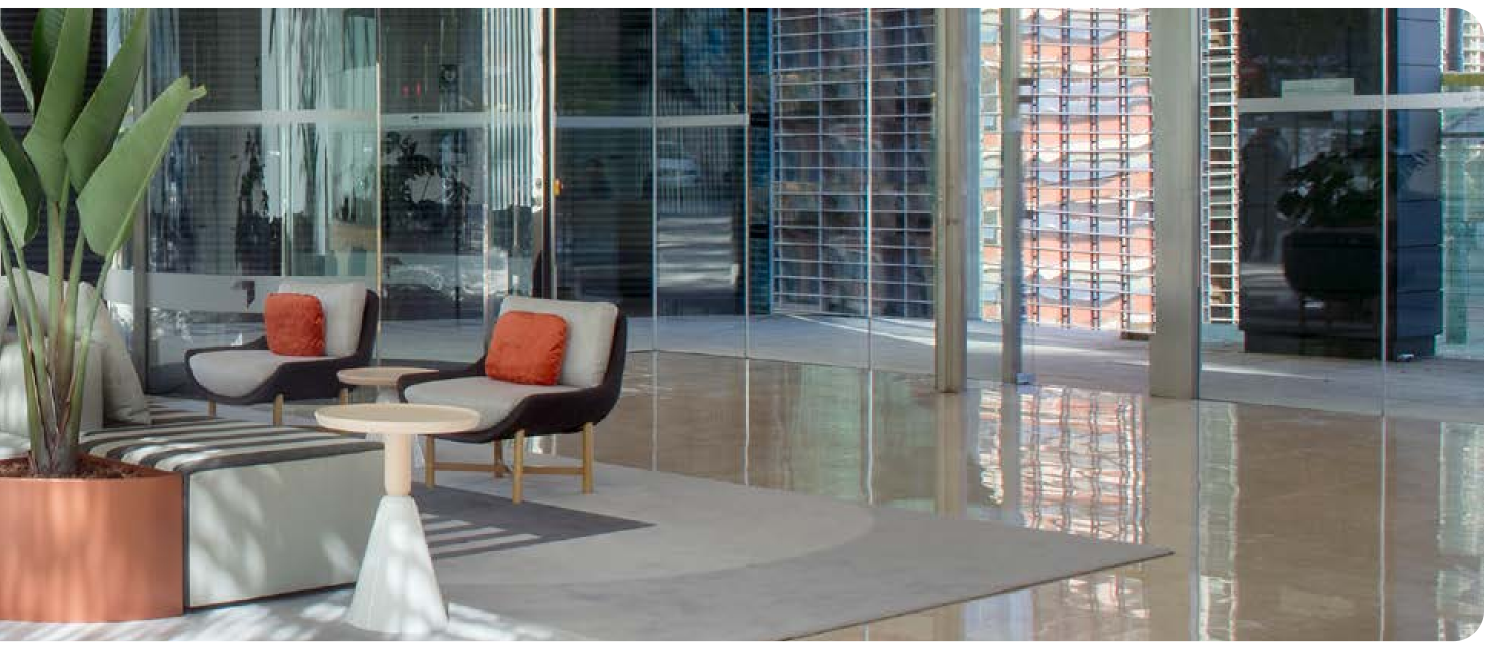


Paris



Group





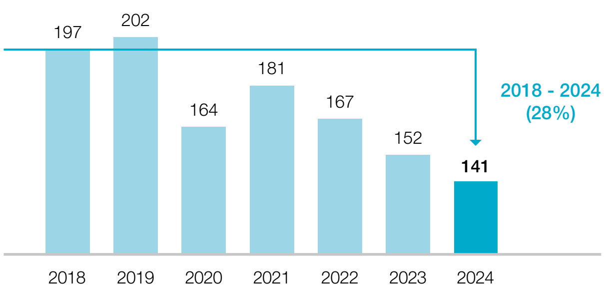
V. Continuous improvement of energy intensity since base year

The Colonial Group works continuously to improve energy intensity.

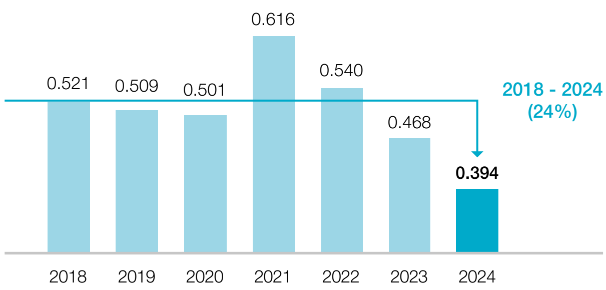
In the current scope, the reduction in energy intensity per square metre reached 28% between 2018 and 2024, from 197 kWh/sqm in 2018 to 141 kWh/sqm in 2024.

Energy intensity per economic unit has been reduced by 24% compared to 2018, reaching 0.394 kWh/€.

Energy Intensity
kWh/sqm



Energy Intensity
kWh/€



6.2.2. Climate Change – Decarbonisation

I. Operational carbon emissions – “Emissions in use”

I.a. Comparative analysis of scopes 1, 2 and partial scope 3 (market-based)

Greenhouse gas (GHG) emissions associated with the operational part of the portfolio’s assets refer to the emissions generated by the activities necessary to keep the Group’s assets in operation.

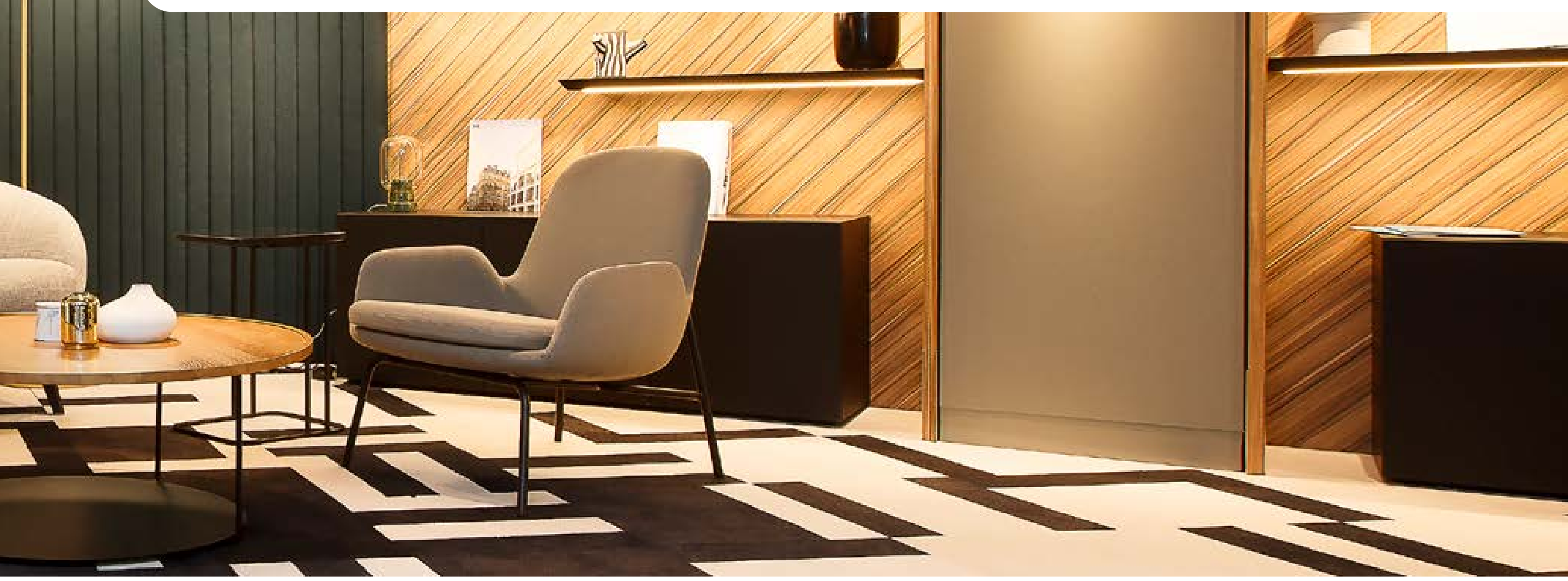
In 2024, these emissions — including Scopes 1 and 2, as well as Category 13 of Scope 3 (specifically energy consumption in private areas, according to the GHG Protocol) and calculated under a market-based approach — reached 8,581 tCO_2e, 4,100 tCO_2e lower than the emissions of the previous year (–32% vs 2023).

This reduction is due to the increase in the contracting of renewable energy (electricity supply with a guarantee of origin from a renewable source, GoO), lower consumption of natural gas and fewer leaks of refrigerant gases, as well as the implementation of the actions of the decarbonisation plan approved by the Group.

In **like-for-like terms**, a reduction of –26% can be observed, with a reduction of –42% in France and a reduction of –15% in Spain.

Absolute GHG emissions

	2024	2023	Variance		LFL Variance	
tCO_2e	Scopes 1, 2 & 3	Scopes 1, 2 & 3	Scopes 1, 2 & 3		Scopes 1, 2 & 3	
			tCO_2e	%	tCO_2e	%
Barcelona	2,293	2,891	–598	–21%	–601	–21%
Madrid	3,265	4,589	–1,324	–29%	–386	–11%
Paris	3,023	5,201	–2,177	–42%	–1,899	–42%
Total	**8,581**	**12,681**	**–4,100**	**–32%**	**–2,886**	**–26%**
Spain	5,558	7,480	–1,922	–26%	–986	–15%
France	3,023	5,201	–2,177	–42%	–1,899	–42%
Total	**8,581**	**12,681**	**–4,100**	**–32%**	**–2,886**	**–26%**



I.b. Comparative analysis scopes 1 and 2 (market-based)

The company focuses its targets on consumption in the areas of direct action, those where it can act on the carbon footprint, i.e. scopes 1 and 2. The Group has achieved a significant reduction of the carbon footprint in these scopes, as well as in intensity ratio.

Specifically, **the company's 2024 greenhouse gas emissions corresponding to scopes 1 and 2** have reached 3,563 tCO_2e, of which 1,767 tCO_2e correspond to Spain and 1,796 tCO_2e to France (these figures are down 4% and 15% respectively compared to the previous year).

In like-for-like terms, the reduction was 7%, with a 16% reduction in the French portfolio.

Absolute GHG emissions

	2024	2023	Variance		LFL Variance	
tCO_2e	Scopes 1 & 2	Scopes 1 & 2	Scopes 1 & 2		Scopes 1 & 2	
			tCO_2e	%	tCO_2e	%
Barcelona	456	587	–131	–22%	–133	–23%
Madrid	1,312	1,260	52	4%	166	14%
Paris	1,796	2,123	–327	–15%	–296	–16%
Total	**3,563**	**3,970**	**–406**	**–10%**	**–263**	**–7%**
Spain	1,767	1,847	–80	–4%	33	2%
France	1,796	2,123	–327	–15%	–296	–16%
Total	**3,563**	**3,970**	**–406**	**–10%**	**–263**	**–7%**

GEI Intensity. Scope 1 and 2 (market-based)

The Colonial Group's 2024 carbon footprint performance indicator or GHG emissions intensity per square metre for scopes 1 and 2 (market-based) is 3 $kgCO_2e$/sqm, 3 $kgCO_2e$/sqm in Spain and 4 $kgCO_2e$/sqm in France, 11% lower than the figure achieved in the previous year (–3% in Spain and –19% in France).

Intensity GHG emissions

	2024	2023	Variance		LFL Variance	
$kgCO_2e$/sqm	Scopes 1 & 2	Scopes 1 & 2	Scopes 1 & 2		Scopes 1 & 2	
			$kgCO_2e$/sqm	%	$kgCO_2e$/sqm	%
Barcelona	1.7	2.3	–1	–29%	–1	–23%
Madrid	3.8	3.3	0	14%	1	14%
Paris	4.4	5.5	–1	–19%	–1	–16%
Total	**3.5**	**3.9**	**0**	**–11%**	**0**	**–7%**
Spain	2.9	2.9	0	–3%	0	2%
France	4.4	5.5	–1	–19%	–1	–16%
Total	**3.5**	**3.9**	**0**	**–11%**	**0**	**–7%**

If we analyse the intensity of GHG emissions in relation to the capacity to generate operating income, Colonial reaches a level of 0.010 $kgCO_2e$/€, a figure that indicates the GHG emissions generated per monetary unit of net income.

Intensity GHG emissions

	2024	2023	Variance		LFL Variance	
$kgCO_2e$/€	Scopes 1 & 2	Scopes 1 & 2	Scopes 1 & 2		Scopes 1 & 2	
			$kgCO_2e$/€	%	$kgCO_2e$/€	%
Barcelona	0.011	0.015	–0.003	–23%	–0.004	–26%
Madrid	0.017	0.014	0.002	17%	0.002	11%
Paris	0.007	0.011	–0.003	–31%	–0.003	–27%
Total	**0.010**	**0.012**	**–0.002**	**–19%**	**–0.002**	**–16%**
Spain	0.015	0.014	0.000	3%	0.000	–2%
France	0.007	0.011	–0.003	–31%	–0.003	–27%
Total	**0.010**	**0.012**	**–0.002**	**–19%**	**–0.002**	**–16%**

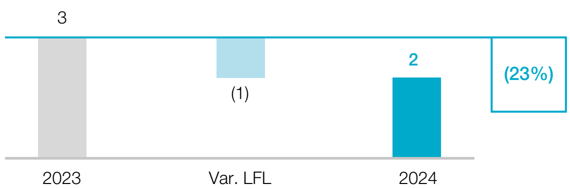
In like-for-like terms, the ratio reaches 4 $kgCO_2e$/sqm, one of the lowest in the sector both in Europe and worldwide. If we compare this ratio with the previous year, the GHG intensity per square metre for Scopes 1 and 2 is down 7%, with a 16% reduction in the French portfolio.

Regarding the intensity of GHG emissions per economic unit of the Colonial Group, this ratio has decreased by 16% compared to the ratio of the previous year.

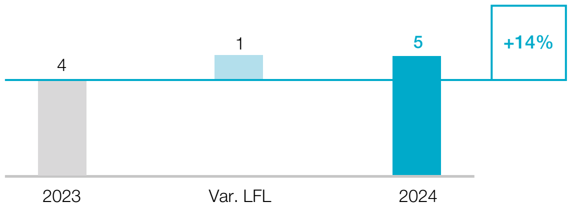
LFL Intensity 2024 vs. 2023 – Scopes 1 & 2

$kgCO_2e$/sqm

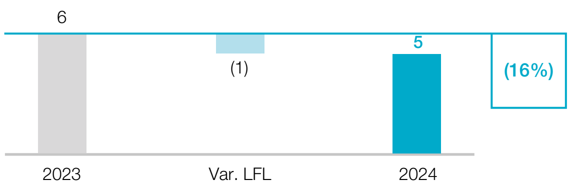
Barcelona



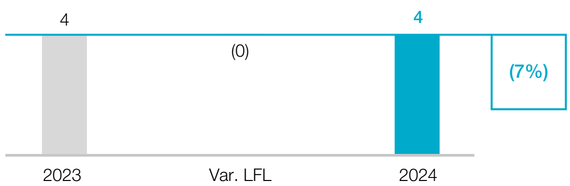
Madrid



Paris



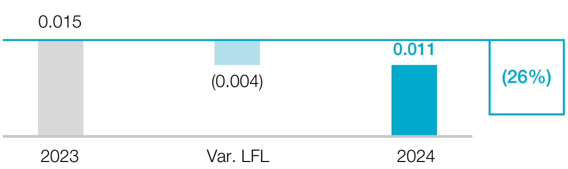
Group



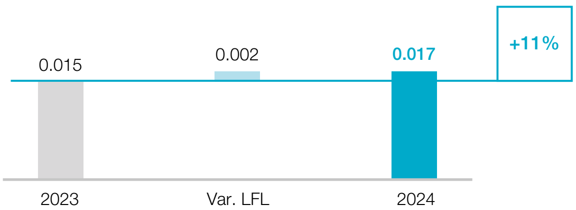
LFL Intensity 2024 vs. 2023 – Scopes 1 & 2

$kgCO_2e/€$

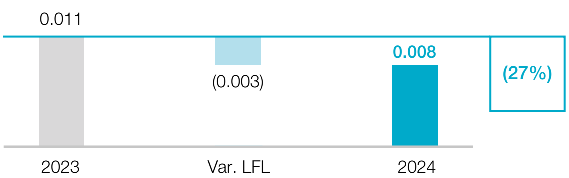
Barcelona



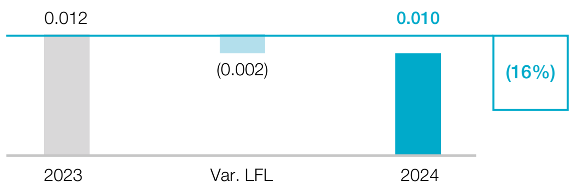
Madrid



Paris



Group



II. Total carbon emissions

According to the *Global Status Report on Buildings and Construction 2022*, within the United Nations Environment Programme (hereafter *UN*), a very high percentage of CO_2 emissions come from buildings and the construction sector. However, the environmental impacts and emissions associated with construction projects are very different.

The Colonial Group has been monitoring and reporting its full carbon footprint since 2021, making it one of the world's leaders. This comprehensive report exceeds the decarbonisation target.

From 2021, the Colonial Group reports the emissions of all categories based on the GHG Protocol standards, applicable to the Group's business, reporting scope 1 (direct emissions), scope 2 (indirect emissions) and within scope 3 (other indirect emissions), the eight categories applicable to Colonial's business.

The 2024 GHG emissions of the Colonial Group, with a maximum measurement criterion (i.e. including **scopes 1 and 2 and all applicable categories of scope 3** for the Group) **reached 57,327 tCO_2e**.

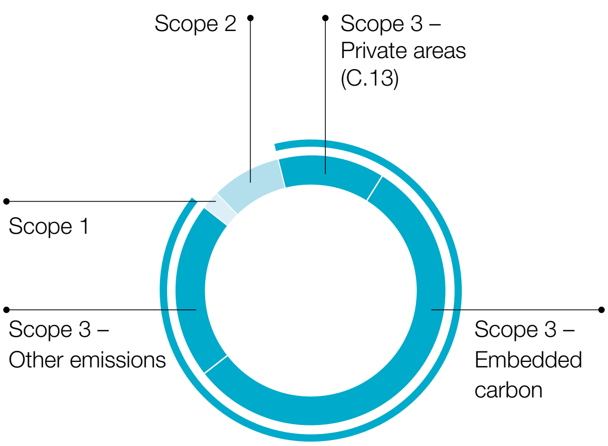
Of the total carbon emissions, 56% (32,098 tCO_2e) were generated in Spain and the rest (25,230 tCO_2e) in the Paris portfolio.

Scopes 1, 2 and 3 Emissions

	2024	2023	Var.	
$TnCO_2e$	Group	Group	($TnCO_2e$)	%
Scope 1	1,882	1,803	79	4%
Scope 2	4,960	6,192	–1,233	–20%
Scope 3 – Private areas (cat.13)	6,225	9,356	–3,131	–33%
Scope 3 – Other categories	44,261	57,885	–13,624	–24%
Group Emissions – Location Based	**57,327**	**75,236**	**–17,908**	**–24%**
Market Based In-Use Impact	**–4,485**	**–4,656**	**170**	**–4%**
Group Emissions – Location Based & Market Based In-Use	**52,842**	**70,580**	**–17,738**	**–25%**

On a year-on-year basis, the Group's carbon emissions have decreased by 17,908 tCO_2e, falling from 75,236 tCO_2e in 2023 to 57,327 tCO_2e in 2024.

In particular, there has been a significant decrease in greenhouse gas emissions related to renovation and restructuring projects (29,133 tCO_2e), which in 2024 represent 51% of the Group's overall footprint.



They highlight three main areas of work to reduce carbon impact:

- The most efficient use of common and private areas of assets.
- The development of a circular economy and the reduction of embodied carbon in projects.
- Support for the deployment of new forms of mobility for employees and users of Group assets.

Measuring the carbon impact throughout the value chain is the first step in the emissions reduction strategy, which allows the main sources of greenhouse gas emissions to be identified and their impacts to be understood.

Along these lines, the Colonial Group distinguishes between:

1. emissions associated with the operational part of the assets in the portfolio and
2. emissions associated with the Group's construction and major refurbishment projects.

Below there is a breakdown of these aspects and the different categories of Scope 3 (based on GHG Protocol standards):

Scope 3 Categories

			2024	2023	Var.	
($TnCO_2e$)	Portfolio in operation	Projects & refurb.	Total	Total	($TnCO_2e$)	%
1. Purchased goods and services	11,938	0	**11,938**	**11,458**	480	4%
2. Capital goods	0	28,260	**28,260**	**40,875**	–12,616	–31%
3. Fuel- and energy-related activities	2,450	0	**2,450**	**2,647**	–197	–7%
4. Upstream transportaton and distribution	0	308	**308**	**733**	–425	–58%
5. Waste generated in operations	511	565	**1,076**	**1,952**	–875	–45%
6. Business travel	146	0	**146**	**129**	17	13%
7. Employee commuting	84	0	**84**	**92**	–8	–9%
13. Downstream leased assets(1)	6,225	0	**6,225**	**9,356**	–3,131	–33%
Total Scope 3	**21,353**	**29,133**	**50,486**	**67,241**	**–16,755**	**–25%**

(1) The location-based methodology is used in order to be homogeneous with the calculation method of the rest of the categories.

The total of Scope 3 categories amount to 50,486 tCO_2e. This figure is 25% lower than the previous year. This decrease has mainly occurred in category 2 (capital goods), which includes virtually all greenhouse gas emissions related to renovation and restructuring projects.

6.2.3. Water and Marine Resources Management

I. Water consumption management

The Colonial Group is aware of the impacts, risks and opportunities arising from water consumption throughout its value chain. For this reason, it committed to the responsible management of water, a scarce resource, especially in countries located in the South, such as Spain.

This commitment is realised through the company's Environmental Policy and ESG Criteria Policy for Supplier Selection. Colonial's Board of Directors promotes, approves and ensures compliance with these policies.

The Environmental Policy establishes the responsible and efficient management of water consumption as a line of action, in line with the UN Sustainable Development Goal 6, which promotes access to clean water and sanitation. The guidelines of this policy include the adoption of measures to achieve a significant reduction in water consumption, applicable to all companies that make up the Group and to all persons and entities contractually linked to the Colonial Group.

Additionally, one of the ESG criteria in the ESG Criteria Policy for Supplier Selection is the technical solutions available to suppliers for saving water consumption, as well as their water reuse plan.(1)

Both policies are available for consultation by all interested parties, both internal and external, on the Group's corporate website.

Furthermore, in line with the environmental policy and within the framework of the Group's climate strategy detailed in the "Strategic objectives and metrics" chapter, the company intends to achieve two objectives by 2030:(2)

- For water reuse, in absolute terms, the aim is to ensure that 100% of large renovations are equipped with water reuse systems.
- In terms of reducing total water consumption in its properties, in relative terms, reduce water intensity by 35% in m^3/sqm (2030 vs 2018).(3)

These targets are designed to reduce the negative environmental impact of the Group's operations and its value chain. Furthermore, by implementing measures to achieve these objectives, the Group can also manage and mitigate its impact in terms of water stress. The reference standard used to set the water targets has been the requirements of the BREEAM environmental seal in the water chapter: we identified which properties were not aligned with this and defined potential for improvement when implementing these measures. The entity that created this seal, Building Research Establishment (BRE), was founded in 1921 and is dedicated to improving the quality and sustainability of buildings and infrastructure through research, advice, training, testing and certification. This institution is widely considered the best standard to implement in good water management practices and target setting.

Among the many initiatives implemented and aimed at optimising water use, the design of facilities in the asset portfolio that promote efficient water consumption by tenants in their buildings stands out.

In this regard, it should be noted that the Colonial Group only consumes water from the local supply company in each of the communities of its properties. The measures aimed at ensuring responsible water consumption in the Colonial Group buildings include installing efficient sanitary fittings, automatic leak detectors, rain water storage tanks, grey water recovery in some buildings, efficient irrigation systems and green areas with low water requirements in many assets, and the management of the facilities by maintenance companies and users.

All of the above measures are designed to reduce the water stress on the planet. According to the World Risk Atlas, there are 17 countries, home to a quarter of the world's population, which are subject to very high water stress. In this way, it has been identified that, in the three cities in which the Colonial Group operates, Madrid (with 32 assets and €85m in rental income) and Barcelona (with 23 assets and €47m in rental income) are at high risk and Paris (with 16 assets and €254m in rental income) is at low-medium risk.

(1) The ESG criteria policy for suppliers reflects the Group's commitment to water treatment in its value chain. The policy considers whether suppliers have technical systems for saving water consumption, as well as plans for reusing it. In its own operations, this aspect is not material given that the impacts of discharges are not significant for the Group. The water is used for sanitary purposes and is discharged into the sewerage system in compliance with the regulations. The established discharge parameters. The discharged wastewater is subsequently treated in urban wastewater treatment plants.

(2) Both objectives have been adopted voluntarily and are not imposed by any current regulations.

(3) Like-for-like (LfL) changes.

In the new projects, more zoned water meters are installed to achieve a more detailed degree of water monitoring to identify by zones the most efficient and inefficient uses, as well as to raise client awareness of their water use. The decision has been made to extend this same criterion to 2024 and 2025 for all multi-user buildings, and not just to new projects.

Between 2023 and 2025, all multi-user assets in the portfolio have or will have smart water meters that allow remote monitoring of water consumption at all times.

Colonial has taps in all its multi-user buildings that guarantee flow rates in line with BREEAM requirements and does not have water-consuming appliances, so this aspect is not relevant.

As regards the recovery of grey and/or rainwater, the aim is to increase the presence of these facilities. However, implementation in operating assets is complex. This is why it has been decided to include it as a strategic objective to be incorporated into new projects.

The management and supervision of the correct use of water is carried out by the same team of experts that monitors energy and carbon footprint impact. This indicator is treated, in terms of documentation and analysis, with the same rigour as the other environmental metrics mentioned.

Consumption of recycled and reused water

In 2024, the total amount of water recycled and stored by Colonial Group was 1,589m^3.

The Group recycles and reuses water in its entire asset portfolio through two actions:

1. **Reusing grey water** from sinks for flushing toilets and urinals.

2. **Collecting rainwater** for watering green spaces and cleaning terraces.

The nominal capacity of the storage tanks at these water recovery facilities is 349 m^3 for the Group.

II. Water consumption in 2024

In 2024, **the Colonial Group's water consumption was 328,296 m³,** 184,197 m³ in Spain and 144,100 m³ in France, showing a decrease in water consumption of 10% over the previous year.

In Spain, there has been a 15% reduction, with a 23% drop in the Madrid market, mainly due to assets divested over the last year, as well as changes in property use and the introduction of space for refurbishment.

In Paris, water consumption has decreased by 1% compared to the previous year.

The Colonial Group is working to ensure that users of its assets have the option of consuming this resource responsibly. As in the case of energy, this variable is also included in the standardised system for monitoring consumption for all buildings under the Colonial Group's management.

Colonial's buildings are supplied with water from the urban networks. This comes from groundwater and river water, is made potable and then transported to the supply points of the buildings.

Furthermore, recent droughts – and in particular the drought that started in the summer of 2022 – are increasing vigilance in this regard, and Colonial is striving to develop rainwater harvesting where this solution is technically possible, environmentally relevant and economically profitable.

Studies on restructuring projects are systematically carried out and major projects recently delivered or under construction incorporate these recovery systems.

The Colonial Group continues to work to reduce the water needs of its buildings.

Water Abolute

			Variance		LFL Variance	
m³	2024	2023	m³	%	m³	%
Barcelona	68,578	67,550	1,027	2%	–224	0%
Madrid	115,619	150,198	–34,579	–23%	14,753	15%
Paris	144,100	145,392	–1,293	–1%	–309	0%
Total	**328,296**	**363,141**	**–34,844**	**–10%**	**14,220**	**5%**
Spain	184,197	217,748	–33,552	–15%	14,529	9%
France	144,100	145,392	–1,293	–1%	–309	0%
Total	**328,296**	**363,141**	**–34,844**	**–10%**	**14,220**	**5%**

III. Intensity of water consumption

The water consumption intensity per square metre of Colonial Group in 2024 reached 331 litres/sqm, 302 litres/sqm in Spain and 377 litres/sqm in France, improving on 2023 by –8%.

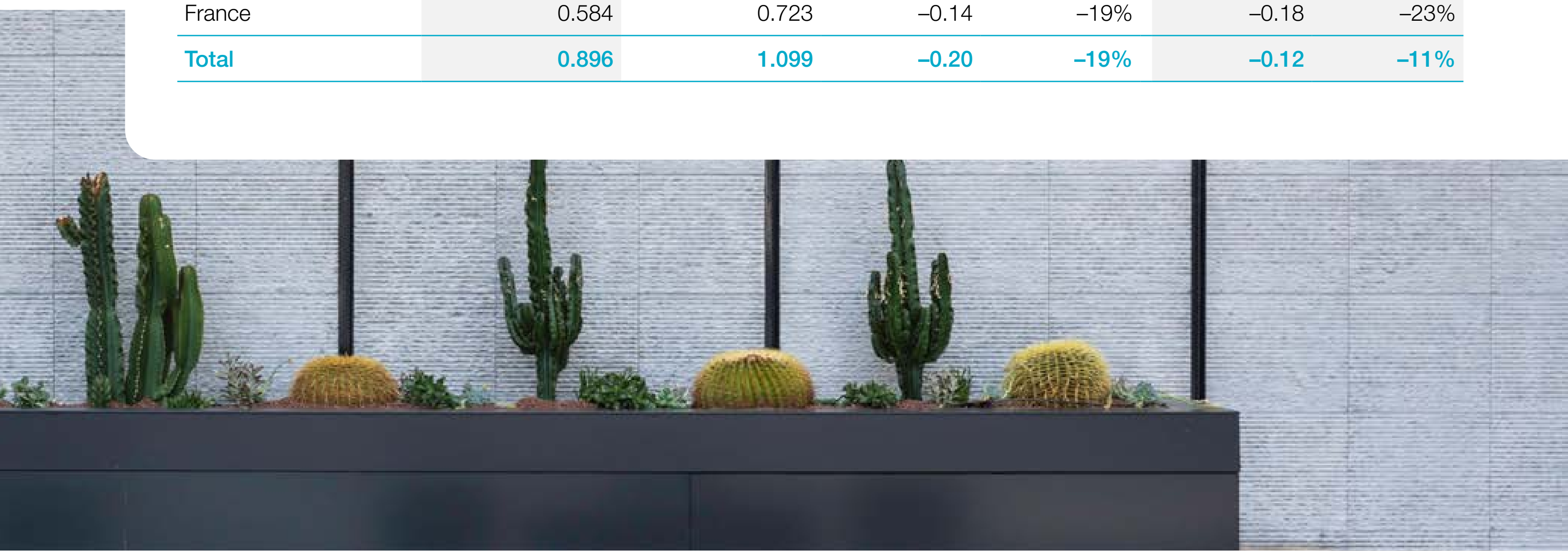
Water Intensity

			Variance		LFL Variance	
l/sqm	2024	2023	l/sqm	%	l/sqm	%
Barcelona	250	268	–18	–7%	–1	0%
Madrid	346	409	–64	–16%	52	15%
Paris	377	375	1	0%	–1	0%
Total	**331**	**361**	**–30**	**–8%**	**17**	**5%**
Spain	302	352	–49	–14%	29	9%
France	377	375	1	0%	–1	0%
Total	**331**	**361**	**–30**	**–8%**	**17**	**5%**

If we analyse the intensity of water consumption per economic unit, this reaches a level of 0.896 litres/€, a figure that shows us the amount of water that is consumed per monetary unit of net income.

Water Intensity

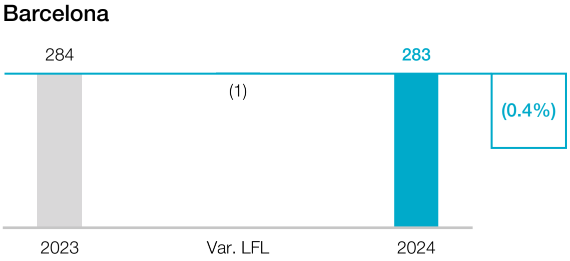
			Variance		LFL Variance	
l/€	2024	2023	l/€	%	l/€	%
Barcelona	1.690	1.677	0.01	1%	–0.08	–5%
Madrid	1.456	1.690	–0.23	–14%	0.14	11%
Paris	0.584	0.723	–0.14	–19%	–0.18	–23%
Total	**0.896**	**1.099**	**–0.20**	**–19%**	**–0.12**	**–11%**
Spain	1.535	1.686	–0.15	–9%	0.06	5%
France	0.584	0.723	–0.14	–19%	–0.18	–23%
Total	**0.896**	**1.099**	**–0.20**	**–19%**	**–0.12**	**–11%**

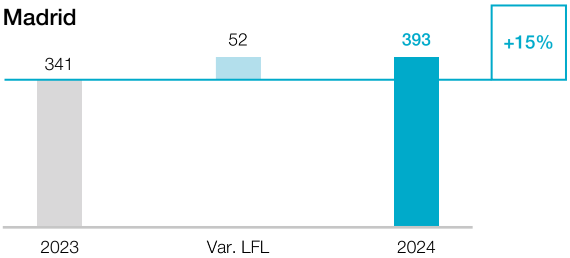


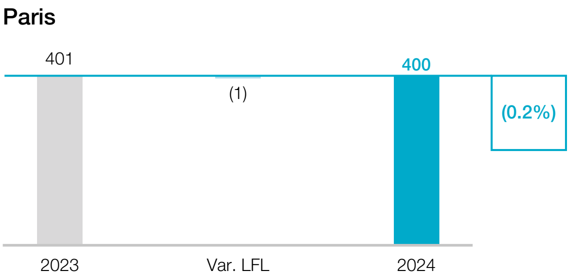
In **like-for-like terms, i.e. adjusting for divestments and variations in the project and refurbishment portfolio**, water intensity per square metre of Colonial Group grew by 5%, mainly due to the Madrid market, because of the change in how the properties are used. Regarding energy intensity per economic unit, this ratio has decreased by 11%.

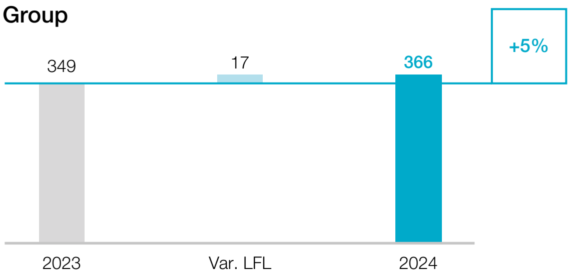
LFL Intensity 2024 vs. 2023

l/sqm









LFL Intensity 2024 vs. 2023

l/€

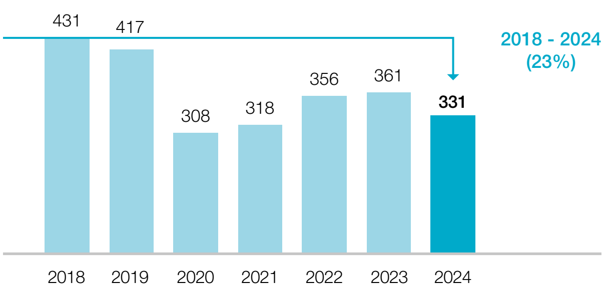
IV. Evolution of water consumption intensity since base year

The Colonial Group works continuously to improve the management of water consumption intensity in its buildings.

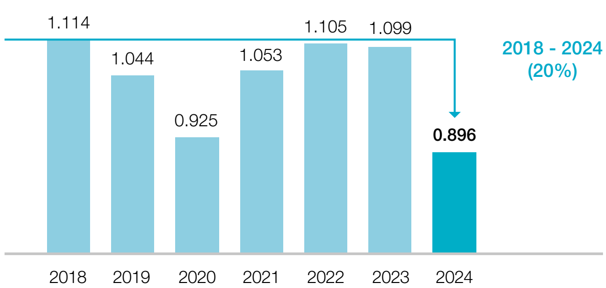
In the current scope, the reduction in water consumption intensity per square metre reached 23% between 2018 and 2024, from 431 l/sqm in 2018 to 331 l/sqm in 2024.

The intensity of water consumption per economic unit has been reduced by 20% compared to 2018, reaching 0.896 l/€.

Water Intensity
l/sqm



Water Intensity
l/€



6.2.4. Biodiversity and Ecosystems

6.2.4.1. Biodiversity and ecosystems

I. Biodiversity Policy and Good Practice Manual

The Colonial Group is aware of the impacts that its operations and those of its value chain can generate on biodiversity and ecosystems, as well as the risks and opportunities that biodiversity and ecosystems present for the Group.

In this context, Colonial has a Biodiversity Policy and Good Practice Manual, implements various initiatives and establishes metrics to manage and assess the effectiveness of the actions implemented. All of this with the aim of maximising positive impact, minimising negative impacts, managing risks and capitalising on any financial opportunity related to biodiversity and ecosystems. Furthermore, within the framework of the Group's climate strategy detailed in chapter *6.1.7. Strategic objectives and metrics*, the company aims to achieve two objectives by 2030:

- Increase biodiversity in 100% of new rehabilitation projects
- Ensure that 100% of green spaces are free from the use of phytosanitary products

The sustainability master plan includes actions aimed at protecting and enhancing biodiversity. These actions focus on several aspects: 1) minimise the Group's negative impact on biodiversity, 2) promote biodiversity in urban spaces to the greatest extent possible, 3) reduce water consumption for irrigation, and 4) conduct periodic auditing to ensure natural capital, also calculating the Biodiversity Net Gain (BNG).

Biodiversity policy

The Group's biodiversity policy sets out the framework for action, priorities and commitments in this regard. This is available for consultation by all stakeholders, both internal and external, on the Group's corporate website. The policy conveys the commitment to:(1)

- Preserving existing habitats on the sites of its buildings (urban and peri-urban environments).
- Creating new habitats and mitigate the risk of species reduction.
- Reducing the heat island effect.
- Reducing the consumption of water for irrigation by selecting indigenous plant species with very low water requirements.

(1) In addition to the listed commitments, Colonial Group is committed to prioritising eco-friendly landscaping practices, based on the use of systems and products that are respectful of biodiversity at both their source and their place of use and are sourced from local producers. Therefore, they use techniques and products from organic agriculture and nurseries, with sustainable production certificates, which include the treatment of diseases and control of invasive species. In this sense, the Group, through its Biodiversity policy, also establishes the commitment to contribute to the sustainability of the earth.

The commitments included in the Biodiversity Policy are in line with UN Sustainable Development Goal 15 (life on land), reflect the main interests of Colonial's stakeholders and are promoted and approved by the Group's Board of Directors, who is also responsible for ensuring compliance. Additionally, all of the new projects developed on plots correspond to the brownfield concept. This policy will soon be updated to take into account new criteria for protecting biodiversity, such as ensuring that the sites chosen for managing new Colonial constructions are not in protected areas or areas with high ecological value, with the aim of harnessing less developed land and thus making responsible use of the land.

Biodiversity good practices manual

The Biodiversity Good Practices Manual has been developed as a tool to complement the policy. It is a design and maintenance guide on biodiversity for planners, builders and maintainers, applicable to new construction, refurbishment and minor corrective actions. The manual includes concrete measures to minimise the negative impact on biodiversity as much as possible by protecting it and favouring new habitats. This is achieved by using, insofar as possible, indigenous species that have edible fruit for birds as well as species that favour pollinators, as they provide sustenance. The reason behind this is that providing sustenance in the urban environment is one of the most urgent measures identified to support the survival of local fauna in the urban environment, the area of which is becoming increasingly large.

In line with the sustainability master plan and continuing with the efforts made since 2019, this has also been continued in 2024. One of the Group's priorities is to continue working in the coming years to increase the percentage of green areas in buildings that are new projects, focusing on designing gardens and green roofs, as well as promoting new habitats for native flora and fauna.

Colonial Group's business includes the construction of buildings, renovation of existing buildings and acquisition and ownership of buildings. Although these activities are not carried out as part of its own operations but within its value chain, the Group is aware that there could be endangered species during these operations, such as pollinators and other insects. The Spanish catalogue of Endangered Species currently includes two species of lepidopterans in the "endangered" category and one species in the "vulnerable" category, as well as ten species of lepidopterans in the List of Wild Species under Special Protection Regime. However, the Group prepares ecological reports, manages its risks and impacts on biodiversity and potential endangered species through studies, establishes location biodiversity management plans and performs environmental audits on all its buildings. In this sense, Colonial carries out different actions to promote the proliferation and protection of pollinator communities in cities. All of these initiatives help mitigate any impact on endangered species in its own operations, thereby ensuring biodiversity protection and conservation in the areas where it operates.

Additionally, in 2024, special emphasis has been placed on seeking and applying procedures to preserve natural capital, such as conducting periodic audits and quantifying biodiversity net gain (BNG). On the other hand, plans are being developed to manage the use of water used for irrigation, mainly in response to possible drought situations affecting certain regions of Spain. Some examples include the creation of Sustainable Urban Drainage Systems (SUDs) or changes to the irrigation system, such as in the Amigó 11 asset, where a roof that required irrigation using microdiffusers has been replaced with a low-maintenance roof that uses only drip irrigation. This change responds to the need to adapt to a state of emergency such as drought; however, thanks to previous efforts to select species with specific characteristics to resist water stress in the implementations carried out by Colonial in its assets, most of the vegetation has managed to survive preserving natural capital, although it still requires a period of adaptation and recovery.

II. Recurrent monitoring of biodiversity impacts

Quantification of the effects of biodiversity measures

The Colonial Group has analysed and quantified the negative impacts produced on local biodiversity by the implementation of the building in the urban space and its operation, and the positive impacts produced by the biodiversity support measures implemented by Colonial in its buildings based on the recommendations of the ecological reports carried out. This quantification takes into account different criteria depending on the measures implemented. For example, if the asset has a green roof, positive impacts include the continuity of green corridors, the reduction of the heat island based on the square metres of the roof, and the reduction of the burden on drainage systems, among others. Additionally, if the property has planters in outdoor areas composed of aromatic or fruit species, some of the benefits include the creation or improvement of rest areas, the creation of visual value to strengthen the connection between users and the ecosystem, thus improving biophilia or even the possibility of observing birds in the property's surroundings, among other positive effects.

In each of its reports, the Colonial Group explains the measurement methodology – or mitigation hierarchy – adopted in most corporate environments. This explanation is accompanied by quantitative data specific to each building.

These measurements take into account the current plants on the property and distinguish between the impacts attributable to the initial situation of the property before the measures were implemented and those attributable to the measures themselves. It also analyses the effects these measures are having on the company, the assets, users and the community.

As conclusions, the achievements are highlighted, of a very different nature, whether due to technical, urban, spatial, operational or design difficulties, in order to achieve the objectives set out in the ecological reports for this building. The discussions reflect on how collateral benefits and synergies have arisen with other building uses and functions, such as the improvement of rest areas, the creation of visual value or providing an identity to building spaces that were previously residual.

Biodiversity measures offer significant benefits to users, promoting physical and mental health, well-being and productivity, thanks to the positive stimulus generated by biophilia as an ancillary effect. These measures also promote community building by creating spaces for rest and interaction, as well as becoming a focus of interest and a valuable resource for dissemination.

Identification of risks and opportunities for biodiversity measures

In the identification of risks and opportunities of biodiversity measures, special attention is paid to the implementation procedure of the measures and the starting situation of the properties, two circumstances from which most of the identified risks originate.

Adding identity to a rest area: Velázquez, 86d.

It is important to note how the complexity of the procedure varies from one implementation phase to another. 1) Phase I: The approach to the procedure is linear and consists in ecologists proposing measures based on Colonial's policy, which are then implemented literally. 2) Phase II: The accumulated experience reveals possibilities and synergies for the implementation of biodiversity measures with multiple approaches from a variety of company areas, which contribute added value to the projects.

Firstly, in Phase I the procedure was simpler and more rigid, and a number of risks were identified that could be mitigated in Phase II. These risks were mitigated by a more complex procedure, involving more actors and providing greater flexibility and adaptability to the particular circumstances of each building, leading to more ambitious results.

Although the current procedure is less agile, the results are more resilient, as it has sought to involve the participation and consensus of more actors, as shown in the conclusions of these reports.

III. Implementation of biodiversity measures

Colonial has defined strategies and objectives to reduce the impact generated by occupation of the land and the materials used in construction, and to extend its environmental commitment.

In addition, Colonial has incorporated two initiatives into its strategies to protect and secure natural capital in 2024: Conducting quarterly audits on over 40 assets and measuring the Net Biodiversity Gain (BNG) on these same assets.

Firstly, at the start of the strategy, a group of ecologists drew up the reports for the enhancement of biodiversity, which set out a set of measures tailored to the reality of each building in the portfolio.

In addition, new ecological reports are drawn up for new projects and existing reports are periodically updated. These initiatives include the installation of flower pots both inside and outside buildings and the implementation of specific measures to support wildlife, such as nesting boxes and dry stone habitats. These initiatives are carried out in line with the Biodiversity Policy and Good Practice Manual, with the aim of preserving native species whenever possible. In the cases where this is not feasible, we promote the responsible selection of species with specific characteristics that adapt adequately to the environment, ensuring a conscious and sustainable use of resources.

Habitat for pollinators: Ortega y Gasset 100.

Fruiting and aromatic species to encourage pollinators: Madnum.

The impact and risk management reports make it possible to review procedures and learn from success stories and best practices and include what is learnt from other buildings in the portfolio in future interventions.

The Group has made a significant effort by implementing more than seven types of measures, including the following:

1. Installation of gardening elements such as drainage systems and sustainable irrigation.

2. Planting species in flowerbeds, outdoor areas and interior patios.

3. Indoor and outdoor planters.

4. Green roofs.

5. Green walls.

6. Promotion of habitats for native flora.

7. Promotion of native fauna by installing bird nest boxes and insect hotels.

8. Installation of dry stone habitats and other measures tailored to the reality of the buildings following visits by environmental consultants and ecologists.

The Colonial Group, as a leader in the office markets of Paris, Madrid and Barcelona, intends to take advantage of the capacity of numerous locations in each of the three cities to generate synergies that will allow it to have a deeper impact on their biodiversity and, in this way, turn the Group into a promoter of biodiversity in the urban environment.

Complementary measures have been designed between nearby buildings to have an exponential effect on flora and fauna species (pollinators, birds, bats and reptiles such as geckos mainly), as well as establishing relationships with the natural spaces of the city and its surroundings. The ecological corridors defined by regional organisations through cities have also been analysed with the aim of designing measures to support this essential ecological infrastructure.

These actions positioned Colonial's buildings as footholds for wildlife species and acted as nodes to promote biodiversity in the cities. Thus, birds will ensure the transportation of the propagules of flora species planted on buildings, thereby enriching the natural spaces around cities with species of high ecological value.

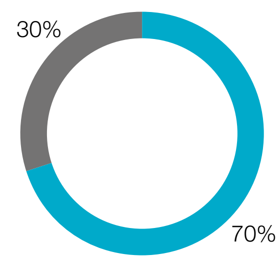
In order to better disseminate and raise the awareness among the communities working in the buildings, in 2021, information on the biodiversity measures implemented in the buildings was prepared and sent to clients. To this end, a commercial data sheet was designed with a user-friendly explanation of the benefits of having carried them out. These sheets are being expanded as new projects are implemented and have been addressed since 2021.

The quantitative performance indicators of the biodiversity measures implemented in the portfolio are shown below, for a total of 51 buildings:

Biodiversity measures implemented

	2024	2023	2022	2019-2021
Vegetation cover (sqm)	3.922	813	385	1.033
Green wall (sqm)	0	0	70	211
Flower pots (units)	114	85	140	318
No. indoor species	10	11	21	40

Percentage of native species planted in Colonial buildings



IV. Significant biodiversity protection actions in 2024

In order to protect and enhance biodiversity at risk, due to the high level of soil artificialisation, different measures have been implemented. In France, to limit this artificialisation, a specific framework has been established to place assets in a dense urban environment, uses and services have been concentrated on previously built-up areas and the restoration of open land surfaces is encouraged. Also noteworthy is the increase in revegetation of assets. Overall, in the Paris portfolio, by the end of 2024, vegetated areas (both flat and vertical) have accounted for more than 9,600 sqm, equivalent to 9.5% of the total area owned.

Furthermore, all biodiversity measures are implemented on an ad hoc basis for each asset in the portfolio, taking into account the risks and opportunities it presents. In this sense, although they do not establish specific objectives referring to assets, the actions seek to fulfil the commitments and priorities set out in the Colonial Group's biodiversity policy.

In 2024, an external audit was conducted by a specialist to assess the conservation status of the biodiversity programmes undertaken in the past and to identify possible corrective actions. As a result of this audit and its reports, opportunities for improvement have been identified.

Further, a competition was held to award biodiversity maintenance services in January 2024, with the intention of securing existing natural capital. In this process, more stringent rules are established in certain sustainability requirements. One of the ways used to measure this natural capital during 2024 was through biodiversity net gain (BNG). This is a tool designed to scientifically quantify the impact on biodiversity after carrying out Colonial's activities, which allows for the application of strategies to generate a positive impact or mitigate the loss of biodiversity. At a regulatory level, this quantification aims to be considered as one of the indicators that will provide the most value in terms of biodiversity. Colonial is anticipating this possible new legal framework and has begun to carry out these measurements and calculations on a voluntary basis.

When implementing or managing infrastructure, Colonial uses this tool to calculate the BNG indicator for each asset, with different results depending on the case. For this reason, four different typologies are established to address the analyses:

1. Assets without prior biodiversity measures, where Colonial, after its acquisition, has carried out actions to increase and improve local biodiversity, or buildings built directly by the Colonial Group, where these measures have also been applied.

2. Assets that have been acquired with previous biodiversity measures, where Colonial has increased the ecological value by carrying out new actions.

3. New construction or major renovation developments.

4. Single-user buildings where Colonial does not normally carry out operational maintenance for its clients.

To obtain the results, two scenarios are established: The base year and the post-construction year. In this case, 2019 has been taken as the base year, coinciding with the start of biodiversity implementations following the approval of the specific policy at the end of 2018. The post-construction scenario corresponds to the current year 2024.

The aim of calculating BNG is to obtain a scientific metric that takes into account specific factors of biodiversity and environmental ecology, among others, assessing progress and gains in natural capital. Importantly, Colonial employs this tool in alignment with the EU Biodiversity Strategy 2030, along with other national policies and legislation on biodiversity and ecosystems, reporting indices such as the new Corporate Sustainability Reporting Directive (CSRD) and planetary boundaries, a conceptual framework that defines the viability of our lifestyle without causing significant environmental changes. Currently, six of the nine defined planetary boundaries have been exceeded, the seventh is imminent and, unfortunately, one of the boundaries already exceeded is the loss of biodiversity. It is therefore essential to take into account different factors when calculating GNB, not only in terms of biodiversity, but also in relation to sustainability, well-being and ecosystem balance.

To quantify the biodiversity net gain (BNG), a procedure has been established to continuously measure both scenarios and obtain conclusive results. Following the effort to call a tender to consolidate a unique biodiversity maintenance service, Colonial has made progress in the implementation of specific biodiversity audits, as mentioned above, which are carried out on a quarterly basis. These audits ensure the preservation of natural capital and the optimal condition of all biodiversity measures, and help to identify problems or risks so that they can be resolved in time. Beyond assessing biodiversity in each asset, these audits are essential for carrying out the BNG metric, with the aim of progressively improving all measures and their environment.

To determine the extent to which a project is contributing to the biodiversity of the area, it is necessary to have a tool that automates calculations based on multiple variables and that adapts to the conditions of the geographic and ecosystemic region in which the company has its main operations. In this regard, Inmobiliaria Colonial has made the measurement based on a solution developed in collaboration between Mace España and the Complutense University of Madrid, through a research group created for this purpose.

The GNB quantification tool consists of two main modules:

- The first refers to the estimation of the Biodiversity index, which focuses exclusively on the vegetation of the asset. This section thoroughly characterises the flora species present, the space they occupy and their ecological interest, considering factors such as the type of species in the property and their potential contribution to local biodiversity. In addition, the property area is assessed and classified to identify the prevalence of native, allochthonous, hybrid species and even the presence of invasive species, among other aspects.

- The second module aims to characterise and evaluate any type of structure, both natural and artificial, that may be beneficial to wildlife. This includes square metres of natural plant structures, nest boxes, natural and artificial water sources, among others.

This procedure allows for detailed and adaptive monitoring of biodiversity in assets, facilitating continuous improvement of conservation practices. To measure and analyse the positive impact generated, the outputs of the results are valued in 4 scopes, described below:

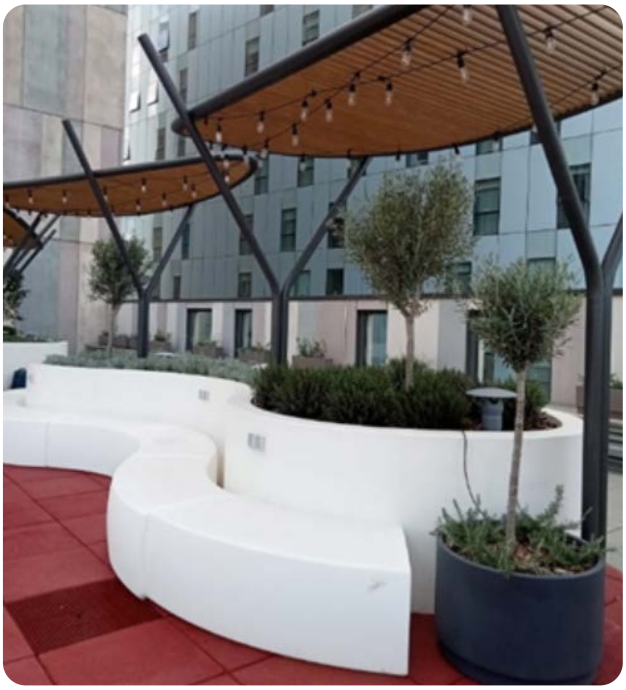
Scope	Description
A1: Global Settings	It includes the quantitative value of the general diversity indicators, reflecting the configuration of the green spaces (surface area and type) and the diversity of plant species found in each, together with the fauna support and promotion areas and the nesting areas, as well as a percentage of the value derived from the establishment of potential nesting sites.
A2: Ecological value of planted species	This block aims to incorporate into the global data the value that plant species, in particular, create for biodiversity (including fauna and soil) and a percentage of the value derived from the establishment of potential nesting sites.
A3: Indicators of eco-friendly products and services	This block includes environmental goods and services for humans that biodiversity provides to site users. Above all, it assesses the plant structures that contribute to protecting the health of site users (protection from wind, noise and/or pollution) and a percentage of the value obtained through the installation of potential nesting sites, by encouraging insectivorous fauna.
A4: Management of green spaces	This last category aims to capture good and bad practices for biodiversity in the management of green spaces. Therefore, possible negative impacts on biodiversity as a result of the use of pesticides or irrigation are recorded.

The study carried out and its conclusions are currently being processed for all the assets evaluated. As an example, the graph below shows the percentage improvements in the areas described above for four buildings. Compared to the initial state, before Colonial implemented the biodiversity measures, significant progress is evident based on rigorous scientific criteria.

Furthermore, although Colonial has expanded its objectives in the area of biodiversity in 2024, biodiversity measures continue to be considered and implemented in asset rehabilitation or construction projects, as has been done in previous years, among which the following stand out:

Diagonal 197 (Barcelona)

This asset has been refurbished by Colonial Group, with completion in 2024. It is important to note that, during the refurbishment, the available space was taken into account to add a biodiversity initiative on the 10th floor. This terrace has almost 26 sqm of green areas divided into parterres, as well as 32 rectangular planters and 6 cylindrical planters, which represent almost 10 sqm extra garden surface. Almost 500 specimens have been planted in this area, selecting species that contribute to improving the biodiversity of the environment. These include aromatic species, plants that encourage the presence of pollinators – whose population has been reduced in recent decades and is in critical danger – and fruit species that provide food for wildlife, especially birds.



Madnum Urban Campus (Madrid)

One of Colonial's major commitments to promote the connectivity of natural habitats and to conserve and even increase biodiversity in cities has been materialised during 2024 at the Madnum Urban Campus in Madrid. The project involved the transformation of a plot of land with low ecological value into a green space representative of natural ecosystems through a unique and innovative design of the exterior spaces and roofs of the buildings. This project is in line with the Habitats Directive 92/43/CEE, for the conservation of natural habitats and of wild fauna and flora, through the construction of green infrastructures that contribute to the promotion of biodiversity.

In this case, the buildings in this project have been planned along the perimeter of the plot, leaving 2,000 sqm of common space in the central area, accessible to users and visible from the buildings. In total, the landscaped area of the project was more than 6,000 sqm, in which more than 29,000 specimens of more than 55 different species were planted, including trees, shrubs and herbaceous plants (more than 60% of which are native species), making it a project with a great impact on the conservation of biodiversity. Through the creation of a green infrastructure, the Madnum Urban Campus will be positioned as an enclave of high ecological value and with multiple functions, including reversing the loss of biodiversity, reducing the fragmentation of natural habitats for wild flora and fauna, mitigating the heat island effect of cities, so pressing in a context of climate change. We must also mention the health benefits of being in naturalised environments.

Biome

In the Biome project, a major restoration of the green surfaces has been carried out. The planted area practically doubled to reach 2,500 sqm, with more than thirty trees in its green areas and 25 lawns.

Rives de Seine and Condorcet

In the case of the Rives de Seine project, the landscaping options chosen for this project should make it possible to increase the vegetation coefficient of the plot from 14% to 42% and the biotope coefficient from 11% to 36%. This increase will be possible thanks to the creation of new green areas and wooded areas. The roofs will be landscaped and a ground-level garden will be created with direct access from the public road. In the Condorcet project, part of the soil will be naturalised and notable plant species will be preserved.

As a sign of the firm commitment to restoring biodiversity in the projects carried out, Biome and Cézanne Saint-Honoré have obtained Biodivercity certification and are actively working to achieve it at the Rives de Seine, Condorcet and 90 Champs-Élysées assets.

This increased commitment to biodiversity and revegetation of the surface area of Paris assets, in addition to being a climate change mitigation measure, also responds to a strong expectation from tenants, who can benefit from new outdoor spaces that are more pleasant and improve the well-being of users.

6.2.4.2. Revitalisation of Urban Areas – Social Impact on the Environment

The Group prioritises projects in prime areas of Madrid, Barcelona and Paris, i.e. in areas with a consolidated urban fabric. This model therefore deprioritises greenfield projects, which would also have much greater environmental impacts. In fact, the Group has not carried out any projects of this type in the last ten years.

Colonial's projects also contribute to urban revitalisation. They boost the transformation of areas previously dedicated to industrial use and replace them with dynamic office space areas that are also home to residential buildings and significant commercial activity. In recent years, four projects have been developed in these locations. Two examples of how Colonial contributes to changes of use in cities are the Madnum Urban Campus in Madrid and 22@ in Barcelona.

Furthermore, given SFL's strategic positioning in Paris and in particular in the first ring, the company seeks to reinvent its heritage or develop new operations while ensuring that the history of the buildings and their original architecture are maintained and applying the highest standards of sustainability. To this end, internal teams dialogue with architects and stakeholders to define work plans that preserve existing structures and avoid demolition and consequent new construction.

Madnum Urban Campus

22@ Area

Madnum Urban Campus

The Madnum Urban Campus represents a commitment to the regeneration and renewal of the urban fabric in a former industrial area of Madrid once occupied by large industrial warehouses. This Colonial project will offer mixed uses (housing, offices and commercial) and facilitate low-impact mobility on foot or by bicycle for users, neighbours and businesses in the area.

When completed, the built area will total approximately 169,500 sqm, occupied by over 7,000 office users, some 1,600 residents, about 190 shops and another 1,300 items of public use. It will also respond to the growing concern for the environment and ecology by creating an ecosystem consisting of buildings with a low carbon footprint, near-zero energy consumption, high digitalisation and extensive green areas.

There will be two public areas and landscaped interior areas (covering a surface area of 6,400 sqm), whose design includes green roofs and planters in both the residential and office areas. The plant species have been selected with the support of ecologists to ensure that they are not invasive. These will be predominantly native, with low water requirements and aromatic for pollination species and bear fruit for birds. Nest boxes and insect hotels have also been included. This will meet BREEAM and LEED requirements.

Area of 22@

Barcelona's 22@ neighbourhood is located in what used to be the most industrial area of Poblenou. Innovation, creativity, design and technology are the driving force that has replaced the old factories with a new model to propel Barcelona towards balanced and sustainable renovation. Colonial has contributed to this urban development with an iconic building in the most prime area of 22@. The building, designed by Batlle & Roig, is destined to become an emblem of the city, with a surface area of more than 24,000 sqm distributed over 17 floors. The property stands out for its 1,800 sqm of open-plan floors and for being located in the heart of the city's newest and most modern business district. It has also been awarded the highest LEED sustainability certification (Platinum) and the highest energy rating.

Clara Campoamor Gardens, Barcelona

The Clara Campoamor gardens, next to the Diagonal, in Les Corts de Barcelona, have been completely remodelled in an initiative that has been mainly carried out by a public-private partnership with the collaboration of Colonial, an innovative formula in Barcelona's public space.

This space remodelled is between Avenida Diagonal, from where it has the main access, and the streets Joan Güell, Gandesa and Europa. Two of its sides are flanked by office buildings and shops. The Colonial building is Diagonal, 609-115 (known as DAU-PRISMA). This push has made the site more attractive on many levels for the people who work in and use these properties. The initiative has generated a significant impact for the citizens, who saw how the quality of life in the neighbourhood increased, while at the same time generating an economic return and creating jobs.

This green area, covering around half a hectare, was opened in 1994. At the entrance, surrounded by a small pond with water fountains, stands the sculpture Citerea, by the artist María Luisa Sierra Catalán. The aspects taken into account in the remodelling include improving the space under criteria of sustainability and optimal maintenance and mobility, providing the gardens with better accessibility from the various entrances, reinforcing the existing sides and eliminating the current architectural barriers and the differences in height from the Diagonal. The aim is to promote the use of the area by the public and to create areas for people to stay, rest and socialise, as well as to improve the children's play area and the furniture, manage the trees and the new landscaping, and adapt the lighting. The aim is also to highlight the surroundings of the sculpture in honour of Clara Campoamor and to better integrate it into the whole.

6.2.5. Resource Use and Circular Economy

6.2.5.1. Circular Economy

I. Colonial Group's circular economy model

The Group has implemented a circular economy model to reduce the input of primary materials and the production of waste by closing economic and ecological resource flows. This model, together with all the actions carried out in line therewith, promotes more efficient resource use , fosters the increased use of recyclable raw materials and increases the durability and optimisation of buildings.

Colonial Group's circular economy model is based on the following three principles:

1. Reducing waste

Promoting sustainable procurement of materials and equipment, such as reusable packaging or materials, and establishing indicators for their control.

The Group monitors the amount of waste generated in its buildings and promotes and controls responsible procurement of materials with a high content of pre- and post-consumer recycled material and recyclable material. This requirement applies, inter alia, to the environmental compliance of 70% of the contract execution price for sustainable procurement in new construction, refurbishment, minor corrective actions and waste generated both by maintenance activity and in common areas of buildings.

2. Reusing items that cannot be recycled

Reusing items to make them reusable and reduce purchasing new material by giving the discarded product the same or a different use. In France, SFL is also committed to:

- Reusing existing building materials on site.
- Reusing materials resulting from renovations through digital market platforms (when this reuse is not possible on site).
- Recovering demolition waste.
- Using natural or alternative materials with lower carbon content.

The impact of the circular economy model at Colonial ultimately translates into an efficient embodied carbon ratio, as explained in detail in section *6.1.2.3. Construction projects and major renovations*.

3. Recycling as much waste as possible

The Group facilitates the correct entry of waste into the recycling chain by providing containers in all its buildings for recycling cardboard and paper, plastics, glass and other waste, as well as hazardous waste such as batteries and fluorescent bulbs.

These initiatives have led to a considerable improvement in the monitoring of generated waste and its management in the portfolio, which explains the significant increase in the amount of waste managed in recent years.

However, Colonial Group is aware that it must continue contributing, insofar as possible, to the transition towards a model based on a circular economy. To this end, the Colonial Group has extended the scope of environmental monitoring, promoting the acquisition of sustainable materials, as well as the sustainable management of waste generated for maximum use.

To support this circular economy model, voluntary targets (not required by any additional legislation) have been set for 2030 relating to the management of the waste generated. The proposed objectives (explained in more detail in chapter *6.1.7 Strategic objectives and metrics*) are the following:

- Recovery of 97% of waste materials (in absolute terms). Related to the "recovery" stage of the waste hierarchy.
- Management by recycling plans of 80% of the usable waste generated - non-hazardous, hazardous and land - for revalorisation (in absolute terms). Related to the "recycling" stage of the waste hierarchy.
- Embodied carbon in large rehabilitation projects:
  - Emission intensity target in stages A1-A5 of ≤ 500 kg CO_2e/sqm (in absolute terms). Related to the "prevention" stage of the waste hierarchy.
  - Emission intensity target in all stages of ≤ 700 kg CO_2e/sqm (in absolute terms). In the same way as the target above, related to the "prevention" stage.

(1) Including consumption of critical raw materials and rare earths.

In addition, the French subsidiary has undertaken to continue working with waste collection providers to improve reporting on the treatment methods of collected waste so that it is not sent to landfills. Along these lines, a “zero final waste” target has been set for 2030. This consists of utilising (energy or material) all waste produced in the explotation or during development operations.

II. Sustainable waste management

The Colonial Group is committed to ensuring sustainable waste management with the aim of improving procurement, management and processing, involving construction companies and other stakeholders to achieve this objective, in line with the environmental policy.

The Group has implemented various actions focused on the prevention, recovery and recycling of waste. These actions make it possible to track the targets described above and to ensure efficient waste management by third parties at the end of the useful life of products. All of them are executed with an indefinite time horizon.

The company tracks the quantities of hazardous waste, non-hazardous waste and soil generated, and requests from those involved the supporting documentation that justifies both the quantity of each type of waste collected by the authorised waste manager (collection and delivery notes to the treatment centre), and the type of processing applied in each case (recycling, reuse or other recovery certificates) to this waste.

With reference to the waste generated in the common areas of the buildings, as well as most of the waste produced by maintenance activities, a procedure is in place to ensure the correct weighing of the non-hazardous waste generated by means of scales and recording tables for correct periodic reporting. In the Group’s own managed properties, the separation and weighing control of the waste generated in day-to-day operations, such as paper and cardboard, plastic, glass, organic waste, leftovers, batteries and fluorescent lamps, is carried out. In addition, regular visits supervise the correct storage of hazardous waste, which is managed by the building maintainer through an authorised waste manager, who carries out the weighing.

Sustainable waste management is encouraged by monitoring the quantities generated both in new construction work, renovations and minor corrective actions, maintenance activities and common areas of buildings. It requires that 80% of the usable waste generated – non-hazardous, hazardous and land – be managed by recycling plants for revalorisation. In addition, environmentally-friendly management of non-usable hazardous waste in accordance with current regulations and best environmental practices is required and controlled

III. Waste generation 2024

In 2024, the Group generated a total of 8,594,718 kg of waste, of which 12,908 kg were hazardous and 8,581,810 kg were non-hazardous.[1, 2] Of the total, 81.88% of the waste has been recovered, while only the remaining 18.12% has not.

Recycling was the most widely used disposal method, followed by recovery (including energy recovery), at 93%, thus meeting the target set for 2024 of 80% waste recovery. On the flip side, the amount of waste going to landfill has been less than 2.5%.

In 2024, there has been an increase in the total amount of waste generated compared to 2023. This increase is mainly due to the fact that waste generated in the operation of buildings in both Madrid and Barcelona has been included.

(1) Hazardous waste includes the soil generated.

(2) The amount of radioactive waste generated during the year 2024 has been 0 kg.

Type of waste[*]	2023 Waste generated (kg)	2023 % valued	2024 Waste generated (kg)	2024 % valued
Non-hazardous waste				
Construction and demolition	3,393,181	85.84%	4,334,993	87.62%
Wood	170,491	96.81%	173,257	98.42%
Metal	167,520	85.89%	289,410	95.99%
Concrete	215,037	96.09%	352,460	95.77%
Glass	24,290	80.54%	41,661	94.03%
Paper and cardboard	249,881	98.63%	432,924	94.37%
Organic/compost	84,407	98.79%	194,329	74.82%
Plastic	20,730	87.14%	281,551	68.14%
Textile	20	100.00%	–	–
Pruning and gardening	–	–	2,900	–
Other non-hazardous waste	1,300,012	54.61%	2,436,985	66.37%
Total Non-hazardous waste	**5,625,569**	**80.10%**	**8,540,470**	**81.84%**
Hazardous waste				
WEEE	1,715	93.31%	4,412	91.55%
Luminaires	1,410	59.38%	4,139	81.40%
Coolants	365	0.00%	29	3.45%
Contaminated metal and plastic packaging	2,985	55.21%	1,329	33.92%
Batteries	312	100.00%	258	99.97%
Fuel and oils	4,300	76.74%	13	0.00%
Other hazardous waste	2,568	19.37%	769	18.97%
Non-reusable hazardous waste	21,574	0.00%	1,959	0.00%
Total hazardous waste	**35,229**	**23.26%**	**12,908**	**64.02%**
Soil				
Uncontaminated soil	300	0.00%	41,340	96.10%
Contaminated soil	0	–	0	–
Total soil	**300**	**0.00%**	**41,340**	**96.10%**
TOTAL WASTE	**5,661,098**	**79.74%**	**8,594,718**	**81.88%**

(1) Waste generated in new construction works, refurbishments, minor corrective actions and waste generated both by maintenance activities and in common areas of buildings. Waste generated by tenants is not included because the organisation has no control over it, except for buildings in France where it is managed jointly.
The list of waste may be amended in the event that other representative wastes are notified.
Only very unusual and unrepresentative waste types will be included in the "other" category.

6.2.5.2. Responsible Supply Chain

I. Responsible management of the supply chain

The Colonial Group is aware that its social responsibility goes beyond its business activities and that it must demand an exemplary attitude from the suppliers it works with. The company therefore extends the commitments and basic principles of its code of ethics to suppliers and ensures that they are applied at every stage of its activity. Specifically, the organisation strives to ensure that both its employees and suppliers respect the conventions established by the International Labour Organization (ILO) regarding:

- Freedom of association and collective bargaining.
- Elimination of any type of discrimination in access to employment and occupation.
- Eradicating the use of forced and/or compulsory labour.
- Elimination of any effective form of child labour.

The Colonial Group extends its ethical, sustainable and social commitment to its entire supply chain, with the aim of ensuring that all its operations are carried out in accordance with the social responsibility criteria set.

The Group therefore extends the following points to its entire supply chain:

- Inclusion of ESG policy for Colonial supplier selection.
- Efficient use of resources to guarantee maximum sustainability in its operations.
- Suppliers' adherence to Colonial's corporate social responsibility policy (ESG policy).
- Creation of value in the local communities where Colonial operates, by contracting local suppliers as far as possible.
- In this respect, the French subsidiary SFL encourages local employment in agreements with contractors for new projects, where, as part of the contract, the contractor undertakes to carry out actions to integrate unemployed people from the local community into the workforce.
- Health and safety in all operations, with special focus on preventive measures.
- Compliance with the Colonial Code of Ethics in all phases of the collaboration.
- Payment period of around 33 days.
- The French subsidiary SFL sets a maximum of two subcontracting levels to avoid abusive subcontracting.
- Compliance with conventions established by the International Labour Organisation (ILO).

In the event of non-compliance with any of these points, Colonial may unilaterally cancel the collaboration agreement.

With regard to the inclusion of ESG criteria in the selection of its suppliers and the adherence of suppliers to its social responsibility policy, and within the framework of the ESG strategic plan, the Colonial Group has developed the ESG criteria policy for the selection of suppliers and a questionnaire that adds further requirements in this regard. It is worth highlighting the importance given from 2020 onwards to the distance between the main contractor's and subcontractors' headquarters and Colonial's headquarters in order to reduce the scope 3 carbon footprint, as well as to the organisations' own or external ESG resources.

To avoid any illegal employment situation and fulfil its documentation gathering duties, as in previous years, the French subsidiary SFL has outsourced this process by using a collaborative platform (E-attestation). This platform manages all administrative documents deposited by suppliers, checks that they are complete and, if necessary, issues reminders. In the case of Spain, the SGS Portal is used to control these aspects.

From an organisational point of view, technical proposals are issued to encourage responsible behaviour, particularly in the following areas:

- Optimisation of energy and liquid consumption.
- Use of environmentally friendly cleaning products.
- Reduction in packaging and waste volume.
- Improved occupant comfort.
- Increased level of building operation certifications (BREEAM In-Use).

The Colonial Group has also adopted special measures with construction service providers during the remodelling, refurbishment and improvement works of the properties with a dual objective: ensure the smooth progress of the works and guarantee the safety of the people involved in these processes. Therefore, the health and safety procedure includes:

- Environmental training and information. Identification of personnel by means of badges. Preventive measures to ensure collective protection.
- Presence of first aid teams on site.
- Log of incidents.
- Instructions on personal protective equipment and rest breaks in accordance with the regulations.
- During the pandemic, an annex to the risk assessments was added to the procedure, and an annex related to COVID-19 was included in the self-protection plans.

The Group's suppliers are divided into three main categories based on the type of services and goods provided:

- Maintenance service providers.
- Different types of consultancy firms (architectural, engineering, control bodies, etc.).
- Construction companies in new construction, remodelling, refurbishment, rehabilitation and improvement of real estate.

Colonial is committed to local suppliers in order to be able to help generate value in the community where it operates. Therefore, of the 885 suppliers that Colonial worked with in Spain in 2024, 91.53% were local, with 98.9% of the volume of purchases made by Colonial coming from this group of suppliers. With regard to suppliers in France, in 2023, 85% of the suppliers (93% in terms of purchasing volume) with whom we have worked are local, that is they are based in Paris or in the Ile-de-France region (within a radius of approximately 100 kilometres).

In 2024, the average supplier payment period was below the legal maximum of 60 days established in Law 31/2014 of 3 December, which establishes measures to prevent late payment in commercial transactions.

II. ESG criteria questionnaire for suppliers

In line with the ESG criteria policy, in 2019 the Colonial Group approved a supplier to learn and identify the commitments and environmental, social and governance performance of its supplies, which is sent from 2020 to regular and sporadic suppliers from different areas, such as construction companies, maintenance companies, manufacturers, service companies and consultants of different types (architects, engineering firms, control bodies, etc.) These surveys have been updated in 2023, in accordance with Colonial's policy, which requires them to be reviewed periodically. As they are embedded in the selection process of any supplier for the company, they are part of a supplier ESG scoring system. The aim of this mechanism is to comply with the ESG criteria policy for the selection of suppliers, ensuring that the companies that make up the supply chain share the values and apply them in each phase of the activity linked to Colonial, while seeking to increase the positive impact throughout the value chain. Therefore, the questionnaires includes environmental, social and governance aspects:

- Evaluation criteria for choosing suppliers from an environmental perspective and for determining their position on issues such as the environment, climate change, energy, water, biodiversity, pollution, waste, responsible procurement and sourcing, among others.
- Evaluation criteria for the selection of suppliers from a social perspective, analysing their commitment to their workers, health and safety, diversity, reconciliation, human rights, subcontracting, etc.
- With regard to subcontracting and as a general criterion, the work teams in the different areas (maintenance, construction, consultancy, etc.) are made up of the companies' own personnel, and any type of subcontracting is subject to Colonial's authorisation.
- Evaluation criteria for selecting suppliers from a governance perspective, taking into account key aspects such as ethics, corruption prevention, risk management and corporate social responsibility, etc.

The questionnaire model with ESG criteria has been revised and extended, to cover new relevant and sensitive aspects for Colonial and its stakeholders. The current survey has 60 questions, whereas the previous years' survey collected information on 36 questions, an expansion of 67%. The following table shows the details of the evolution of the three dimensions:

Surveys	Earlier version	Current version	Dif. (%)
E	16	27	69%
S	10	15	50%
G	10	18	80%
	36	**60**	**67%**

A greater focus has been placed on:

- The particular calculation of their organisation's carbon footprint.
- The existence of GHG reduction targets and their scope.
- Knowledge of whether these reduction targets are compatible with 1.5°C and their scope, as well as whether they are SBTi certified.
- The existence of a renewable energy development plan.
- Willingness to collaborate with Colonial on innovative environmental initiatives.
- Human rights due diligence covering both its own operations and those of its direct or indirect suppliers.
- The provision of codes of conduct or ethics, as well as whistleblowing channels for employees and third parties.

During 2023, a massive re-evaluation of the Group's suppliers was conducted. In 2024, evaluation continued for the newly identified suppliers. As Colonial's demands have increased in terms of the aspects evaluated, the average scores in the three parts show room for improvement, and the results obtained, weighted out of 100 percentage points, are: environment 32%, social 61% and governance 47%.

Of the surveys sent to re-evaluate suppliers, 91% were received and analysed using ESG criteria as of the closing date of this report. The average score of the surveyed companies is 43 out of 100 points. It is worth noting that in the environmental aspect, approximately half of the companies fall below 30% of the maximum score within the "E" category.

These results show a change in the scales used to assess Colonial's suppliers, with higher demands being placed on them.

Currently, suppliers are not discarded for having a low score.

An action plan will be drawn up to try to influence and raise awareness among suppliers. This plan will be developed when responses have been received to a higher percentage of surveys for the new approval version, in order to have a more complete picture of supplier status.

One of the points that we wanted to strengthen was to find out in greater detail about the social performance of suppliers, for which a screening was carried out, requesting information on issues such as:

- Respect for employees' labour rights.
- Provision of mechanisms to ensure compliance with the previous point.
- Provision of control methods to avoid discrimination in access to jobs.
- Implementation of work-life balance policies that balance the personal and professional lives of employees.
- Monitoring methods to eliminate all forms of labour and child exploitation.
- Respect for freedom of association.
- Details of the number of total and specific ESG employees.
- Monitoring of diversity, equality and inclusion metrics.
- Details of the subcontracting chain.
- Occupational risk prevention systems.
- Training of workers on occupational hazards.
- Execution of periodic safety inspections.
- Details of incidents in the area of ORP.
- Social risk assessments.
- Community engagement programmes.

Since 2021, all work and service contracts include specific clauses to ensure ESG performance, including the possibility for Colonial to carry out audits to verify the veracity of the information provided. In addition, ways will be explored to strengthen the audit strategy of these suppliers and help them to drive positive change in the weaknesses identified.

With regard to human rights risks in the supply chain, the risk is considered to be low or very low, given that most of the suppliers are national and, furthermore, construction equipment, materials, and installations are purchased from leading brands from companies of recognised prestige, as corroborated in the supplier approval surveys with ESG criteria and in the environmental monitoring carried out in works and maintenance. Furthermore, in relation to the labour rights of its workers established by the International Labour Organisation (ILO), no risks were detected in the questionnaires carried out or through other Colonial communication channels.

III. Sustainable procurement of materials

The consumption of materials and consumables is one of the most relevant indicators for the Group, which is why, since 2018, the Group has worked to obtain a better performance in this area, which has been consolidated in 2020, and has continued this trend during 2024.

Similarly, thanks to the implementation of the environmental policy, since 2018, extensive work has been carried out to monitor the data on the supply of materials in collaboration with the different business partners of the organisation through the environmental monitoring procedure: (1) new construction, refurbishments and large renovation projects; (2) small renovation projects and (3) maintenance work in existing buildings.

As a result of these efforts and in line with the commitments established within the environmental policy and the ESG supplier selection policy, good purchasing practice requirements have been established to ensure that materials and products have environmental certificates, such as, for example, type III environmental labels, DAP or ECV, FSC or PEFC certified wood, local supply and procurement (<800 km from the point of distribution), high recycled and recyclable content and low level of emissions of volatile organic compounds.

In 2019, the List of approved manufacturers was drafted and implemented in order to promote the selection of materials, products and equipment in compliance with environmental criteria.

At present, the list of products includes at least 1,792 (87%) materials, products and equipment that meet the environmental requirements defined in Colonial's environmental policy, as well as another 268 that do not meet these requirements. Compared to last year, there is a decrease in the total value, but this does not directly mean that there are fewer products, on the contrary. In order to facilitate any queries to the different agents, product families from the same manufacturer have been grouped together, taking into account their characteristics and environmental documentation, thus collecting a greater number of products under the same reference.

The list of approved manufacturers has proved to be effective and has greatly facilitated compliance with the responsible procurement of the different works and services for designers, and especially for contractors and maintainers.

This list is updated periodically with the aim of increasing the alternatives of materials, goods and equipment that meet the established requirements, as well as to continuously add new categories to the assessment.

The relevant indicators on material consumption during 2024 are listed below:

Purchase of materials

	2024						2023					
	Total	Responsible sourcing	Recycled material	Recyclable material	Renewable material	Regional material	Total	Responsible sourcing	Recycled material	Recyclable material	Renewable material	Regional material
Type of material	kg	% of each mat.	% of each mat.	% of each mat.	% of each mat.	% of each mat.	kg	% of each mat.	% of each mat.	% of each mat.	% of each mat.	% of each mat.
Stone and ceramics	3,727,993	93.58%	1.20%	2.25%	0.00%	99.77%	679,834	98.52%	3.16%	1.68%	0.00%	97.85%
Concrete and mortar	14,456,944	81.06%	0.75%	21.35%	0.00%	99.89%	35,145,757	99.17%	2.49%	45.13%	0.00%	91.48%
Glass	232,862	99.33%	0.23%	0.32%	0.00%	99.81%	6,053,817	99.91%	7.48%	0.00%	0.00%	99.98%
Plastics and rubbers	2,968	59.99%	8.19%	16.22%	0.00%	79.85%	7,432	90.79%	39.12%	29.70%	0.00%	91.51%
Metal	3,108,302	95.96%	21.02%	18.61%	0.00%	97.55%	1,515,505	99.34%	1.73%	8.55%	0.00%	99.28%
Wood	910,231	99.68%	33.95%	0.79%	100.00%	99.70%	52,328	96.59%	38.10%	5.60%	100.00%	95.05%
Plaster	2,034,400	99.97%	2.67%	8.83%	0.04%	99.62%	517,219	99.96%	3.18%	28.67%	0.00%	98.48%
Insulation / waterproofing	1,181,181	37.14%	20.21%	7.88%	0.00%	99.51%	135,289	90.17%	28.77%	67.93%	0.00%	96.05%
Paints and varnishes	89,385	66.07%	0.00%	0.01%	0.00%	94.38%	26,847	89.07%	0.04%	0.06%	0.00%	71.32%
Lighting installation	47,516	73.47%	1.54%	0.43%	0.03%	99.05%	31,649	96.43%	0.00%	0.34%	0.00%	98.64%
Toilet facilities	97,336	99.11%	0.00%	0.00%	0.00%	99.38%	10,746	96.69%	0.00%	0.01%	0.00%	98.34%
AC/ventilation installations	333,990	70.25%	0.25%	0.48%	0.00%	97.99%	105,475	97.26%	0.52%	0.74%	0.00%	98.17%
Coolants	64	–	–	–	–	–	0	–	–	–	–	–
Adhesives and sealants	4,546	97.36%	0.85%	0.00%	0.11%	83.83%	4,047	97.99%	0.00%	0.05%	0.00%	72.39%
Oils and lubricants	50	0.00%	0.00%	0.00%	0.00%	94.82%	39	76.10%	0.00%	5.08%	0.00%	100.00%
Cleaning products	12,018	67.38%	1.19%	21.68%	4.08%	85.89%	26,995	88.56%	0.88%	2.41%	18.58%	95.94%
Gardening products	12,814	60.80%	27.10%	86.85%	2.84%	95.78%	628	33.08%	0.00%	0.00%	0.00%	100.00%
Soil and gravel	436,780	94.35%	47.20%	94.47%	0.00%	99.78%	27,595	7.19%	0.00%	0.00%	0.00%	32.20%
Textiles and papers	1,795	78.29%	8.91%	11.20%	0.00%	88.02%	1,491	73.08%	0.00%	0.00%	0.00%	97.65%
Plant species	10,645	90.72%	10.02%	12.61%	4.83%	100.00%	2,454	24.90%	0.00%	0.00%	0.00%	41.44%
Furniture	25,422	64.90%	0.00%	0.03%	0.02%	99.36%	2,444	61.84%	0.54%	1.09%	0.00%	78.52%
Other	960,698	98.62%	2.09%	0.20%	0.02%	99.82%	464,797	98.50%	1.42%	3.52%	0.22%	99.33%
Total	**27,687,941**	**85.36%**	**5.93%**	**16.12%**	**3.30%**	**99.51%**	**44,812,390**	**99.15%**	**3.26%**	**36.30%**	**0.13%**	**93.14%**

Note: Includes materials for new construction and large reforms, small reforms, and maintenance of communal areas. Materials purchased by tenants are not included because the organisation has no control over them. In the case of France, this information is not available, since materials are purchased by a third party.
The list of materials may be modified if other representative materials are reported.
The category “Other” includes rarely used and non-representative materials.

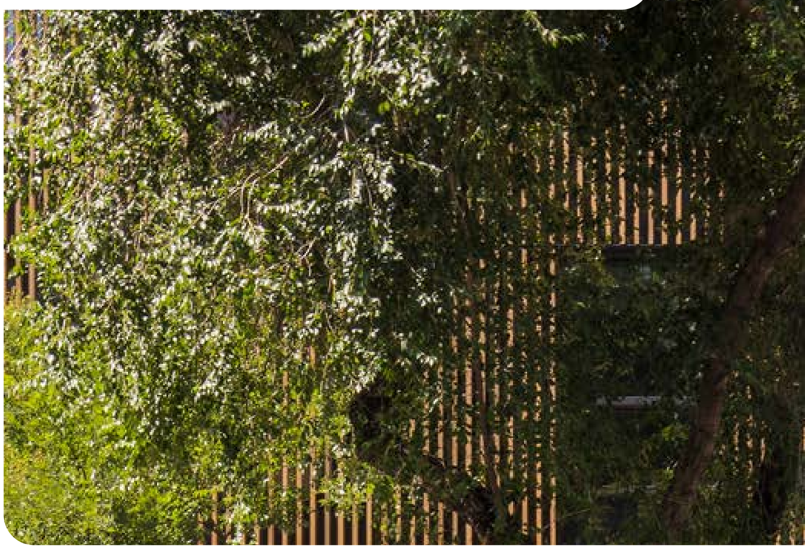
It is worth highlighting Colonial's efforts to acquire materials in the region where these data are to be used, with **a result of close to 100% of the total materials used that met this criterion, which considerably reduces the carbon footprint linked to transport and distribution**.

With regard to responsible sourcing, Colonial strives to ensure that the majority of materials **purchased are sourced responsibly through the *Guide to Sourcing Products, Materials and Equipment*, so that 85% of materials comply with this guideline in 2024**. Wood is one of the most significant, as Colonial closely monitors its origin with the aim of ensuring that most of the wood purchased has a sustainability or good practices certificate.(1) In 2024, out of a total of 910 tonnes of wood purchased (52 t in 2023), 99.51% was certified (93.93% in 2023).

Percentage of wood certified by standards

	2024		2023	
Certification system/standard	Quantity (kg)	Percentage (%)	Quantity (kg)	Percentage (%)
FSC (Forest Stewardship Council)	782,978	86.02%	48,444	92.50%
PEFC (Program for the Endorsement of Forest Certification Schemes)	145,536	15.99%	17,003	32.49%
SFI (Sustainable Forestry Initiative)	354	0.04%	667	1.27%
CSA (Canadian Standards Association)	354	0.04%	0,00	0.00%
Other (specify)	354	0.04%	351	0.67%
Total certified wood	**905,746**	**99.51%**	**49,152**	**93.93%**

On the other hand, in line with what is specified in this guide, it should be noted that 81.06% of the concrete and mortar poured in the different works carried out in Spain during 2024 comes from alternatives with a lower carbon impact, since they comply with the ANEFHOP Expert concrete certificate and/or ISO 14001 of the manufacturing process, in addition to other requirements for recycled and recyclable material.



(1) Colonial is aware of the environmental impact that the purchase of wood and paper could have in terms of deforestation throughout its value chain. In this regard, Colonial has the ESG Criteria Policy for selecting suppliers, through which it establishes the commitment to use FSC-certified wood with Chain of Custody, PEFC and of legal origin.

IV. Integrated supply management model

Colonial's environmental policy establishes the following commitments:

- Responsible procurement of materials.
- Sustainable waste management.
- Reduction of its carbon footprint through these two activities.

The environmental monitoring procedure discussed above is explained below:

A1

A2

A3

New construction extensive refurbishments major renovations (MEP(*) > €500,000)

Minor renovations in existing buildings (CEP(**) < €500,000)

Maintenance work: general gardening and cleaning services

Control tool:
Environmental reporting and monitoring tables

Responsible sourcing
+
Sustainable management of RSW
+
Improvements in energy efficiency
+
BREEAM certification enhancements
+
Updating of inventories
+
Carbon footprint control and reduction

A1
Managers
Design team
Main Contractor
Project Manager

A2
Managers
Contractor
Facility Manager

A3
Managers
Maintainers of general services, gardening and cleaning

Environmental consultant

(*) MEP = material execution price.

(**) CEP = contract execution price.

In order to manage, oversee and report on environmental issues according to the procedures described, the Group regularly monitors the following aspects:

- Advice to contractors and maintenance providers in the use of sustainable products and in the sustainable management of waste.
- Updates of the list of approved products.
- Review of projects and budgets for actions and works.
- Recommendations to improve eco-efficiency and for BREEAM In-Use.
- The data and the documentation of the environmental monitoring tables of all actions carried out in Colonial buildings are verified.
- Environmental monitoring visits are carried out to supervise new construction, renovation or major refurbishment projects (1).
- Regular environmental monitoring visits are made to existing buildings to supervise minor renovations (2) and maintenance tasks (3).
- Inventories of facilities are updated and coordinated with the actions.
- Exhaustive monthly monitoring is carried out to ensure that the contractors and maintainers of all the actions underway follow the circular economy model implemented by Colonial.
- All of Colonial's environmental information is collected and reported for the annual integrated report and sustainability indices.

In order to approve compliance with responsible sourcing, environmental requirements must be proven for materials, products and equipment amounting to 70% of the contract execution price (PEM/CEP) of the works (in the case of maintenance, 70% of the total).

In addition, with regard to sustainable waste management, it must be proven that at least 80% of the waste generated (including hazardous and non-hazardous waste that can be used) is managed for recovery, and therefore a maximum of 20% is processed without any recovery.

These objectives are achieved through the environmental monitoring procedure established according to the scale of the actions:

- **A1: New construction, comprehensive renovation and major refurbishment projects (refurbishments of floors of office modules, lobbies, and/or toilets, or other refurbishments of similar scope, with a PEM > €500,000 or a lower price but of this type)**

  The subcontractor must justify the environmental requirements for responsible procurement of materials and sustainable waste management on the construction site.

- **A2: Any minor action/refurbishment (€1,000 < CEP < €500,000)**

  The subcontractor or industrial contractor must justify the environmental requirements for responsible procurement of materials and sustainable waste management in each of the actions they carry out in the buildings.

- **A3: Any actions derived from the continuous maintenance of general services, gardening and cleaning**

  The general services, gardening and cleaning maintainer must justify on a quarterly basis the environmental requirements for responsible procurement of materials and sustainable waste management.

The parties responsible for the actions must verify all the environmental aspects established in the *Guide to contracting products, materials and equipment*, which establishes the requirements for the final review of compliance with the requirements by the environmental consultant.

CO_2 emissions from the transport of supplies and waste to and from the building are also considered, along with the ones derived from coolant gas leaks, trips by the maintenance services personnel and consumption in the head offices of the maintenance companies.

In 2024, awareness and sensitisation workshops continued to be held with the various agents involved, project designers, project managers, facility managers, contractors and maintenance personnel, to establish the environmental criteria to be met and to inform them of the Group's objectives.

The Colonial Group continues to be committed to environmental monitoring of all the actions carried out in the buildings in its portfolio. This year has seen an increase in the number of large-scale works and comprehensive refurbishments as well as smaller projects, where environmental monitoring control has been carried out, together with eco-efficiency consultancy and the updating of inventories.

6.2.6. Digitalization as an accelerator of eco-efficiency

The business plan for environmental sustainability is largely underpinned by digitisation. Accordingly, the Colonial Group maintains a strong commitment to innovation through the development and implementation of PROPNET technology, which is enabling the use of the spaces managed by the company to be optimised.

Within the Group there is the Innovation Committee that monitors those points that could be more cutting-edge in this area. Operationally, there are also multidisciplinary teams of professionals focused on innovation and digitisation of assets, in order to monitor the results of those measures already implemented that allow for continuous improvement, as well as to set new developments, always focusing on the following optimisation objectives:

- Environmental.
- Occupant well-being.
- Cost control.

This has materialised thanks to the initiatives carried out in recent years, which are explained below.

I. PropTech Project - Portfolio digitisation

The properties operated by Colonial have a standardised building management system, known as the Building Management System (BMS). This digitalisation makes it possible to **measure the energy efficiency of properties**, as well as to control, *in situ* and also remotely, all the installations that represent significant energy consumption in buildings, providing predictive alerts about possible anomalous behaviour in the operation of the installations and facilitating automated decision-making for their solution.

The systems integrate equipment for measuring energy and water consumption, accounting in real time for the general demand of each building, as well as the partial demands of each type of installation that are most representative.

The energy consumption information is collected in a management system, known as Energy Management System (EMS), allowing to monitor and remotely manage consumption in real-time in a general and detailed manner. With these tools, together with internal and external management and control by the various work teams involved, it is guaranteed to detect inefficiencies generated by deviations in the operation of the installations, or optimisable patterns of behaviour by building maintenance workers and users.

Currently, 2,772 electricity meters are monitored within the EMS, which, together with the monitoring of other energy sources, water and the environmental sensors detailed below, collect a total of 8,922 variables to ensure the monitoring of sustainability and the well-being of customers.

All historical data since 2015 are kept in order to analyse in detail the improvement in energy and environmental performance.

This project has also extensively reinforced the security systems of the assets (access control, surveillance and anti-intrusion systems, image recognition, number plate readers, etc.), thus enhancing the security of users and the building. Security professionals perform remote and continuous monitoring 24 hours a day, 365 days a year.

It should be noted that Colonial, together with other leading companies in the real estate sector, has invested in Fifth Wall, the first European fund focused on technologies for the global real estate industry. Fifth Wall aims to accelerate the adoption of European PropTech innovation by investing in high-potential European startups and providing co-investment opportunities alongside the firm's leading North American real estate technology funds.

Added value for the customer with a strong focus on sustainability

In order to continue innovating and providing proactive value to manage clients, Colonial has brought the technologies mentioned in the previous section closer by making a series of services available to the client and end user, supported by all the digital transformation it has carried out in recent years. To this end, it has launched the ED-I service solution, created to meet the needs of this particular stakeholder group within buildings. ED-I is the name chosen to familiarise users with it in a user-friendly way, previously it was called PROPNET Project.

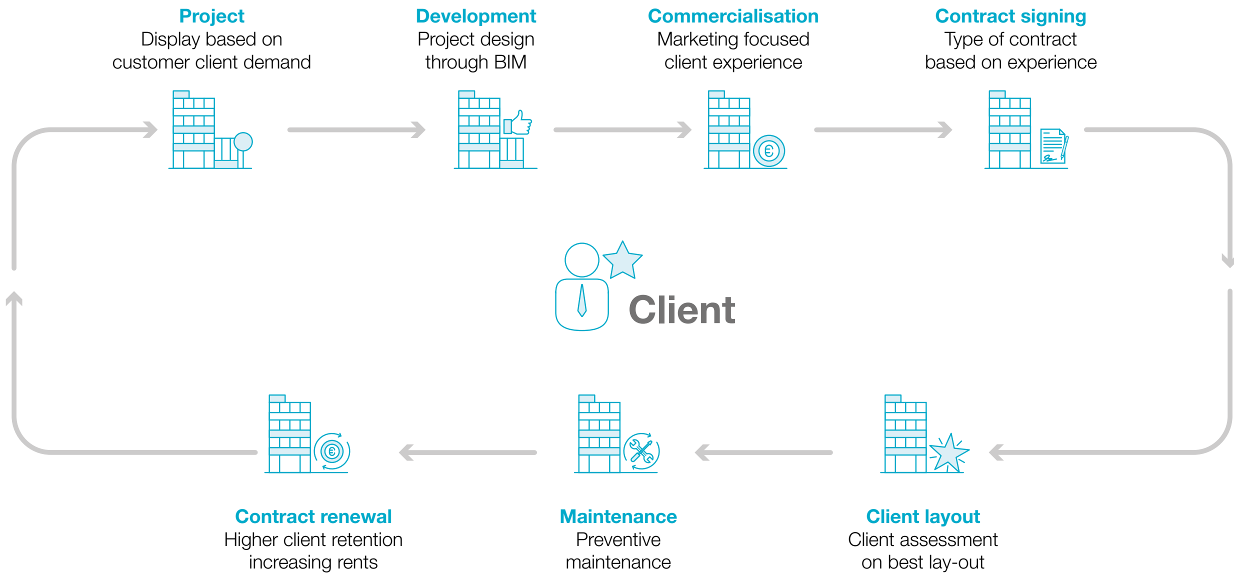
ED-I is an internal initiative of Colonial together with its service providers through which it directs its entire portfolio management strategy towards the client. By collecting and centralising data on a single platform, this use of technology enables Colonial to:

- Better understand and measure client needs.
- Improve its decision-making process in its value chain.

With ED-I, Colonial manages, through artificial intelligence, to foresee the client's needs according to their behaviour patterns, as this solution makes it possible to measure the user's or client's comfort in the space they occupy and to control all the installations that affect their comfort.

ED-I also prioritises the sustainability of Colonial's buildings. This tool makes it possible to measure the building's carbon footprint, control the use of resources to reduce and optimise energy consumption, and continue learning in order to be able to design new assets and spaces as efficiently as possible. From the clients' point of view, the first direct consequence is their own improved ESG performance and rating.

This set of services that are partners in digitalisation is a reality that applies to all properties under the company's direct management and operation. All of Colonial's new projects will be ready to offer ED-I from the outset.



II. Digitisation of the portfolio – Second phase

Innovation processes at Colonial are continuous, actively seeking new digitalisation and transformation solutions to improve processes, environmental performance and occupant experiences.

The second phase of the digitisation of Colonial's portfolio includes the following actions:

1. New environmental sensors

Monitoring of a larger number of environmental parameters, in order to have a broader spectrum coverage of indoor air conditions in workspaces, thanks to the installation of new state-of-the-art probes that allow continuous monitoring of physical particles (PM2.5, PM1 and PM10), volatile organic compounds (VOCs) and noise level.

This new measuring equipment complements the sensors already installed in all the buildings managed by Colonial and which were installed years ago, making it possible to record temperature, relative humidity and humidity conditions and CO_2 in real time. Thanks to the combination of both probes (the existing ones plus the latest generation), up to eight environmental variables of the workspaces will be controlled. The latest generation probes were installed in seven buildings in 2022, rising to a total of twenty-nine assets in 2023 and thirty-two in 2024, which is a major step forward.

These initiatives make it possible to respond to the recommendations of renowned international organisations in the areas of air conditioning, ventilation and well-being, such as ASHRAE and the International *Well Building Institute* (IWBI). It is worth noting that all these actions allow for increased efficiency and productivity in the clients' activities as well as the resilience of the property portfolio against possible climate risks.

2. Energy Management System 2.0 (EMS 2.0)

In 2022, the energy consumption monitoring system was updated, which increased the performance and application of the tool, thanks to the integration of new systems for measuring the main consumption of the buildings and the processing of information based on a programming algorithm that improves the quality of the data, making it comparable and verifiable.

3. Digital twin

In four of the portfolio's buildings in Spain (Discovery, Tucumán, Ciudad de Granada and Diagonal, 409) an energy and environmental simulation model (temperature, relative humidity and CO_2) based on different variables (outdoor and indoor temperatures, occupancy and internal loads) has been developed, which runs on a programme tested for more than 25 years in other sectors such as aeronautics and nuclear and thermal generation. This modelling is supported by more than 25,000 equations on average per building, of which a significant part are differential equations. This parameterisation, in turn, has been defined according to their façade characteristics and their main air-conditioning systems.

There is a roadmap for a simulation for the rest of the buildings to be set up in the coming years, so that the most efficient building use guidelines for the best energy and environmental performance can be known from a theoretical and practical point of view.

4. Uninterruptible power supply systems (UPS)

One of the main pillars of the PropTech project has been the improvement of asset security systems (access control, surveillance and anti-intrusion systems, image recognition, number plate readers, etc.). During 2022 and 2023, the integration of uninterruptible power supply systems has been implemented, which has significantly increased the coverage in the event of a power supply failure by the utility company, enabling the associated risks to be managed in advance and thus increasing the resilience of the portfolio.

5. Intelligent engines

Most of the energy consumption is used to power electric motors, which is a very important area for energy improvements.

In this regard, a motor technology has been identified based on a revolutionary design that offers low magnetic reluctance, is controlled by custom software and dynamically manages its operation, thereby achieving high efficiencies.

In view of the good results, the focus will continue to be on the gradual replacement of conventional electric motors in the coming years.

6. Industrialisation under construction

The innovative process of industrialisation in construction provides competitive advantages in terms of deadlines, quality of execution and greater respect for the environment, as it considerably reduces waste generation and the use of resources.

As part of the Madnum Urban Campus, 444 bathrooms have been industrialised and transported to the site for subsequent installation and connection, with results that are fully in line with the advantages mentioned above.

7. System certification

During 2023, the certification body Bureau Veritas was commissioned to conduct an external audit of the PropTech ecosystem in order to further strengthen data quality and excellence in customer service quality. This label covers the three most significant parts of the PropTech project:

- Building Management System (BMS) - Metasys.
- Energy Management System (EMS) - MED 2.0
- Security services.

The certification is complete for all the properties that make up the project, and is a quality system that will keep being maintained on an annual basis.

In order to develop the details of the EMS in terms of structure and responsibilities, formalisation and awareness thereof, and audit coverage, the following is available:

a) Structure

The EMS is fed by the information provided by the I**ntegrated Facilities Management and Control System**, METASYS®. Its main task is to optimise the operation of the controlled facilities from the point of view of both energy consumption and the rationalisation of work sequences, with the aim of achieving optimal operation of the facilities, user comfort, and minimum operating costs for the building, as well as minimal environmental impacts.

By integrating the different existing subsystems (air conditioning, lighting, analysers, etc.) into METASYS®, via software, optimal coordination of their operation is achieved, providing real-time information on all fault situations or alarms that occur, both in the building's electromechanical installations and in property and people protection installations, and on the operating status of all equipment and installations. This information will be shared between the integrated subsystems.

The system architecture is fully compatible with existing corporate communications network infrastructure, encompassing Internet technologies and the world of Information Technology (IT), going beyond the domain of traditional Building Control Systems (BMS).

Thus, by means of a standardised and uniform **web browser** for all properties, it becomes a user interface for the system.

With authorised access to the network, information concerning the technical and economic performance of the installation can be requested from any computer or other mobile device connected to the network, also allowing simultaneous access to the system by several users.

The system in question is **fully expandable**, having a flexible network architecture on which it will be possible to build or expand the automation system for a building or complex of buildings.

By using the **standard data formats and communication protocols** from the world of Information Technology (IT), the METASYS® Integrated Building Management System is compatible with the network infrastructure of buildings and complexes. These standards are:

- **IP** (Internet Protocol) as the communication protocol between NAE automation devices, ADS servers and Web browsers.
- **SNMP** (Simple Network Management Protocol) for network management.
- **SNTP** (Simple Network Time Protocol) for network time synchronisation.
- **SMTP** (Simple Mail Transfer Protocol) for transferring email messages.
- **HTTP** (Hypertext Transfer Protocol) and HTML (Hypertext Markup Language) for user interface functions.
- **DHCP** (Dynamic Host Configuration Protocol), DNS (Domain Name System) for dynamic network naming and addressing.

The system's physical structure is composed of various devices that act on different layers or levels of hierarchy:

- Server.
- Supervisors.
- Seamless integrations.
- Control of field equipment (probes, actuators, measuring equipment, etc.).

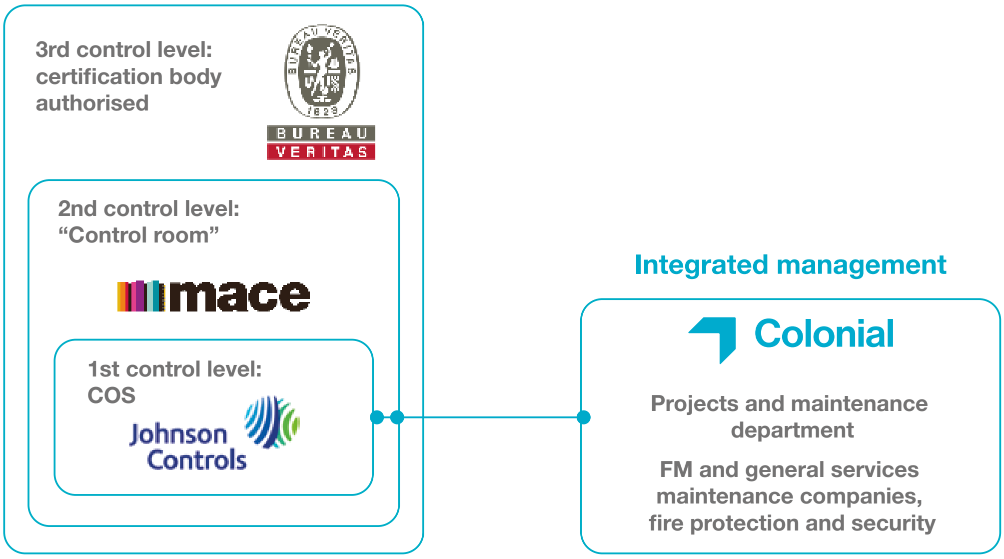
The BMS collects the quarter-hourly consumption of the analysers and/or meters, as well as the environmental probes, in a database. The EMS handles these databases according to certain algorithms to display the already processed and understandable consumption information and perform consumption analyses.

b) Responsibilities

At the day-to-day operational level, the main actors involved in system maintenance are:

- Level 0: FM and General Services maintenance companies: they act across all parties.
- Level 1: Johnson: technology provider and responsible for the COS, in addition to carrying out preventive maintenance of the PropTech ecosystem.
- Level 2: MACE: command centre, exercising second-level supervision.
- Level 3: Bureau Veritas: external certifying entity of the PropTech sector.

Control levels in Prop Tech environment



In order to pursue excellence through continuous improvement, there are two periodic forums where possible failures, areas for improvement, review of procedures, control points and risk matrix are analysed.

- Quarterly *"Data Quality"* meetings: between the Quality Department of Colonial's Projects and Maintenance Department, the data quality manager of Johnson Controls and the supervisor of the external consultant on eco-efficiency at MACE.
- PropTech Committee every 15 days: where the managers of Johnson Controls and Colonial meet to discuss the follow-up of issues related to the PropTech environment in its different areas (BMS, EMS, Security, COS service, new developments and technological solutions, etc.).

c) Training and awareness

Johnson Controls periodically provides training to the agents involved in the system, especially to maintenance staff and technical managers. During 2024, 2 refresher training courses were held, one in Madrid and another in Barcelona. Additionally, a constant line of communication via email is maintained for any updates relevant to the work teams.

d) Scope of audits

The audit covers three sections, where a significant sample of buildings is inspected.

- BMS: 31 checkpoints per building.
- EMS: 13 checkpoints per building.
- Security: 19 checkpoints per building.

The number of buildings included in the sample is equivalent to the square root of the portfolio's buildings that have PropTech technology.

The issues addressed include chapters on technical, legal, procedural and administrative aspects.

Following the external audit by the independent body, if applicable, a report is issued with the "non-compliances" to subsequently propose an action plan to correct them, always focusing on the root cause of the problem.

III. Data management and monitoring platform – Deepki

With the aim of digitalising the management and monitoring of data relating to the main sustainability indicators, the digital tool Deepki, recommended by both EPRA and GRESB and specialised in the real estate sector, was implemented in 2022. This provides a number of operational advantages for the company, including the following: an extensive database of the sector that allows the development of different benchmarks, the ability to develop short-term estimates based on the data collected by the platform itself, predictive models that allow the detection of anomalies and potential savings, centralisation of all the information in different dashboards adapted to the Group's strategy and an analysis of the resilience of assets in the face of climate change, among others. In addition, it brings an international focus due to the widespread use of the tool in the European real estate sector. These functions enable the Group to optimise the implementation of its strategy and accelerate the achievement of the targets set by the company and carbon neutrality.

6.3. Environmental certifications

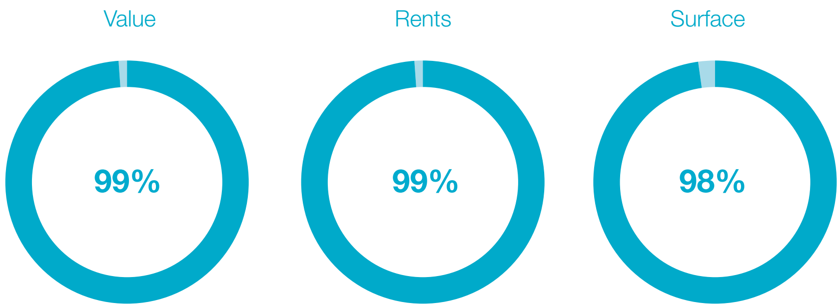
I. Energy efficiency/environmental certifications

Colonial Group is firmly committed to obtaining sustainable certification for the assets in its portfolio. Over the last few years, the Group has promoted the certification of the buildings in its portfolio and has managed to maintain a sustained increase in the ratings obtained.

Currently, 99%[1] of the value of the Colonial Group's operating office portfolio has LEED or BREEAM sustainable certification, a figure that has gone up and remained stable over the years, reaching almost the entire certified portfolio. In terms of rent and surface area, the ratio shows a clear majority of the portfolio.

This high level of certifications makes Colonial a leader in terms of energy efficiency.

Portfolio with LEED / BREEAM[1]



The Colonial Group is committed to the highest standards of certification:

- At the end of 2024, Colonial Group had 8,902 million euros of assets in value with the **BREEAM certification**. In this regard, the Group has introduced a guideline in the Paris portfolio to apply BREEAM-aligned design criteria in all refurbishments.

  At the end of 2024, fourteen operating assets of SFL were BREEAM certified.

Colonial has analysed the measures required for each certified building to improve the ratings obtained in future certification renewals.

As part of the actions carried out in 2024, in line with the analysis for the improvement of the classification levels in the certificate renewals, as well as with its Environmental Policy and the *Good Practices Manual*, Colonial has taken measurements of the interior and exterior lighting in some of the buildings in its portfolio, in order to control that the lighting levels are adequate and improved with respect to the regulations. These controls are carried out on a regular basis and will be extended to the rest of the asset portfolio. After being analysed, reports are issued by technical specialists in which it is supervised that the improved values established for each room are achieved, also contributing to the well-being of the occupants and users of the buildings.

(1) Office Portfolio in operation.

- The Colonial Group has 1,966 million euros of assets in value certified with **LEED certification**. By the end of 2024, six assets will have Platinum status and twelve will have Gold status.

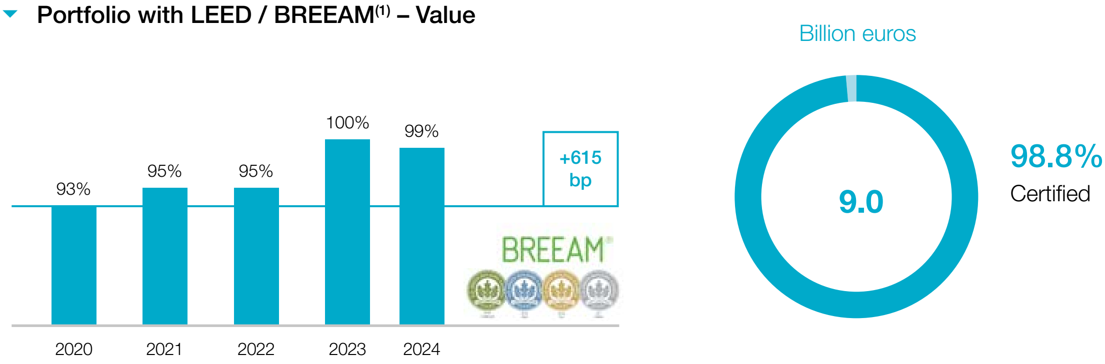
- The building at Francisca Delgado, 11 (Oblicua) has been WELL CORE Gold certified since 2022, and is the first building in the portfolio to be certified with this seal.

- **The *Haute Qualité Environnementale*** is a certificate awarded to real estate properties in France. This certification assesses buildings according to their energy, environmental and health and user comfort performance.

For more detailed information per asset, please refer to the appendices.

Since 2017, the Group has increased the level of certifications in its portfolio with a 17% increase in the value of BREEAM-certified assets and a 132% increase in LEED-certified assets.

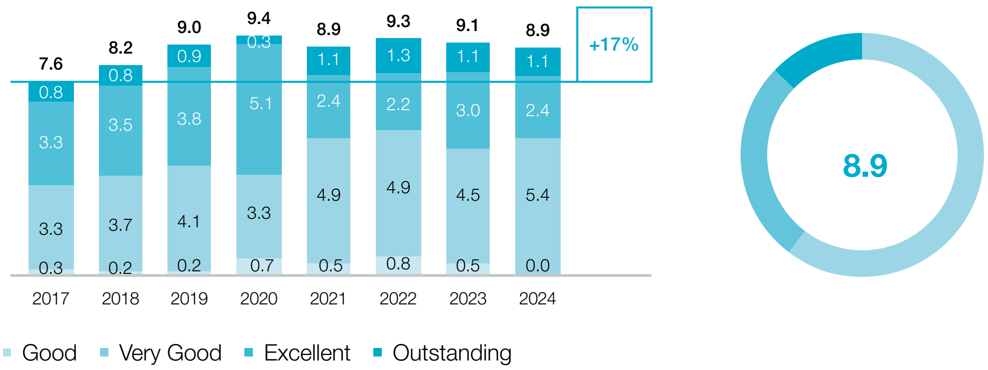
Portfolio with LEED / BREEAM[1] – Value



(1) Percentage in terms of appraised value 12/24, offices in operation.

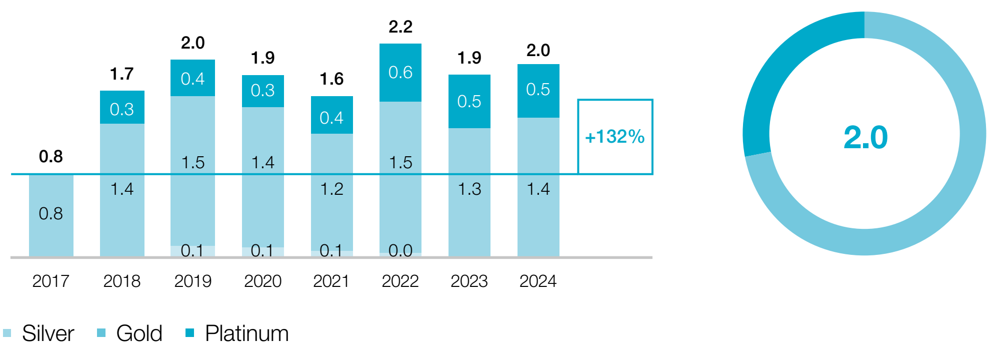
BREEAM Certificates – Value

Billion euros



LEED Certificates – Value

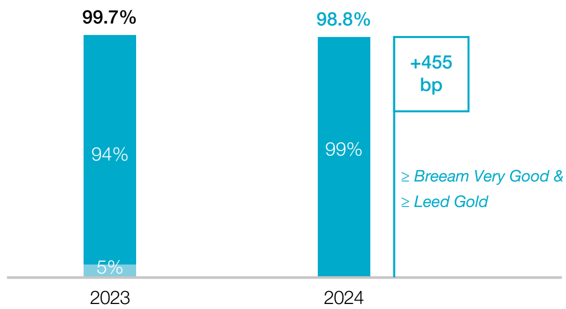
Billion euros



This level of certification is clearly above average in the sector. The progress made over the years shows the company's clear commitment to improving the efficiency of its assets. The strategic sustainability plan is committed to continuous improvement asset by asset, implementing energy efficiency initiatives and biodiversity measures, including PropTech for digital transformation, water saving measures and greater control in waste management, among other actions. This in turn makes possible a qualitative improvement of the qualification in the certifications of each asset.

The high quality of the Colonial Group's portfolio is reflected in this high level of asset certification. It should be noted that in 2019 BREEAM/GRESB recognised Colonial Group as the sole European leader in responsible investment through the *Award for Responsible Real Estate Investment* in the large portfolios category.

Portfolio with LEED / BREEAM[1] – Value



(1) Office Portfolio in operation.

Certificate details according to property value

Following the *EPRA Best Practices*, the following table shows the percentage of total portfolio value and the level of certification achieved:

	No of certified assets		% certified value	
EPRA Cert-Tot	2023	2024	2023	2024
BREEAM				
≥ Excellent	27	27	27%	20%
Very Good	15	17	47%	57%
Good	4	0	5%	0%
Total BREEAM	**46**	**44**	**79%**	**77%**
LEED				
Platinum	0	0	0%	0%
Gold & Silver	1	1	1%	1%
Total LEED	**1**	**1**	**1%**	**1%**
BREEAM & LEED (Double Certification)				
BREEAM Outstanding & ≥ LEED Gold	4	4	3%	3%
BREEAM Excellent & ≥ LEED Gold	8	7	15%	8%
BREEAM Very Good & ≥ LEED Gold	4	6	2%	10%
TOTAL	**63**	**62**	**100%**	**99%**

II. Energy ratings (*European Performance Certificate*)

In France, all the Group's buildings hold energy certificates and in Spain all buildings must have an energy rating in accordance with Royal Decree 390/2021. In this sense, all assets in operation on the Colonial Group's office property portfolio hold energy efficiency certification.

The Colonial Group has implemented a system that allows it to manage the environmental aspects of its activity and the energy it consumes. It also guarantees continuous monitoring of the organisation's energy uses and the direct and indirect factors that affect environmental management.

The system covers maintenance activities associated with proper technical operation of the building to ensure customer satisfaction and the comfort of the company's employees at its corporate headquarters.

The benchmarks used for the implementation of the integrated environmental and energy management system are the international standards ISO 50001 and ISO 14001. These provide a suitable framework to develop its integrated environmental policy and organise both energy and environmental aspects (including analysis of the energy and environmental planning process, energy and environmental review, energy, environmental and legal aspects, objectives, targets and action plans, risks and opportunities).

The environmental management system is integrated into the Energy Management System in the Avenida Diagonal buildings, 532 in Barcelona as well as in the Paseo de la Castellana, 52 property in Madrid, and every three years renews its certification through the mandatory External Audit performed by a certification body of renowned prestige and accredited by the Entidad Nacional de Acreditación (ENAC).

III. BBC-Effinergie Rénovation and BBCA Rénovation

The BBC-Effinergie® label aims to identify new buildings or parts of buildings with very low energy requirements that contribute to achieving the 2050 objectives set by the French SNBC (*Stratégie Nationale Bas Carbone*): to reduce greenhouse gas emissions from buildings by up to four-fold. The Pasteur and 83 Marceau properties have this certification. In 2018, SFL was awarded the BBCA Rénovation label for the Biome project (*Bâtiment Bas Carbone*) and had one of the first buildings in Paris to be renovated with this label. The Biome project was notable for its low carbon footprint throughout the asset's life cycle, with exemplary embodied carbon thanks to the use of low carbon concrete across much of its surface.

SFL was awarded the BBCA Low Carbon Intensity Award at the SIBCA low carbon buildings fair held in September 2023. This award recognises the company's strong commitment to reducing its environmental impact, thanks to the ambitious strategy developed to meet its carbon targets.

In France, all major development and restructuring projects are certified and/or labelled. These certifications are chosen to best respond to the specificities of the building, with the aim of supporting the commercial positioning, encouraging the teams in charge of the project and promoting the most innovative aspects. The Scope and Condorcet projects aim for multiple certifications, such as:

- BBCA Renovation, as a demonstration of the ambition o reduce carbon emissions;
- Biodivercity, to highlight efforts in the vegetation of the spaces;
- CircoLab, to promote reuse and the circular economy;
- ActiveScore, for the promotion of active modes of transport.

IV. Well-being

Colonial Group's well-being policy aims to optimise user comfort and health by recognising the relationship between buildings and their occupants, as user well-being is directly related to factors such as natural light, green spaces and social areas, among others.

The Colonial Group has a set of measures implemented in its buildings for clients to certify their office spaces with the WELL seal, either because they are located in an environment that is already adapted to the requirements of this certification or one that facilitates its application.

For example, Francisca Delgado, 11 obtained the international WELL Building certificate with a Gold rating in 2022.

Furthermore, health and well-being are an integral part of a broader vision of sustainability and, as such, are also present in the requirements of the sustainable certifications held by the portfolio's buildings such as BREEAM and LEED.

6.4. Green financing and sustainable investment

Colonial leads the real estate sector in terms of eco-efficiency and decarbonisation. Its portfolio of high quality offices is among the most sustainable in Europe, with more than 99% of the portfolio in operation with maximum energy efficiency certificates and a carbon footprint of 3 kgCO_2/sqm, leading the industry in Europe.

The Group is a clear leader in various ESG ratings in the European real estate industry, with top ratings in the GRESB (Global Real Estate Sustainability Benchmark) index, the main ESG benchmark in the real estate industry, as well as in CDP, and is placed among the top three best-rated listed real estate companies in Europe.

Over the last few years, Colonial's ESG strategy has obtained the recognition of the main entities in this field in Europe, making the Colonial Group a European leader in the real estate industry.

With one of the most eco-efficient and "green" portfolios in the industry, Colonial and SFL have aligned their financing strategy with their corporate mission and in particular with their sustainability objectives and decarbonisation strategy. As a result, as of 2022, all of the Group's outstanding bonds are rated as green in accordance with the Green Bond Framework. Specifically, the Colonial Group has a portfolio of environmentally sustainable investments with a value equal to or greater than €4,580m of its bond financing.

The Group's commitment is that all future emissions of the Group will be qualified as green to the extent that there are eligible assets allocable to such emissions.

I. Green Bond Framework - Green Financing Framework

Green bonds are an alternative to Group financing in an environment where sustainability is becoming more and more important and increasingly demanding.

In November 2024, the Group defined a Green Financing Framework, which sets certain key performance indicators (KPIs) linked to energy certificates and CO_2 emissions of the Group's asset portfolio, and to EU taxonomy principles. This framework was developed in alignment with the International Capital Markets Association Green Bond Principles (ICMA Green Bond Principles), which promote transparency, accuracy and integrity of the information disclosed and reported by emitters and was validated in a Second Party Opinion by Sustainalytics.

This general framework therefore implies that the Group allocates an equivalent amount of its outstanding green finance to eligible green assets booked on its own balance sheet *(Eligible Green Portfolio)*.

Foundation of the green finance framework

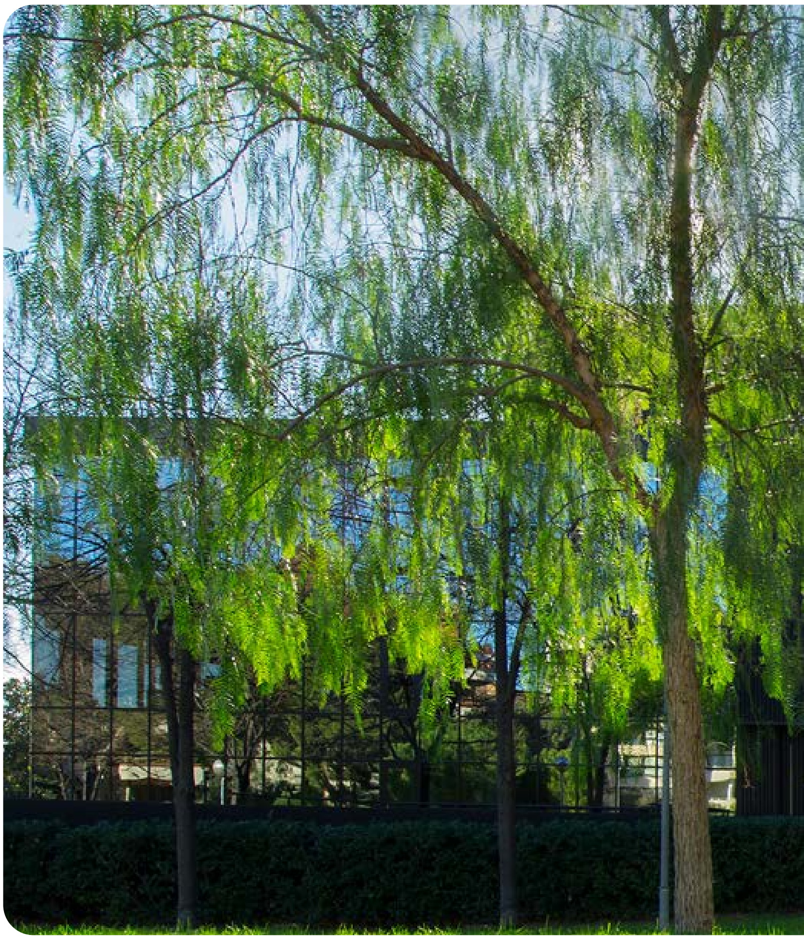
The Green Financing Framework complies with the four Green Bond principles:

a) Use of funds

The use of funds from any green financing under this Framework will be subject to the eligibility criteria set out below, which will apply to new or existing assets (the **"eligible green assets"**).

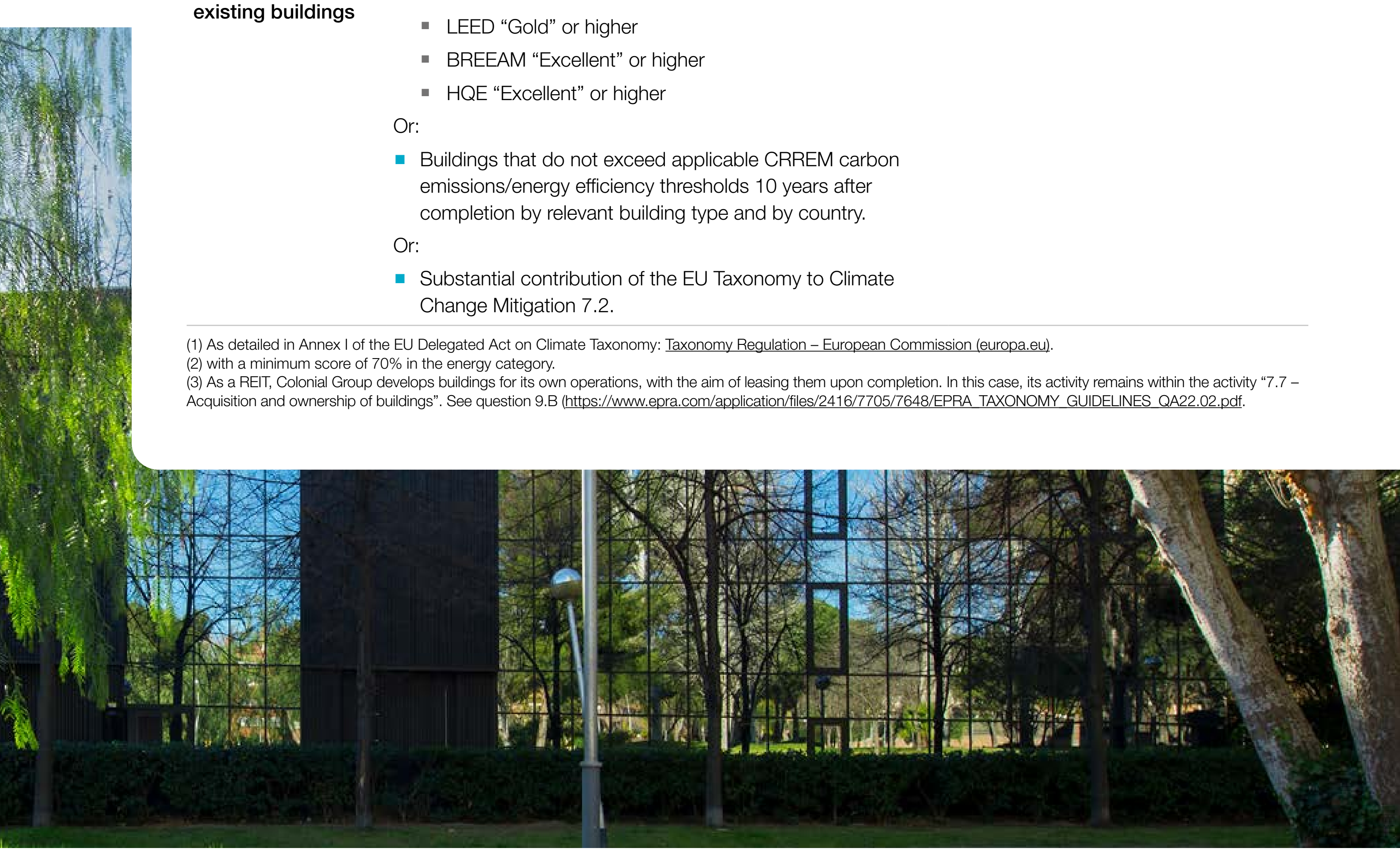
Eligible green assets aim to address the EU's environmental objective of climate change mitigation through the following economic activities:

- Acquisition and ownership of buildings.
- Construction and renovation of buildings.



Eligible green assets	Eligibility criteria	EU environmental objective	UN contribution to the SDGs
Green buildings — Acquisition and ownership of buildings	■ Substantial contribution of the EU Taxonomy to Climate Change Mitigation 7.7.[(1)] Or: ■ Buildings that have received at least one of the following certifications: ▪ LEED "Gold" or higher ▪ BREEAM in use "Very good"[(2)] or higher ▪ HQE "Excellent" or higher Or: ■ Buildings that do not exceed the CRREM intensity trajectories according to the type of asset, country and the corresponding year.	Climate change mitigation	
Green buildings – Construction of new buildings	■ Buildings that have received at least one of the following certifications: ▪ LEED "Gold" or higher ▪ BREEAM new construction "Excellent" or higher ▪ HQE "Excellent" or higher Or: ■ Substantial contribution of the EU Taxonomy to Climate Change Mitigation 7.7.[(3)]		
Green buildings – Renovation of existing buildings	■ Buildings that have received at least one of the following certifications: ▪ LEED "Gold" or higher ▪ BREEAM "Excellent" or higher ▪ HQE "Excellent" or higher Or: ■ Buildings that do not exceed applicable CRREM carbon emissions/energy efficiency thresholds 10 years after completion by relevant building type and by country. Or: ■ Substantial contribution of the EU Taxonomy to Climate Change Mitigation 7.2.		

(1) As detailed in Annex I of the EU Delegated Act on Climate Taxonomy: Taxonomy Regulation – European Commission (europa.eu).
(2) with a minimum score of 70% in the energy category.
(3) As a REIT, Colonial Group develops buildings for its own operations, with the aim of leasing them upon completion. In this case, its activity remains within the activity "7.7 – Acquisition and ownership of buildings". See question 9.B (https://www.epra.com/application/files/2416/7705/7648/EPRA_TAXONOMY_GUIDELINES_QA22.02.pdf.



b) Project evaluation and selection process

This function will be carried out by Colonial's ESG Committee, which will verify compliance of the selected set of eligible assets with the eligibility criteria defined by this framework. It will also be responsible for approving the allocations of such assets with the outstanding bonds.

In addition, it will monitor the eligible green portfolio of each issuing entity over the life of the bonds and manage potential ESG risks identified as potentially associated with the eligible assets. The ESG Committee shall also replace, if appropriate, an asset that is removed from the eligible green portfolio with another appropriate eligible green asset.

This framework will be in line with EU taxonomy at all times and could be updated by the ESG Committee. This dynamism in the eligibility criteria is a sign of the Group's constant intention to improve its ESG performance.

c) Fund Management

The eligible green portfolio will be allocated an amount equal to all green financing instruments of each issuing entity within the Group, in line with the section entitled "Use of funds". The eligible green portfolio will be verified each year by an independent external auditor to assess the number of eligible green assets that meet the defined criteria.

Any future green financing will be submitted primarily by the relevant Issuer to the ESG Committee, which will verify the alignment of the shortlisted eligible green portfolio with the total amount of green bonds issued.

If, for any reason (e.g. following a new debt issuance), the nominal value of the Eligible Green Projects falls below the nominal value of the outstanding Green Financing Instruments, the unallocated funds will be temporarily placed in accordance with the investment guidelines of the respective Issuing Entity, excluding environmentally or socially harmful activities, such as fossil fuels, weapons, pornography and tobacco. At its sole discretion, the Issuing Entity may consider investing in cash and cash equivalents, such as short-term deposits, money market funds or equivalents, in accordance with a responsible investment policy. The Issuing Entity undertakes, to the best of its abilities, to achieve the full allocation within a period of 24 months.

d) Reports

The Group will provide investors with an annual green finance allocation and impact report linked to the Green Financing Framework, specifying the relevant measurement methodologies.

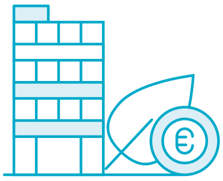
External assurance

In terms of external verification, the Group has appointed Sustainalytics to provide a Second Party Opinion on the framework, its transparency, governance and alignment with the Green Financing Principles. Should this framework be updated in the future, the Group undertakes to update the independent opinion. This document is available to the public on the Group's website.

In addition, as of 31 December each year (until full allocation and thereafter in case of material changes), an independent auditor will verify that each eligible green portfolio has at least a value equal to the current value of the outstanding green financing and meets the criteria.

II. Sustainable financing

The Colonial Group has all of its outstanding bonds rated as green. Additionally, it has signed (loans and credit facilities) a total of €2.235 bn, including a mechanism based on three ESG indicators, linked to the Group's objectives and strategy in terms of carbon emissions reduction, certification of its assets and GRESB rating (Global Real Estate Sustainability Benchmark, which analyses and compares the ESG performance and best practices of companies active in the sector). In this way, international banks demonstrate their confidence in Colonial, while the Group increases its liquidity, simplifies its financial structure and improves, lengthens the maturity of its credit lines and achieves more competitive margins.



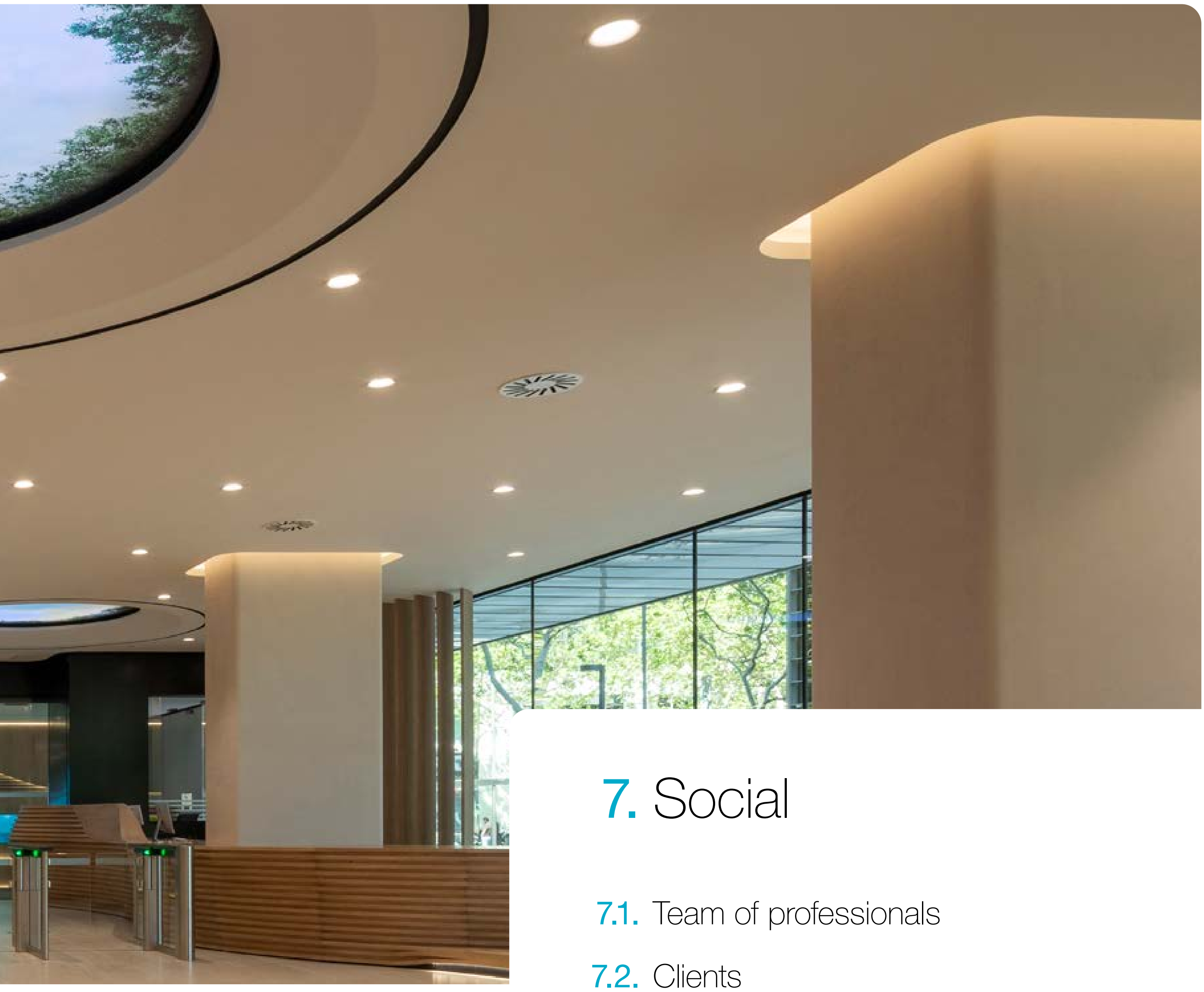
III. Issuance of green bonds

At the beginning of 2025, Colonial successfully placed a green bond issue of €500m, maturing in 2030. The issue, listed on Euronext Dublin, is expected to be rated BBB+ by S&P. This new issue pays a coupon of 3.25% (equivalent to a yield of 3.41%), although thanks to Colonial's successful pre-hedging strategy, the effective average rate of this issue is 2.75%.

The funds from this issue will be used to repay debt maturing in the coming months. Colonial is therefore exchanging short-term debt for a new five-year maturity.

The success of this issue, which attracted oversubscription of 8.1 times, shows that investors are continually confident in Colonial's financial discipline and strategy, portfolio quality, track record and strong credit profile. The issue has been supported by the main international institutional investors, present in previous issues and who have once again shown their support for the company.


D
E



7. Social

7.1. Team of professionals

This chapter describes Colonial's actions to enhance the skills, motivation and health of the team. **Excellence and professionalism** are key pillars of the Group's people strategy and also ensure long-term sustainable growth with value creation for shareholders and all its stakeholders.

Colonial employees aspire to continuous personal and collective development, guided by the values of transparency, excellence, professionalism, rigor, leadership and commitment.

Human Resources Strategic Plan

The Group's greatest asset is its people, which is why our HR strategy focuses on caring for our employees, developing and increasing their capabilities and rewarding their achievements. Therefore, the strategic human resources plan is focused on promoting the creation of sustainable value through the social pillar with the support of equality plans and policies for the creation of diverse and multidisciplinary work teams, while promoting a culture of demand for high performance and customer orientation. At Colonial, we build our policies and culture with the help of our employees, through their legal representatives and company committees.

The policies, projects and actions of the People and Culture Area are structured in these five dimensions:

1. **Organisational system**: this includes all organisational policies and processes that ensure the Group has a human structure capable of responding to the company's present and future strategy. This covers all recruitment and selection procedures, on-boarding, career plans, succession plans and contingency plans, as well as the processes and tools around which we organise work.

2. **Total reward**: Colonial understands total reward as everything its employees receive for their contribution and input. This involves both financial remuneration and emotional compensation. The principles of equity govern the Group's policies adapted to each of the companies.

   For this reason, excellence drives the remuneration strategy as a group, tailoring each total rewards package and placing value on every element of remuneration.

3. **Human capital and talent development**: understanding the value contribution of each employee is key for the organisation and the employee. The corporate culture establishes a leadership model based on continuous and honest feedback through annual conversations about each employee's performance and value contribution, as well as career and professional and personal development plans. In order to do this, the Group has the **Colonial Career Conversations tool and process**.

4. **Human rights and equality, equity and diversity policies**: ensure that values are consolidated from an egalitarian and social point of view, which is why they support and ensure diversity, equal opportunities and inclusion, values included in our equality plans.

5. **Culture, socialisation and communication**: Colonial ensures that the culture of work and contribution of value occurs in a collaborative, cohesive and rewarding environment, where the individual achieves fulfilment and satisfaction. To do this, we use the following tools that allow us to channel the interests of the worker, the team and the organisation:

- *Colonial Takes Care of You* groups together policies and measures to protect the physical and emotional health of the Group's staff.

- *Colonial Cuenta Contigo* brings together internal communication and corporate culture.

The above complements and feeds into the initiatives of our French subsidiary, SFL, detailed in the text. Colonial adapts its business approach and human resources policies to the location, focusing on practices of higher cultural and social value. The Colonial Group's 2020-2030 commitments are as follows:

> 2% of payroll dedicated to training

Periodic consultation on quality of life at work

100% of employees, suppliers and service providers covered by the code of ethics

7.1.1. Organisational system

a) Changes in the workforce

In 2024, Colonial Group reaffirmed its commitment to human development and diversity, despite a slight reduction in its workforce, from 238 employees in 2023 to 226 employees in 2024. This adjustment has not altered its focus on strengthening the workforce, which remains a central axis of its business strategy.

Gender diversity remains a key pillar of the organisation, with 60% of the workforce made up of women. This data not only demonstrates Colonial's commitment to equity, but also its determination to foster an inclusive and representative work environment.

In addition, the Group keeps its Equality Plan active and begins the development of its LGTBI Plan, to guide the implementation of internal policies and practices designed to promote equity and inclusion. An especially relevant aspect in 2024 is the integration of three employees with disabilities, an example of the effort to guarantee an accessible and enriching work space for all.

These actions reaffirm Colonial's belief that diversity, in all its dimensions, not only enriches working relationships, but also drives performance and innovation within the organisation. The Group's social commitment continues to be an essential driver of its growth and sustainable development.

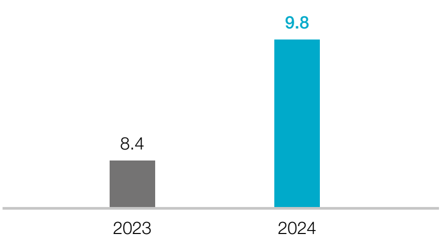
Diversity of the Colonial Group

135 women

91 men

226 employees

Average seniority



Colonial Group employees

8,309 hours of training in 2024

–20% less than in 2023

98% permanent contracts

98% full-time contracts

The Colonial Group is committed to creating quality employment, reflected in the fact that 98% of our workforce has permanent contracts, in line with the 2023 financial year. Temporary contracts have been used on an ad hoc basis due to organisational and business needs, thus providing stability in the jobs and team well-being. For further details, see the tables in appendix *9.3. GRI & EPRA BPR'S key sustainability indicators*.

In terms of working hours, 98% of employees are full-time, with only four cases of part-time employees in 2024.

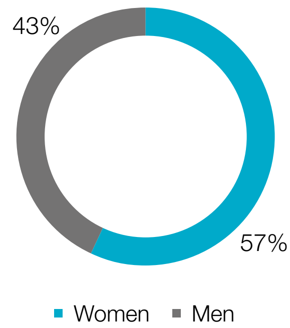
See tables in Appendix 9.3 for more information on the GRI & EPRA BPR'S Key Sustainability Indicators.

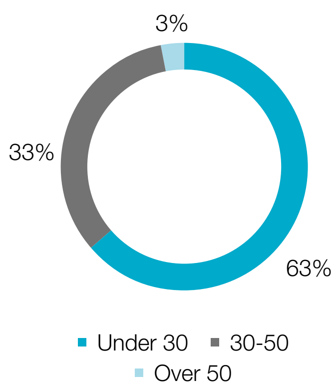
Also, Colonial Group had a total of 87 non-salaried employees among the company's own staff at the end of the year. These include both self-employed workers and temporary workers hired through employment agencies, whose duties include reception and office service, administrative human resources management and local IT technical support.

New employees by age, gender and country

Below are the details of the new additions to Colonial's workforce:

	2024		2023	
New hires	Total	Percentage of new hires	Total	Percentage of new hires
Gender				
Female	17	12.6%	14	9.7%
Male	13	14.3%	13	13.8%
Age				
Under 30	19	59.4%	18	46.2%
30-50	10	7.6%	7	5.3%
Over 50	1	1.6%	2	2.9%
Country				
Spain	23	14.6%	13	7.8%
France	7	10%	14	18.7%
Total	**30**	**13.3%**	**27**	**11.2%**





Number of employees by age, gender and professional category[1]

The distribution of employees by age, gender and professional category is presented below, showing that 60% of employees are women.

	2024					2023					Change	
	Total	Male	Female	% male	% female	Total	Male	Female	% male	% female	Male	Female
Colonial Management Committee(*)	**8**	**4**	**4**	**50%**	**50%**	**8**	**4**	**4**	**50%**	**50%**	**0%**	**0%**
Job category												
CEO, General and Area managers	14	8	6	57%	43%	16	9	7	56%	44%	–11%	–14%
Technical graduates and middle managers	79	37	42	47%	53%	79	38	41	48%	52%	–3%	2%
Administrative and others	133	46	87	35%	65%	143	47	96	33%	67%	–2%	–9%
Total Group	**226**	**91**	**135**	**40%**	**60%**	**238**	**94**	**144**	**39%**	**61%**	**–3%**	**–6%**
Age												
Under 30	32	15	17	47%	53%	39	14	25	36%	64%	7%	–32%
30-50	132	53	79	40%	60%	131	56	75	43%	57%	–5%	5%
Over 50	62	23	39	37%	63%	68	24	44	35%	65%	–4%	–11%
Total	**226**	**91**	**135**	**40%**	**60%**	**238**	**94**	**144**	**39%**	**61%**	**–3%**	**–6%**

(*) Executive directors are excluded.

(1) All data relating to the number of employees is calculated considering the value as of December 31 of the reference period and using the *HeadCount methodology*.

Turnover and turnover rate by age, gender and professional category for Colonial España and SFL

With regard to employee departures, there were 44 departures, two more than in 2023, representing a turnover rate of 19% at Group level. It is important to note that the turnover rate of the property business, which includes Colonial and SFL (representing 81% of employees), was 12%, significantly lower than that of the flex business, comprising Utopicus (representing 19% of employees).

This is because the flex business is still consolidating. However, in all its businesses, the Colonial Group continues to be committed to empowering and retaining professionals who share the company's current and future values and aspirations and continues to work in this direction.

Below is the turnover rate data including Colonial and SFL:

	2024		2023	
Turnover	Total	Turnover rate	Total	Turnover rate
Gender				
Female	14	13%	11	10%
Male	9	12%	8	11%
Age				
Under 30	6	27%	6	28%
30-50	5	5%	8	8%
Over 50	12	19%	5	8%
Country				
Spain	9	8%	4	4%
France	14	20%	15	20%
Total	**23**	**12%**	**19**	**10%**

Job separations

	2024	2023
Job category		
CEO, General and Area managers	0	2
Technical graduates and middle managers	2	0
Administrative and others	6	2
Age		
Under 30	1	1
30-50	2	3
Over 50	5	0
Gender		
Female	5	3
Male	3	1
Total	**8**	**4**

Career opportunities

Colonial Group encourages the professional growth of its employees and reinforces its commitment to the actions of the Equality Plan through the internal publication of vacancies to ensure that the processes are open, clear and accessible to all workers. This measure is key to managing talent within the company, promoting retention and offering development of new skills and responsibilities. In this commitment to active recruitment, Colonial has generated around 10% of job opportunities in relation to its workforce.

At Utopicus, 24 selection processes have been managed, of which 8% have been permanent contracts and 92% temporary positions due to production circumstances.

In 2024, three people have joined the SFL team with permanent contracts. Also, the implementation of the project to renovate the company's information system required the temporary incorporation of numerous human resources, who in the end were not able to secure their relationship with the company on an indefinite basis.

b) Recruitment and selection initiatives

We build the foundations of the team internally. However, attracting and retaining talent is another essential aspect when managing human capital within the group. Diversity enriches our work and that is why different recruitment initiatives are carried out, adapting to the specific needs, which are often different, among the group's subsidiaries. The main activities carried out for this purpose are:

- **Attracting and retaining talent**: being a Great Place To Work (GPTW) company enables and facilitates the attraction of the most professional and interesting candidates for the organisation. Colonial is thus positioning itself as an attractive employer in the prime office sector.

  Colonial Group focuses on attracting and retaining talent through various recruitment initiatives tailored to the specific needs of its subsidiaries. To do this, we collaborate with leading recruitment experts in the sector, thus ensuring successful onboarding and compatibility between the selected person and the company.

- **Job Fairs**: both Colonial and Utopicus participate jointly in job fairs attended by university and/or educational institutions and students. In 2024, three job fairs or "talent days" have been attended with the help of IE Business School, CUNEF and the European University.

- **Collaboration with Universities**: Colonial is a sponsoring member of the 15th edition of the "Innovation Quest", the largest event organised by the ESADE Foundation for the top 300 students, both national and international. A cross-functional team of eight people from the company, including three executives, participated in this major event. Colonial has participated with thirty other companies with the common and social objective of stimulating in students the strategic vision of different businesses and markets.

- **Annual Scholarship Programme**: Colonial and Utopicus offer annual scholarships that allow the Group to maintain its pool of talent. Specifically, in 2024, collaboration agreements have been signed with the Autonomous University of Barcelona (UAB), ESADE, Pompeu Fabra University (UPF), Pontifical Comillas University (UPC), Polytechnic University of Madrid (UPM) and Carlos III University of Madrid (UC3M), which have led to more than 10 students joining internships. We firmly believe that diversification in university sources of talent, both at the territorial level and in terms of access or educational focus, provides us with dynamism and new approaches to the challenges, innovation and changes of the future.

  These programmes promote the onboarding of young people, integrating them into the world of work and fostering team cohesion and belonging. In 2024, a person who completed an internship at Colonial has joined the staff, thus maintaining our practice of offering internships and scholarships and committing to the future employment of the new generations.

- **Summer Program**: Utopicus offers summer job opportunities for students, focused on providing a holistic view of the company and developing skills through practical projects.

  Participants work in different departments, supervised by their respective managers and guided by tutors, who are also volunteer employees who are trained to guide students. The summer programme includes the development of both hard skills and soft skills in an integrated manner, which allows participants to gain a competitive advantage in terms of experience and personal and professional growth in the market.

  The remuneration granted in this programme is above any internship offered by our competitors, a factor that acts as an impulse to generate employment from the beginning of the working career and prevents students from dropping out and becoming demotivated.

  In addition, this programme also extends to the well-being of the Group's teams, as it allows professionals to enjoy balanced rest during the summer. For Utopicus it is important to achieve a good balance between family and social interests and the company's social commitment to generate value in the communities and localities in which we operate.

- **Happy Trainees (Choose My Company)**: the opinion of employees is important, and so is the opinion of students who join the culture of Colonial and Utopicus every year.

  Both companies in the group have launched a satisfaction survey in different areas (career development, content of the internships, relationship with the tutor, etc.) with the help of the company "Choose My Company", and received the **"Happy Trainees"** certification and placed 3rd position in the global ranking of companies certified at this level.

  ChooseMyCompany is a platform that assesses employee and intern experience and company reputation through certified surveys on topics such as employee satisfaction, sustainability (ESG) and employee well-being.

- **Strong commitment to young talent**: SFL supports the training of young people through work-study contracts or professionalisation contracts, offering a combination of theoretical and hands-on learning. This initiative supports students in the world of work and promotes the real estate sector in schools and universities that train the Group's future professionals.

  In 2024, SFL hired four young people under apprenticeship or professional contracts.

7.1.2. Human capital and talent development

a) Performance evaluation tool and career plans: Colonial Career Conversations

“Colonial Career Conversations” (C.C.C.), is a professionalised performance assessment tool based on the conversational coaching method that seeks to empower employees in their personal and professional development. The process begins at Colonial and Utopicus early in the year with a key conversation about these aspects between appraiser and appraisee, followed by a mid-year checkpoint to review progress and adjust objectives if necessary. The C.C.C establishes and distributes objectives and projects for all company employees, unifying criteria and ensuring professional challenges. It also enables training needs to be identified and prioritised and the performance evaluation process to be carried out. Every year, both business areas train all employees in what performance appraisal is, how it is carried out thanks to the CCC tool and some basic aspects such as feedback or the SMART methodology for goal setting. With the process being repeated every year, the employees have gradually assimilated the performance assessment policy and learned how to use the tool. Employees work to deliver value through their objectives and thus have a benchmark of the value they bring to the company during the financial year. Performance evaluations are not limited to any employee profile, but are open to 100% of the workforce each year.

In the French subsidiary, as part of the Professional Training Guidelines of its employees, individual interviews are conducted to assess achievements, skills and determine training needs. Every two years, these are supplemented by professional interviews that allow for an individualised approach to the employee’s planned professional development and are subject to review every six years. The digitalization of this process facilitates its monitoring and traceability.

Below is data on the percentage of employees who have undergone a performance evaluation:

Performance evaluation

	2024	2023
Colonial	99%	98%
SFL	100%	100%
Utopicus	100%	100%
Total	**100%**	**99%**

b) Training and development

The Colonial Group fosters a culture of continuous learning and individual responsibility for careers. In this way, the employee is encouraged to become aware of their strengths and areas for improvement, and empowered to create a training plan that allows them to be resilient to their professional goals.

All training that takes place within the group’s Spanish subsidiaries is based on the commitment to improvement and learning expressed by the employee in the corresponding evaluation tool (C.C.C.).

The group adapts training plans to the needs and circumstances of each of its subsidiaries, thus adapting resources to strategic plans while monitoring market trends in the acquisition of new skills and competencies and fostering peer learning, based on individual knowledge and the group’s best practices.

As the purpose of the Training Plan is to enable employees to perform their current and future jobs in such a way that they can contribute value and meet the strategic challenges, the training needs that will make up the plan are set out each year from the performance assessment tools. These needs are driven by the employees themselves, each supervisor and always in line with the company’s current strategy.

Human Resources monitors the plan’s progress through training actions and provides support for its implementation.

The Group’s Training Plan has a two-pronged approach:

Collective training of workers

It is complementary and common to the functions of each position and aims to align knowledge between the different working groups within the organisation.

In 2024, all new recruits at Colonial and Utopicus are invited to receive training in three subjects as part of the Onboarding programme: occupational risk prevention, data protection, crime prevention and phishing.

All members of the staff have also had access to the following group training:

1. **Occupational risk prevention**: for the Colonial Group, the health and safety of its employees is of paramount importance, which is why everyone who joins Colonial or Utopicus is required to take a course on occupational risk prevention. Moreover, as part of the company's commitment to health, the ***Healthy Pills*** programme was launched in 2023, to promote the well-being of employees in the office, giving them the opportunity each year to receive training (in small groups) in areas such as first aid, ergonomics and emotional management.

   The first intervention teams are familiar with and trained according to the company's Emergency-Self-Protection Plan. During 2024, a simulation was carried out at each official headquarters of both cities to put it into practice by applying the points of the general action plan. In addition, the members of this team have taken a first aid course to learn how to assist an injured person, how to perform basic CPR and how to respond to the most common injuries until the arrival of specialised personnel.

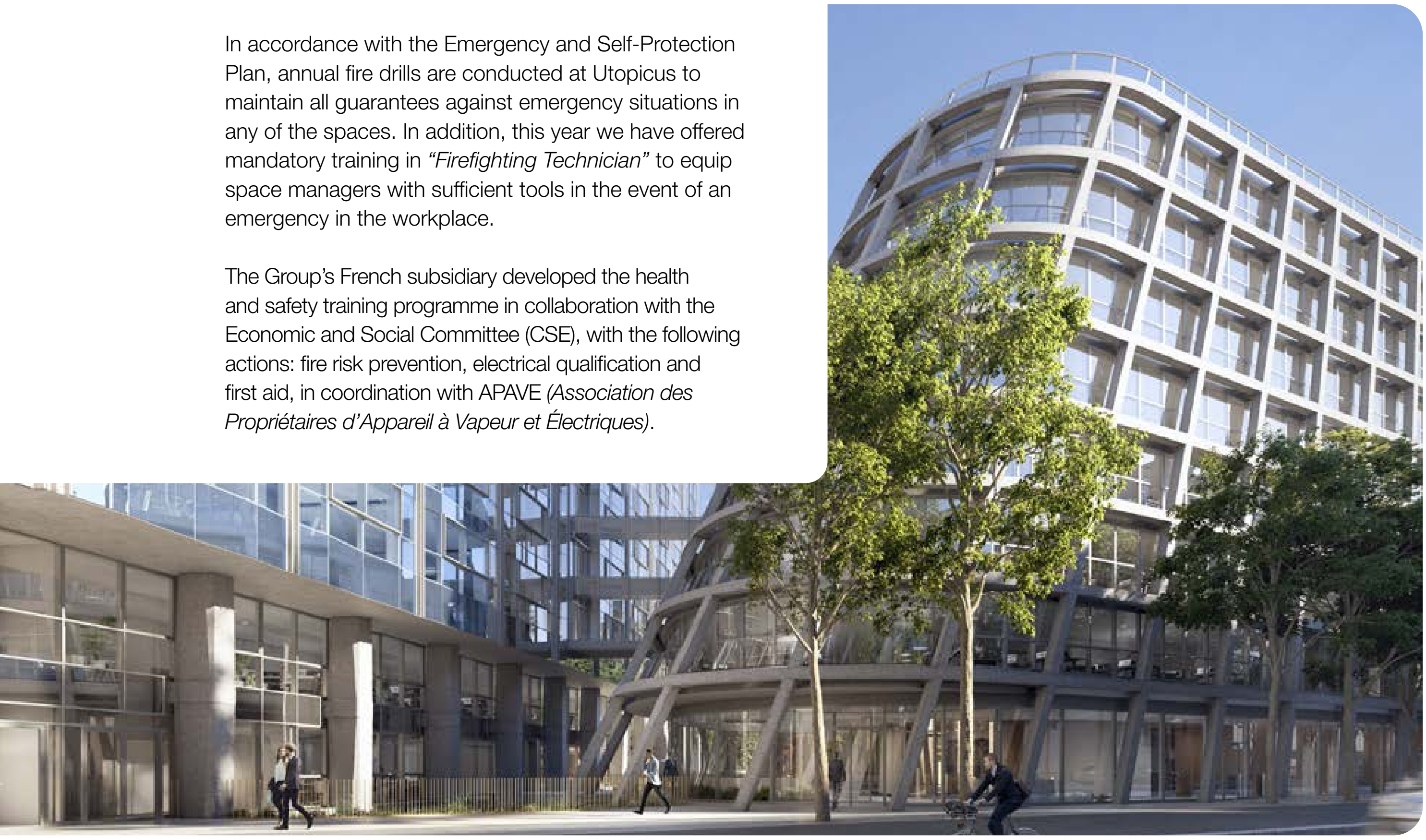
   In accordance with the Emergency and Self-Protection Plan, annual fire drills are conducted at Utopicus to maintain all guarantees against emergency situations in any of the spaces. In addition, this year we have offered mandatory training in *"Firefighting Technician"* to equip space managers with sufficient tools in the event of an emergency in the workplace.

   The Group's French subsidiary developed the health and safety training programme in collaboration with the Economic and Social Committee (CSE), with the following actions: fire risk prevention, electrical qualification and first aid, in coordination with APAVE *(Association des Propriétaires d'Appareil à Vapeur et Électriques)*.

2. **Data protection and crime prevention**: just as with health and safety, Colonial focuses on the area of regulatory compliance and new hires complement their initial training with two courses: data protection and crime prevention.

   These are mandatory training courses aimed at providing employees with the necessary knowledge to carry out their tasks in accordance with the regulations, guaranteeing compliance with the code of ethics and other internal regulations, as well as respect for the confidentiality of the information handled in the course of their duties.

   Finally and related to the new hires and their onboarding programme, in compliance with regulations, an online course on workplace harassment was held at the end of 2023. This course was given to all employees and will be repeated in early 2025. It was created ad hoc based on Colonial's protocol on psychological, sexual, gender-based harassment and digital violence.



3. **ESG**: another of the fundamental pillars in the annual training plan is the ESG topic. With a clear aim of raising awareness and training, various actions continue to be implemented to promote a sustainable culture and help the Group's employees to continue acquiring knowledge in this area.

   The most notable training in this area, both at Colonial and Utopicus, has been the gamified "Dogood People". In this successful dynamic, groups of employees from both companies faced the challenge of inspiring the rest of their colleagues by adopting healthy and sustainable lifestyle habits encouraged by daily suggested challenges in the form of questionnaires or individual publications. These actions have been complemented and reinforced with brief training capsules on the Sustainable Development Goals (SDGs), creating a solid community that encourages and promotes adherence to a balanced and environmentally responsible lifestyle among employees.

   In 2024, SFL has implemented specific training to raise awareness among its teams on environmental challenges through the "Fresque de l'immobilier durable" workshop and on how to integrate the CSRD framework into extra-financial documentation through workshops led by CBRE. In addition, in coordination with Colonial, SFL participated in the EPRA/INSEAD Executive Programme, offering two employees a 3-day programme on trends in the listed real estate sector.

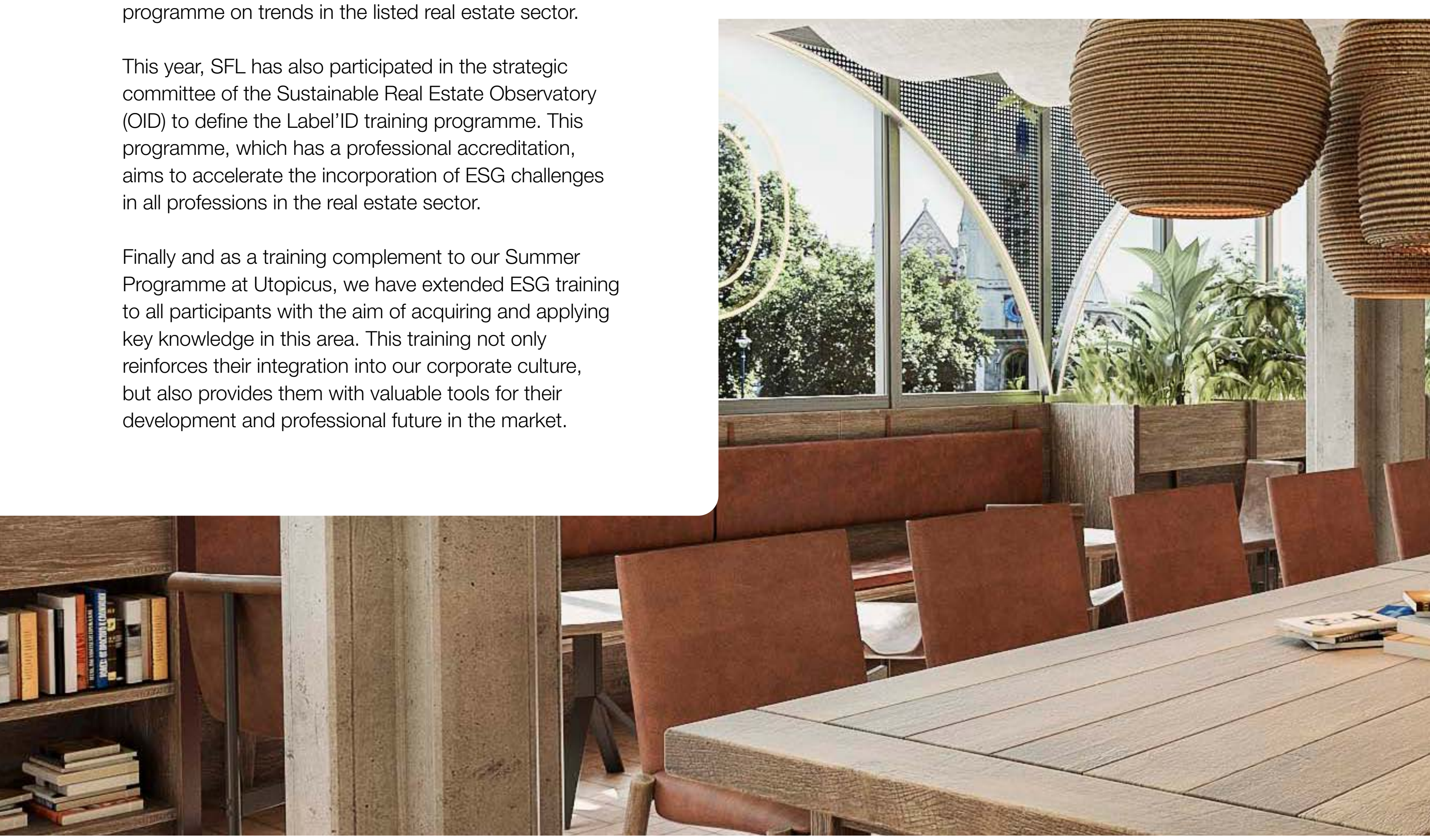
   This year, SFL has also participated in the strategic committee of the Sustainable Real Estate Observatory (OID) to define the Label'ID training programme. This programme, which has a professional accreditation, aims to accelerate the incorporation of ESG challenges in all professions in the real estate sector.

   Finally and as a training complement to our Summer Programme at Utopicus, we have extended ESG training to all participants with the aim of acquiring and applying key knowledge in this area. This training not only reinforces their integration into our corporate culture, but also provides them with valuable tools for their development and professional future in the market.

4. **Leadership and team management**: leadership is one of our core values and our company aims to enhance the skills of its managers and executives. For Colonial, it is essential to provide our leaders with effective tools and ensure that they are fully aware of the importance of managing teams efficiently. This programme aims not only to improve leadership skills, but also to foster a culture of collaboration, aligned with the company's strategic objectives to maximise performance and talent development within its teams.

   At Utopicus, in the first quarter of 2024 we completed the **Impulse Programme** which began the previous year. This training has qualified those responsible for the company's spaces in soft skills knowledge and techniques, focused on leadership and the effective management of their teams. As a result, the management of their teams and their relationship with customers have been significantly improved, increasing their efficiency and ability to face day-to-day challenges.

   Similarly, SFL has carried out a training cycle to strengthen the managerial skills of its executives, focusing on positioning, credibility, adaptation, communication, team mobilisation and prevention of psychosocial risks.



5. **Office skills**: Word, Excel and PowerPoint are key tools that most employees use on a daily basis and therefore continue to be recurrent training within the Group.

   Following the implementation of our new employee management tool "MyOrbital" (platform in the SAP Success Factors environment), several training and portal use sessions were organised for all Colonial and Utopicus employees in line with its launch. This tool provides employees with greater autonomy, improves the user experience and facilitates access to relevant personal and work-related information, while providing the company with greater efficiency in human resource management.

   At Utopicus, during the first quarter of 2024, internal training sessions were conducted on the Salesforce tool for the main users (space managers and part of the sales team). The specific knowledge acquired by employees has enabled them to improve their use of day-to-day management tools.

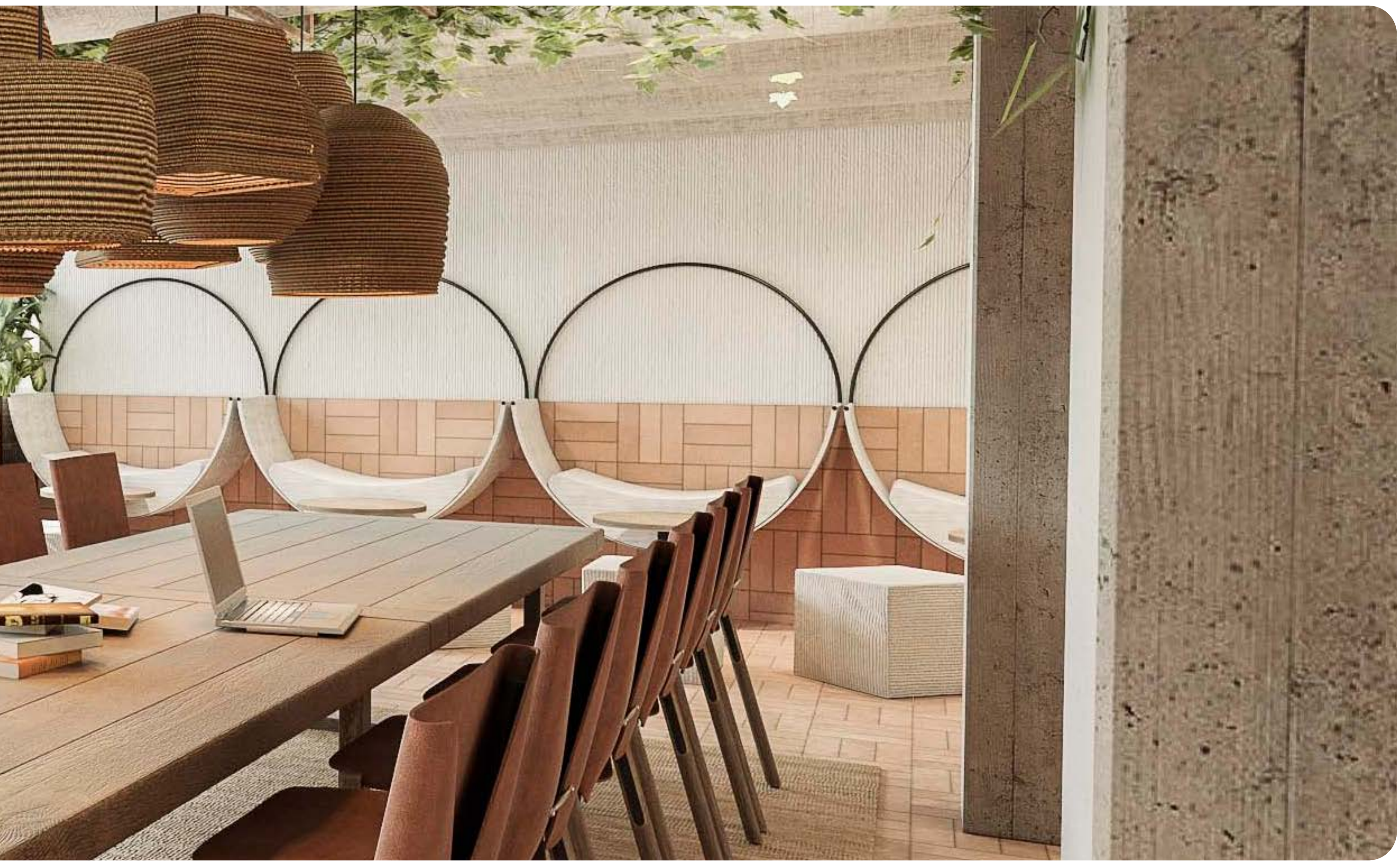
   Additionally, they have been provided with an Excel course that is very useful for the performance of their duties.

6. **Language skills**: continuing the work of previous years, Colonial continues to support and encourage the linguistic development of all its employees, with the aim of equipping them with the communication skills that will enable them to transcend borders, cultures, languages and ways of working.

   For this reason, all Colonial staff have the opportunity to receive training in English and French, 100% financed by the company. The format of the classes is mixed, combining a group part with an individual part and the number of students per group is reduced to ensure the effectiveness of the programme.

   In addition, high potential or high performers will have access to private language lessons based on the co-payment method: 80% financed by Colonial.

7. **Cybersecurity training**: the main objective of cybersecurity training is to increase the ability of employees to operate in a highly secure environment, minimising the impact of an attack and reducing downtime. They are also trained in the company's security policies and procedures and how to report security incidents.



The IT department carries out two types of actions on a monthly basis: educational content through a newsletter with specific content and a final question; and phishing emails (an email to try to obtain our private information) and ransomware (simulating the installation of a malicious file to steal and encrypt information). 33% of employees are randomly selected to receive these types of emails.

Additionally, at the forefront of technology and looking for new, more effective and dynamic ways to train employees, the IT Department has launched for the first time ongoing training throughout 2024. This consists of an AI installed in the Microsoft Teams application in which a chatbot periodically interacts with employees to give them a series of tips and inform about and prevent phishing, CEO fraud, smishing, ransomware, vishing, deep fake, etc.

8. **Disability and awareness-raising**: in 2024, SFL has implemented specific training sessions to raise awareness among its teams about the environmental challenges of its activity, through the workshop dedicated to the "Fresque de l'immobilier durable".

   SFL also launched the "Tous Formateurs" programme in 2023 to encourage internal training and to become a continuous learning organisation. Employees share and acquire knowledge with each other through customised courses that address internal needs, improve individual skills and strengthen working ties. Last year's sessions covered topics such as commercial leasing, climate change, taxonomy, carbon footprint, office automation, financial modelling and digital strategy.

Individualised training

It is determined through each employee's C.C.C. performance assessment tool and is closely related to the position's technical knowledge. Most of the training has been in technical skills, followed by soft skills and technology.

1. **Personal Development Plan (PDP)**: talent development is one of Colonial's priorities, which is why mentoring programs are launched each year for the Group's employees. These initiatives can arise both from the employee, who requests this support in his or her C.C.C., and from Human Resources, which identifies, together with managers and directors, those people who are at a key moment in their professional career.

   This process begins with the internal programme "Personal Development Plan" in which the employee carries out an introspection exercise to become aware and determine strengths and areas for improvement, thus promoting self-knowledge and understanding to progress in his or her professional career. To complete this process and set objectives to work on, the coaching tool is made available.

   In 2024, 3 coaching processes have been launched, joining the 4 processes started last year, encompassing employees of different categories (managers, supervisors and non-supervisors). In addition, participants in these processes have psychotechnical tools that help them understand, from an objective and functional perspective, how and where to direct improvement efforts.

   The employees themselves choose the coach with whom they are most compatible, which is directly related to the programme's success. Thus, for this selection, three or four expert coaches are always proposed, ensuring gender diversity in accordance with our principles of equality, inclusion and non-discrimination.

Group and individualised training has been carried out by experts in the matters, such as APD, Deloitte, EPRA, ESADE, Goldman Sachs, EY, IESE and Morgan Stanley, among others.

In our French subsidiary, individual training was focused on the specific technical needs of employees, including the following courses:

- Current affairs of corporate law (Autre Organisme).
- Commercial leasing: from regulation to practice (ELEGIA).
- AMF Certification in Sustainable Finance (LEFEBVRE DALLOZ COMPETENCES).
- Closing of financial statements: implementation and examination of accounting difficulties (FRANCIS LEFEBVRE).
- News club on IFRS standards (FRANCIS LEFEBVRE).
- Define and manage a programming service (LE MONITEUR).
- EPRA Executive Programme (INSEAD-EPRA).
- Fundamentals of asset management in real estate (FIRST FINANCE).
- Integrate video into your content strategy (CEGOS).
- Real estate investments: structures and appraisal techniques (FIRST FINANCE).
- Project manager leadership (CEGOS).

- Social legislation and jurisprudence (IDS - l'Institut du droit social).
- Progress management (PARTI PRIS).
- Appraising your real estate assets through innovative use (LE MONITEUR).

In short, Colonial stands out for having a knowledgeable and experienced team, within an organisation attentive to technical and technological developments. The company's social commitment promotes environmental awareness and the generation of value in its operating environment. This is reflected in a commitment to continuous, innovative and needs-based learning. A medium and long-term vision is maintained for technical and intellectual adaptation to new challenges. Identifying learning needs is a collaborative task that involves employees, through the C.C.C. tool, and managers, in the performance assessment process and through professional development conversations.

The Group intends to dedicate more than 2.5% of its payroll to training each year. Group training policies aim to:

- Ensure access to continuous training for all employees.
- Anticipate technical, legal and environmental developments in the sector to improve the professionalism of employees and enable them to perform their duties satisfactorily.

Total participation in training 2024

SDG 4: Quality Education

	Trend in indicators		
	2024	2023	Var.
With the goal of empowering its employees, Colonial invests heavily in the development of its human capital with training and evaluation plans. Ensuring that all employees have professional growth objectives is vital to make teams motivated and ambitious.	8,309 hours of training	10,447 hours of training	–20%
	36.7 hours of training per employee	42.2 hours of training per employee	–13%
Strategies/Lines of Action ■ Training Plan	103%(1) employees trained	101%(1) employees trained	2%

(1) Data calculated considering the total number of employees who have had an employment relationship with the organisation throughout 2024.

Each year, the Group is committed to training and strives to find new solutions to strengthen the development of its people. This firm commitment to training resulted in a total of 10,447 hours of training in 2023. However, this year, 8,309 hours of training have been provided to employees; 6,390 hours for Colonial Spain, of which 1,116 hours correspond to Utopicus and 1,919 hours for SFL. This translates into an average of 36.7 hours of training per employee, equivalent to 4.4 working days.

The data demonstrates the Group's commitment to the training and professional development of its workforce, as well as the continued success of the Group's Strategic Human Resources Plan.

Hours of training by professional category, gender and country

	2024			2023			Change		
	Spain	France	Group	Spain	France	Group	Spain	France	Group
Job category									
General and Area Managers	184	187	371	342	116	457	–46%	61%	–19%
Technical graduates and middle managers	1,043	1,408	2,451	1,157	1,567	2,724	–10%	–10%	–10%
Office clerks	5,163	324	5,487	6,228	1,039	7,267	–17%	–69%	–24%
Total	**6,390**	**1,919**	**8,309**	**7,727**	**2,721**	**10,447**	**–17%**	**–29%**	**–20%**
Gender									
Male	2,943	901	3,844	2,711	907	3,618	9%	–1%	6%
Female	3,447	1,018	4,465	5,016	1,814	6,830	–31%	–44%	–35%
Total	**6,390**	**1,919**	**8,309**	**7,727**	**2,721**	**10,447**	**–17%**	**–29%**	**–20%**

Hours of training

The hours of training by subject, country, and gender in 2023 and 2024 are shown below.

Hours of training by subject, country and gender – 2024

	Spain			France			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total general training	**1,916**	**2,924**	**4,840**	**471**	**748**	**1,219**	**2,387**	**3,673**	**6,060**
Environmental sustainability	148	223	371	56	53	109	204	276	480
Equity, diversity and inclusion	0	0	0	0	0	0	0	0	0
Ethics and compliance	5	8	13	0	0	0	5	8	13
Languages	1,330	1,780	3,110	345	461	806	1,675	2,242	3,917
Occupational health and safety	44	102	146	56	84	140	100	186	286
Social Skills	0	0	0	14	144	158	14	144	158
Technology, Data and IT	300	689	989	0	0	0	300	689	989
Other	89	122	211	0	7	7	89	129	218
Total technical training of the position	**1,027**	**523**	**1,550**	**430**	**270**	**700**	**1,457**	**793**	**2,250**
Total	**2,943**	**3,447**	**6,390**	**901**	**1,018**	**1,919**	**3,844**	**4,465**	**8,309**

This year, the Group has stepped up its efforts to expand training on Environmental Sustainability, in response to new Environmental, Social, and Governance regulations. In this way, the Group's commitment to sustainability is reinforced.

Hours of training by subject, country and gender – 2023

	Spain			France			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total general training	**2,075**	**3,510**	**5,585**	**359**	**687**	**1,045**	**2,433**	**4,197**	**6,630**
Environmental sustainability	26	42	68	0	0	0	26	42	68
Equity, diversity and inclusion	46	78	124	0	0	0	46	78	124
Ethics and compliance	124	190	313	0	0	0	124	190	313
Languages	1,544	2,487	4,031	285	515	800	1,829	3,002	4,831
Occupational health and safety	70	174	244	53	70	123	123	244	367
Social Skills	181	348	529	0	95	95	181	443	624
Technology, Data and IT	84	192	276	21	7	28	105	199	304
Other	0	0	0	0	0	0	0	0	0
Total technical training	**636**	**1,506**	**2,142**	**549**	**1,127**	**1,676**	**1,185**	**2,633**	**3,818**
Total	**2,711**	**5,016**	**7,727**	**907**	**1,814**	**2,721**	**3,618**	**6,830**	**10,447**

As a result of the focus and drive on the professional development of the Group's employees, €331,139 was invested in training activities in 2024. Investment in training as a proportion of total expenditure on remuneration was 1.2% in Spain and in France.

A large number of professionals are trained annually in the Colonial Group's service. In 2024, 233 employees were trained, equivalent to 103% of the Group's workforce. When calculating training hours, all employees who were part of the company in 2024 were considered. For this reason, the number of trained employees is slightly higher than the number of employees on the payroll as at 31 December 2024.

Number of employees trained by the Group by gender and country

	2024			2023			Change		
	Spain	France	Total	Spain	France	Total	Spain	France	Total
Gender									
Male	68	26	94	64	26	90	6%	0%	4%
Female	103	36	139	105	45	150	–2%	–20%	–7.3%
Total	**171**	**62**	**233**	**169**	**71**	**240**	**1%**	**–13%**	**–3%**
% employees trained[1]	**108%**	**91%**	**103%**	**104%**	**95%**	**101%**	**4%**	**–4%**	**1.98%**

(1) Data calculated considering the total number of employees who have had an employment relationship with the organisation throughout 2024.

c) Active, dynamic and comprehensive organisation

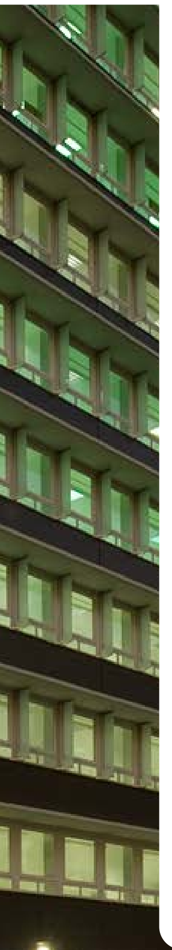
Colonial Group adapts to the client's pace to offer the best service thanks to organisational and business management. The solutions are materialised through the company's team, which is diverse and experienced in the sector. Beyond attracting talent in the early stages of employment, Colonial supports and encourages the ongoing development of the Group's employees, from the beginning to the end of their careers.

To this end, Colonial forms alliances with external suppliers that guarantee advice aimed at boosting the professional development of its employees. This initiative provides specific benefits designed to assist employees in times of separation by offering specific advantages to ease their transition to new work projects. These benefits include strengthening labour market knowledge and exploring more viable career alternatives within the company. Specifically, these alliances offer:

- Specialised support.
- Implementation of job search methodologies.
- Increased networking with respect to recruitment agencies and head hunters.
- Organisation of training sessions: the candidate will be able to attend individual and team training sessions.
- Online training: the person will have thirty hours of training based on the following concepts:
  - Interpersonal skills.
  - Leadership and management skills.
  - Sales skills.
  - Business skills.

To support people in their process of separation from the company, the following benefits are offered:

- Emotional support: to overcome disengagement with a positive attitude.
- Orientation: defining personal objectives and designing strategies to achieve them, always bearing in mind the reality of the employment market.
- Optimising the value of each individual: empowering and valuing people, selecting the right market channels.
- Self-awareness: a self-assessment exercise to identify strengths and establish opportunities and areas for improvement.



d) Human resources digitalisation

Employee experience requires an innovative approach and use of advanced technology. For this reason, at Colonial we integrate digital solutions that guarantee our employees an agile and efficient experience, facilitating their access to key information and improving internal communication. This approach allows us to quickly adapt to the needs of the modern work environment, boosting productivity and fostering a dynamic and modern work environment.

In this context, the implementation of SAP SuccessFactors in 2024, in the form of the "My Orbital" programme, aims to optimise processes and times in human resources management by harnessing digital technology. This tool improves the employee experience by allowing them to access personal and corporate information, such as contractual data, salary, tax withholdings, work calendar, holiday requests and schedules.

At a more advanced stage, this tool is expected to be further developed to facilitate two-way communication through a suggestion box for employees, assess team skills and provide an employee portal for the dissemination of news, internal procedures and relevant documentation.

e) Industrial relations and works councils

Colonial Group is committed to freedom of association, the right to collective bargaining and compliance with the conventions of the International Labour Organisation (ILO). Therefore, 100% of workers at both Colonial and Utopicus are covered by the legal representation of the corresponding company. In compliance with legal regulations, all employees are represented in the agreement for each subsidiary and through the corresponding works councils.

This commitment is reflected in the active representation of employees and in the agreements reached in 2024 in its different companies:

Colonial

- Employee representation:
  - In Barcelona: Works Council composed of five members, elected in 2022.
  - In Madrid: three staff delegates elected in December 2023.
  - Both bodies coordinate as a single works council representing both offices to propose global actions for Colonial.

Colonial has reached different agreements regarding new measures aimed at improving the working conditions and experience of its employees. These actions include adjustments to key services, optimisation of options related to work organisation and greater flexibility in benefits management. These initiatives seek to respond to the current needs of the team, fostering a more adaptable environment aligned with expectations of well-being and productivity.

Utopicus

- Delegation of Personnel:
  - Composed of four workers (three in Madrid and one in Barcelona).
  - Regular meetings to discuss issues of common interest.

Throughout 2024, discussions continued with the Works Council in view of improving the team's quality of life, facilitating work-life balance and promoting their professional development as a complement to the company's initiatives. Thanks to the implementation of flexible remuneration, employees are given the opportunity to optimise their salary according to their needs, achieving greater economic efficiency through access to services such as meal vouchers, transport, childcare and training.

SFL

- Delegation of the CSE (Social and Economic Committee):
  - 100% of employees are represented by the CSE.
  - CSE Functions: submit individual or collective complaints (wages, legal provisions, agreements and arrangements applicable in the company) and to contribute to the promotion of health, safety, quality of work and working conditions in the company. This body also ensures that employees can express their collective opinions and that these are taken into account when making decisions on management, economic development, work organisation, vocational training, etc.

At SFL, the company not only abides by the collective agreements agreed internally, but also adheres to the *Convention collective nationale de l'immobilier*.

99% of the Group's employees are covered by a collective bargaining agreement. The table below shows the percentage of employees covered by collective bargaining agreements by country:

% of employees covered by collective agreement

	2024	2023
Spain	98%	98%
France	100%	100%
Group	**99%**	**98%**

Each subsidiary has close, day-to-day relationships with their respective works councils, as we consider these bodies to be a source of coordination, creation and promotion of our values and culture, which are key to promoting a more social and egalitarian company. Transparency and trust between both parties is a crucial value for building ties and reaching agreements. These committees meet formally every quarter, in addition to holding all the necessary sessions to advance the different topics and projects.

In addition to the various works councils, the Group has other mechanisms to gain visibility into the perspectives and concerns of all members of its workforce, especially those who may be vulnerable to negative impacts or marginalised (women, migrants, people with disabilities, interns, etc.). These mechanisms are as follows:

- GPTW (Great Place To Work): the company conducts an annual survey so that employees can express their opinions and points for improvement. This tool also serves to develop action plans with the aim of increasing employee satisfaction.
- Happy Trainees: both Colonial and Utopicus carry out an annual survey for interns to measure their level of satisfaction with the period in which they have been working for the company.
- Reporting channel: the Group has an open Ethics Channel to receive all types of communications and queries in relation to the Code of Ethics from employees and other stakeholders of the company. This guarantees the protection of the whistleblower and allows for the possibility of making anonymous complaints.
- Suggestion box: employees also have a suggestion box at their disposal where they can express concerns or make suggestions.
- Quality of Life and Working Conditions Survey (QVCT): SFL periodically conducts a study on well-being and working conditions, which aims to fulfil its responsibility to carry out a constant assessment of occupational risks and, in addition, to establish the bases for a continuous improvement of the quality of life at work.

f) Reorganisation management

In the event of a reorganisation of the company, the company is willing, obliged and committed to continue to involve its social partners and workers' representatives, located in the Works Council, in order to find the best solution between the parties. There are tools that have been used in these cases, such as actions to promote internal mobility programmes and outplacement services, for example.

7.1.3. Total Reward

Colonial periodically conducts a remuneration analysis with external support to ensure its compliance and objectivity with market practices and the principles of equity and equality.

The Colonial Group's salary structure is organised around three key pillars: the adaptation of remuneration to each job, using tools such as the C.C.C. contribution assessment and market studies to maintain impartiality; equal opportunities, supported by recommendations from external experts; and competitiveness in the market, in order to offer attractive, challenging and fair working conditions.

The annual salary review process includes the regulation of social agreements and the application of merit or agreement increases. This process runs from December to March and includes meetings with directors and the CEO, focused on ensuring pay equity and addressing any gender or diversity gaps.

In accordance with the construction agreement linked to Colonial, the Simplified Pension Plan for the Construction Sector came into force on 1 February 2024, under which Colonial has begun to make contributions to employees who, according to the regulations of this plan, meet a series of requirements.

Aligning value and contribution in our flexible business

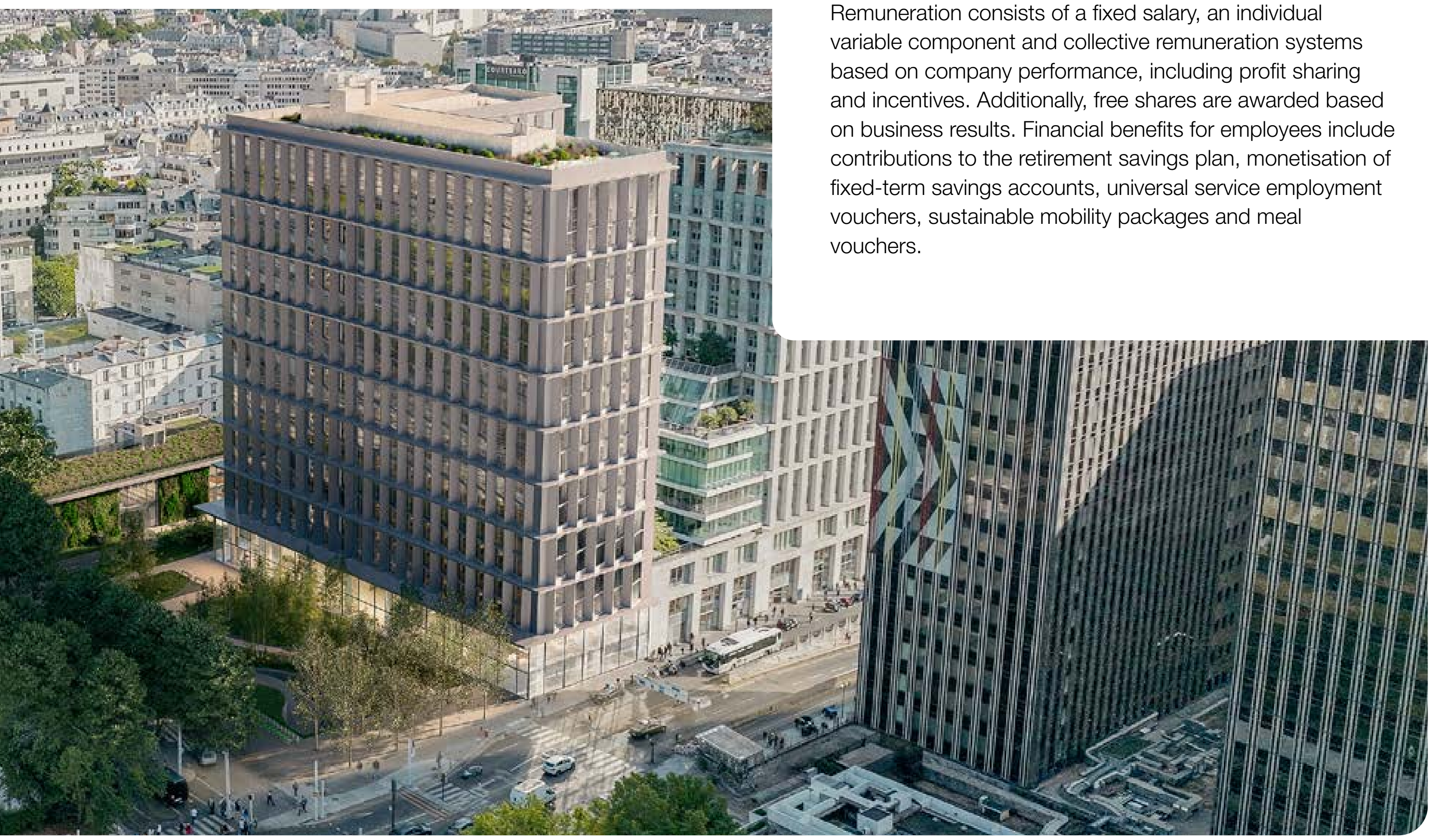
Utopicus continues with its variable remuneration model aligned with business needs. The objectives of this model are based on billing criteria and customer satisfaction, fundamental pillars for the company's success and which always respond to market parameters.

Also, the CV Referral Programme remains in force as a compensation system whose objective is to attract and retain the best talent. Under this programme, employees can benefit from a financial reward if they recommend candidates in the event of a vacant position. In this regard, three employees have been able to use the programme successfully.

Finally, Utopicus establishes flexible remuneration for all its staff in order to encourage salary optimisation for its employees.

Aligning value and contribution in our French subsidiary

SFL has implemented a fair and motivating remuneration policy to promote the development and commitment of its employees, maintaining its competitiveness with sector studies in which the company participates every two years. Remuneration consists of a fixed salary, an individual variable component and collective remuneration systems based on company performance, including profit sharing and incentives. Additionally, free shares are awarded based on business results. Financial benefits for employees include contributions to the retirement savings plan, monetisation of fixed-term savings accounts, universal service employment vouchers, sustainable mobility packages and meal vouchers.



Social benefits

The third means of compensation is made up of the social benefits available to the workforce. Along these lines, the Colonial Group offers some general benefits and specific benefit plans for each area of business and country. In 2024, these benefits have been distributed as follows:

Common social benefits in Colonial Spain and SFL

Thousands of euros	2024	2023	Change
Health insurance	356	350	2%
Life and accident insurance	217	204	6%
Meal vouchers	310	305	1%
Total	**882**	**859**	**3%**

In addition, in order to optimise salary savings and retirement savings plans, SFL offers its staff efficient salary savings plans (PEE and PERECO) that provide a wide range of investment options. In view of encouraging the establishment of retirement savings for the benefit of its staff, SFL is supplementing voluntary contributions made to PERECO up to a limit that has been increased from 5,310 to 5,700 euros during 2024.

SFL specific social benefits

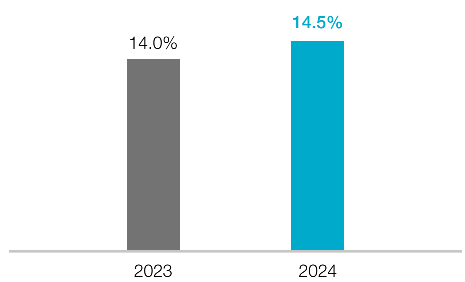
Thousands of euros	2024	2023	Change
Pension plan – PERECO(*)	294	256	15%

(*) PERECO stands for “Plan d’Épargne Retraite d’Entreprise COllectif”, a business savings system used in France.

Commitment to closing the pay gap

The Colonial Group is committed to reducing the gender pay gap. This commitment is defined within Colonial’s Equality Plan, which provides for equal pay for men and women for equal work and a salary review with common criteria for both sexes. For more details, see the section on Equality, equity and diversity policies.

Colonial global gap



Wage gap by professional category (Colonial)

Job category	2024	2023	Evolution (pp)
General and area management(*)	–16%	–45%	29
Technical graduates and middle managers	32%	25%	7
Administrative and other	9%	9%	0

(*) Executive Directors excluded.

In order to assess pay equality and equity in the Spanish subsidiaries, the pay gap is studied by external consultants and shared with the different committees that oversee these principles: Equality Plan Monitoring Committee and Works Council.

In this context, when considering the current legal minimum wage, the ratio of the standard entry-level salary in Spain to the minimum wage in Spain is 1.96 for women and 2.06 for men in Colonial, while in Utopicus it is 1.50 for both women and men. In France, the ratio of the standard entry level wage to the minimum wage is 0.60 for women and 3.36 for men.

Additionally, the ratio between the total annual remuneration of the highest-paid employee in the Colonial Group and the median annual remuneration of all employees (excluding the highest-paid employee) is 36.5 in 2024. This calculation includes all employees of the Group, regardless of type of contract or working hours. However, it is important to note that this figure may be slightly distorted, given that 9% of the contracts signed during 2024 were temporary and 3% corresponded to part-time work.

7.1.4. Equality, equity and diversity

a) Policies

a) Human rights

Colonial bases its development and growth on the principles of human rights, integrity and transparency. Likewise, it undertakes to respect current legislation, both national and international, in all countries in which it operates. In this way it ensures compliance with labour standards and the core conventions of the International Labour Organisation (ILO), allowing freedom of association and the right to collective bargaining, eliminating discrimination in employment and occupation, and eliminating all forms of forced or compulsory labour and child labour.

Through its code of ethics and the creation of its human rights policy (still in development) applicable to the entire Group, Colonial is committed to maintaining a work environment free of any discrimination based on gender, race, sexual orientation, religious beliefs, political opinions, nationality, social origin, disability or any other personal, social or physical condition of its professionals, and it expressly prohibits any manifestation of violence, abuse of authority or any type of harassment, whether physical, psychological or moral, as well as any other conduct that may generate an intimidating, offensive or hostile work environment for people. As mentioned above, Colonial has an internal protocol for dealing with situations of harassment, of which all employees have been informed and trained. It details all the steps to be followed, from the first contact to the resolution of the conflict. Colonial extends these commitments to its entire supply chain.

The Group recognises the importance of regularly assessing its impacts on human rights. For this reason, it uses relevant indicators, such as the rate of complaints for ethical breaches, which to date remains at 0. Likewise, in February 2024, the Group published the 2023 professional equality index, with an overall score of 89 out of 100. In addition, Colonial has carried out a Double Materiality Analysis, assessing the positive and negative impacts, real and potential, on its employees and on human rights. The Company intends to periodically update this analysis to identify potential undetected impacts or new impacts that may emerge.

b) Non-discrimination

The Colonial Group recognises that each employee has unique experiences, a plurality of skills and perspectives, which enrich the results of our work and our working relationships. The Group promotes an environment in which these differences are valued and encouraged to foster creativity, innovation and customer satisfaction, as well as a culture of mutual respect and zero tolerance for any form of discrimination or harassment. Safe spaces are created where everyone's opinions and experiences are valued and respected. In this regard, any employee who wishes to report a situation of inequality can do so through the whistleblowing channel, following the company's harassment protocol.

In line with respect for human rights, Colonial Group drew up a non-discrimination policy during 2024, still in development, focused on promoting an inclusive and respectful work environment, as well as reporting any type of segregation within the company.

The lines of action that are emphasised in the policy are:

1. Equal opportunities
2. Promoting diversity
3. Preventing discrimination
4. Creating an inclusive environment
5. Compliance with laws and regulations
6. Culture of respect
7. Inclusive Leadership
8. Emotional and mental well-being
9. Reconciliation

SFL reaffirms its commitment to respecting the principle of non-discrimination, in whatever form, and confirms its action in favour of promoting professional equality between men and women and equal opportunities. Since 2017, a series of actions have been undertaken to honour the commitments made under the agreement on professional equality and to consolidate support for people with disabilities.

b) Equality Plans

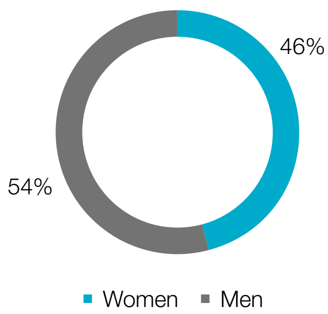
The Colonial Group's relationship with its employees (and that of its employees with each other) is based on mutual respect and equal treatment and opportunities.

The following table shows the gender diversity in the Colonial Group broken down by employment group:

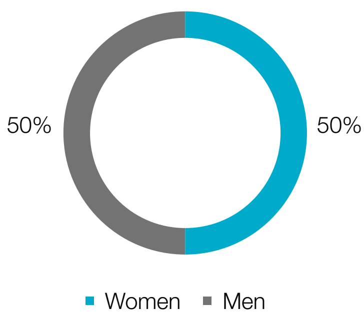
	2024				2023			
	Women		Men		Women		Men	
	No.	%	No.	%	No.	%	No.	%
Board of Directors	6	46%	7	54%	5	38%	8	62%
Colonial Management Committee	4	50%	4	50%	4	50%	4	50%
Group Managers(*)	48	52%	45	48%	44	51%	42	49%
Rest of the staff	87	65%	46	35%	96	67%	47	33%

(*) This includes the heads of SFL and Utopicus, as well as the Group's qualified technicians and middle management.

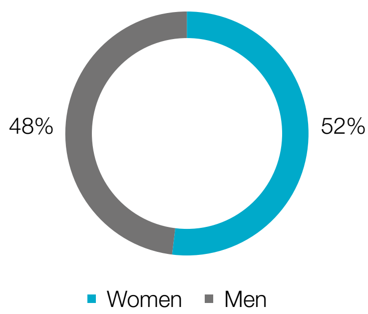
Board of Directors



Colonial Board of Directors



Group Managers



The Colonial Group has an Equality Plan for each of the companies that make up the Group, and each plan has been drawn up under the same criteria and has the same strategies. Each Equality Plan is valid for four years and is reported to a bipartisan monitoring committee made up of representatives of the workers of each company, which is monitored quarterly.

During 2024, the monitoring report of the Equality Plan was carried out for both Colonial and Utopicus. This report contains information and a follow-up of the actions proposed and agreed in each company to fulfil their respective Equality Plans.

The Colonial Group maintains a very strict approach to compliance with the policies of equity, generational diversity and intellectual diversity.

The Group ensures that all employees have equal opportunities. Thus, following the actions reflected in the equality plans, Colonial strives for equal pay, where all employees performing the same work receive fair remuneration, regardless of their gender, race, ethnicity, age or other protected characteristic. In addition, the company ensures equal opportunities for promotion and professional development for all employees.

The objective is to incorporate a gender equality perspective in order to eliminate discrimination. In keeping with its Code of Ethics and Sustainable Development Goals (SDGs), the Colonial Group rejects any kind of discrimination in relation to personal, physical or social issues. It also supports equal treatment for men and women in terms of access to employment, training, promotion and working conditions.

The plan's **general objectives** focus on ensuring that women and men receive equal treatment and opportunities within the company, embedding the gender perspective in the corporate culture and standardising gender equality criteria in all divisions of the organisation.

The plans' **specific objectives** are aimed at ensuring that all employees receive fair remuneration for work of equal value, improving the work-life balance of employees, promoting the hiring and promotion of women to leadership roles, committing to addressing any gender-based pay inequalities, promoting occupational health with attention to the specific needs of women, conducting periodic assessments to verify the effective application of equality in the company, and adopting inclusive and bias-free language in all communications.

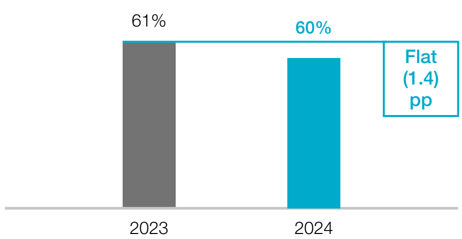
Commitments acquired by the Colonial Group:

- Ensure that our external collaborators have equality plans aligned with legislation.
- Seek gender balance in personnel selection candidates.
- Promote diversity in the workforce in terms of gender, age and origin.
- Provide equal access to training for all employees.
- Equalise paternity and maternity rights for the well-being of children.
- Establish training to facilitate return to work after parental leave.
- Base salary differences on merit and contributions to the company.
- Prohibit any form of violence, harassment and abusive behaviour at work and have a protocol for dealing with workplace harassment.

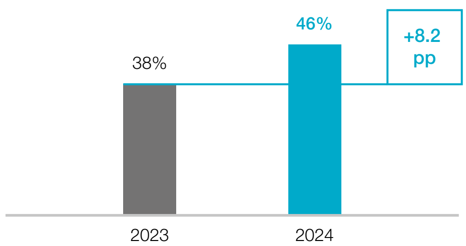
SDG 5: Gender equality / SDG 10: Reduced inequalities

	Trend in indicators		
	2024	2023	Change
In line with its Code of Ethics, the Colonial Group rejects any kind of discrimination in relation to personal, physical or social characteristics of its employees. It also supports equal treatment for men and women in terms of access to employment, training, promotion and working conditions.	60% women in the Group	61% women in the Group	–1.4 pp
Strategies/lines of action ▪ Encouraging greater diversity (gender, age, origin, etc.) in the workforce across all professional categories. ▪ Ensuring that women and men have equal access to training opportunities and that pay differentials are based on performance, contribution, knowledge and impact on the organisation. ▪ Equalising paternity and maternity rights with the aim of protecting the interest of newborn(s) and the child(ren).	46% women on the Board	38% women on the Board	8.2 pp

Women in the Group



Female Board Members



Furthermore, through its code of ethics that is applicable to the entire Group, Colonial is committed to maintaining a work environment free of any discrimination based on gender, race, sexual orientation, ethnical origin, religious beliefs, political opinions, nationality, social origin, disability, age or any other personal, social or physical condition of its professionals.

More than 85% of these measures were fulfilled in the first year after they were published.

Utopicus Equality Plan

In 2024, the Utopicus Equality Plan has been monitored through regular meetings between the Equality Committee and the company. In addition, work has been done to complete the only action that was not addressed during the first year of implementation: redefinition of the professional classification to adapt it to the new organisational model and to ensure there are no gender differences. Thus, 100% of the actions reflected in the Plan are fulfilled.

SFL Equality Plan

In accordance with the values of the Colonial Group, SFL subscribes to various commitments in terms of professional equality and support for people with disabilities.

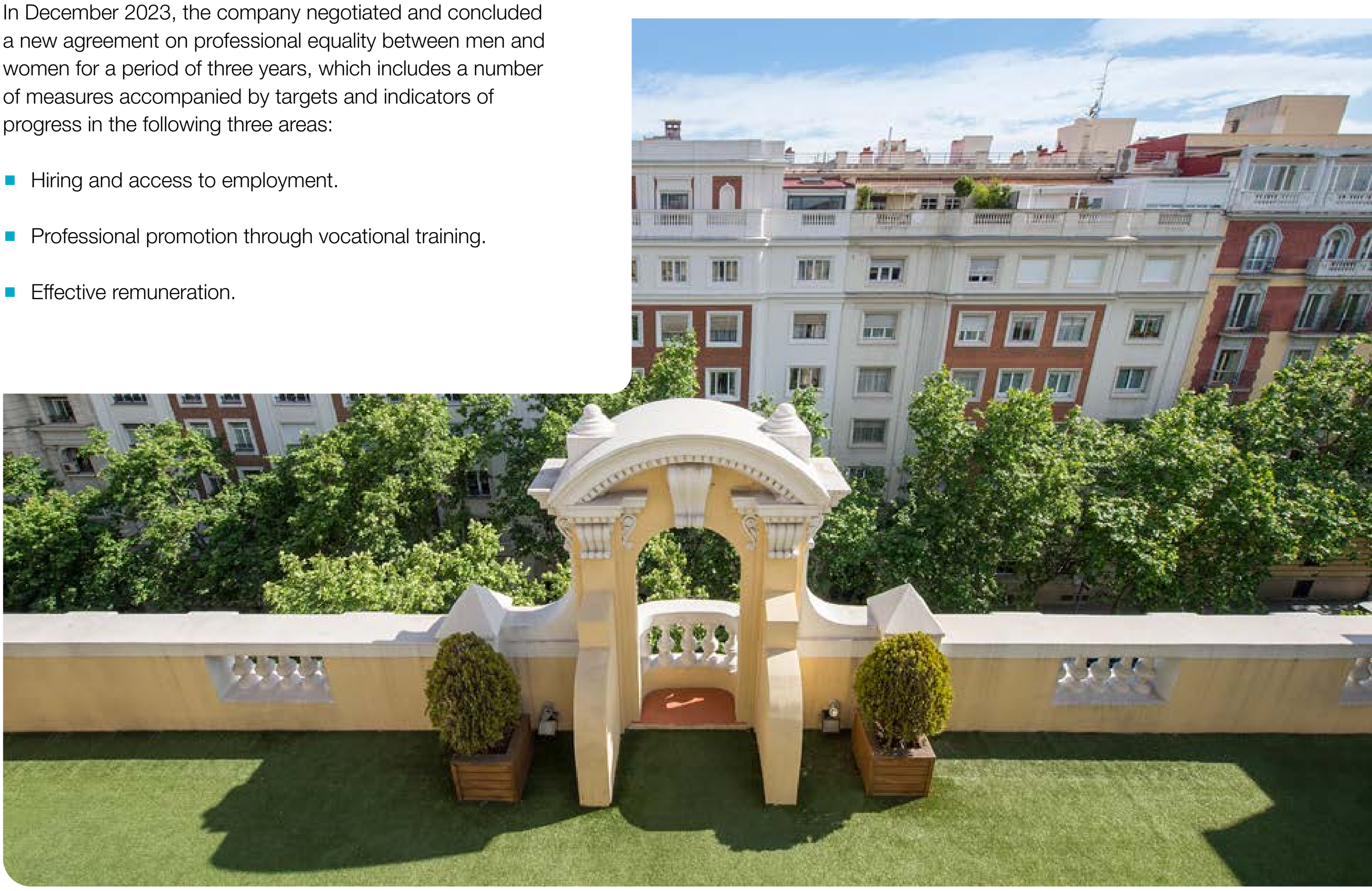
In December 2023, the company negotiated and concluded a new agreement on professional equality between men and women for a period of three years, which includes a number of measures accompanied by targets and indicators of progress in the following three areas:

- Hiring and access to employment.
- Professional promotion through vocational training.
- Effective remuneration.

The index on professional equality published in February 2024 for the period between 1 January and 31 December 2023 resulted in an overall score of 89 points out of 100. SFL received the highest score in 3 of the 4 indicators in this index (difference in the rate of individual increases, percentage of female employees who received a raise in the year following their return from maternity leave, and number of employees of the underrepresented sex among the 10 employees who received the highest salaries).

The French company promotes the integration of people with disabilities through an annual subsidy to LADAPT and a leasing contract with a company that employs and trains this group. The spaces have been adapted to make 98% of the facilities accessible to people with reduced mobility. SFL is committed to non-discrimination based on age, with an average age of 43 years for its workforce, where 86% are over 30 years old and 14% are under 30.

In 2023, SFL reaffirmed its financial support to LADAPT and allocated a portion of its apprenticeship tax to this association and to ARPEJEH, which promotes the training and employment of people with disabilities, supporting students aged 15 to 30 in their professional development and allocating resources to finance their activities.



c) LGTBI Plan

Beyond what is established in Spanish legislation and reinforcing its firm commitment to promoting equal rights, non-discrimination and a corporate culture of respect and diversity, Colonial Group is beginning to develop its **LGTBI Plan** (Lesbians, Gays, Trans, Bisexuals and Intersexuals) for both Colonial and Utopicus.

The plan involves a business diagnosis on this topic to subsequently agree on a series of actions to improve in the areas identified for improvement. These two plans were launched simultaneously in the last quarter of the year and are expected to be published in 2025.

d) Actions to reduce inequalities and prevent discrimination

Our commitment to equality is not only focused on employees, but also on society and the new generation of students. For this reason, Colonial has collaborated this year with **Inspiring Girls**, a foundation whose aim is to raise the aspirations of young women and girls by putting them in contact with inspirational women who serve as role models and references. Thus, 8 female hard-working volunteers from Colonial, who have professional experience, talent, and inspiring stories to share, met at a school in Barcelona to tell their story through an activity called **"Speed networking"**.

These volunteers have explained their professional and life experience to 8-10 students in turns, in order to encourage their professional careers without gender prejudice and to promote equal training for boys and girls.

Also, several volunteer employees attended the **Nit d'Ared 2024, an ARED Foundation charity dinner** sponsored by Colonial. This event raised funds for 30 scholarships to transform the lives of women facing social exclusion.

The ARED Foundation, active since 1994 in Barcelona, is dedicated to promoting the labour and social integration of people at risk of exclusion, mainly women from penitentiary centres and social services. Through its social enterprise, ARED offers a protected work space and a personalised support process, seeking to promote autonomy and facilitate access to decent employment for those facing hardships.

Furthermore, as part of the company's commitment to diversity and inclusion, physical and social barriers are removed to ensure the full inclusion of people with disabilities. This includes not only accessibility in workspaces, but also collaboration with special employment centres, companies whose main objective is the integration of people with disabilities in the workplace. For the Colonial Group, it is essential to achieve the incorporation of this group into the workplace and make it a more inclusive, empathetic and efficient group. In the Group, the percentage of people with disabilities among employees is 1.3%.

Additionally, on an annual basis, equal opportunities are promoted at Utopicus by hiring companies that integrate people with disabilities into their workforce. Similarly, in 2024 and within the framework of the European Week for the Employment of Disabled People, SFL implemented various awareness-raising actions on disability:

- Deployment of the Gamino digital platform aimed at all company employees to raise awareness on issues related to disabilities.
- Participation in the organisation and financing of conferences on disability for the benefit of the occupants of the building that houses the SFL headquarters.

7.1.5. Culture, well-being and communication

The team and human quality are of essential importance to the Colonial Group and for this reason different social and group actions are carried out in which our mission and values show our faithful commitment and act as a guide in each of them:

- Excellence
- Professionalism
- Leadership
- Commitment
- Rigour
- Transparency

a) Internal communication

Through different communication channels, the Colonial Group gets as close as possible to its employees so that they can learn about the company's latest developments first-hand and thus share and listen to their ideas and perceptions.

We carry out different actions:

- **Presentation of results**: regular meetings at Colonial presented by the CEO on business results.
- **Allhands Utopicus**: virtual meetings are held on a quarterly basis where, from management, the progress of the business is shared with all the company's employees. In addition, various departments participate by sharing new projects or ongoing functions. They end with a question-and-answer session where employees can answer questions or contribute ideas of value to the company.
- **Suggestions mailbox**: so that employees can freely ask questions or make suggestions for improvement.

  At Colonial, it is physically located in the office, while the space for suggesting them at Utopicus is an anonymous form that is answered at the all-hands meetings and through the company committees. For both companies there is a common link that can be accessed through the intranet.
- **Newsletters**: at Utopicus, different e-mails are periodically sent to employees with information about new employees, changes in working hours (e.g. summer work), latest news, etc.

b) Cultural actions

- **NenDéu charity concert: NenDéu Foundation** organised the concert “Rock amb tu” with the Porfin Viernes band to support the social inclusion of people with intellectual disabilities. Colonial employees were once again able to attend the concert organised by the NenDéu Foundation, together with Acidh and the Boscana Foundation, thanks to our sponsorship of this action.

- **Charity races**: for social and environmental charitable causes, this year our most active and sporty staff has participated in four charity races: In Madrid, “Water Race” (raising awareness about water consumption) and “Ponle Freno” (traffic victims) and in Barcelona, “Ponle Freno” and “Women’s Race” (fight against breast cancer). These races not only reflect the altruistic nature of our employees, but have also generated a cross-business community where they are motivated and inspired to continue with these healthy habits and improve the company’s internal communication.

- **Family & Friends’ Day**: Colonial wants to get closer to its employees and allow them to share their work experience with their family members or the people they value most. For this reason, the first family event was held in the Madrid and Barcelona offices. A joint activity where, for an afternoon, these guests, together with the workers, were able to enjoy a tour of the facilities, a snack, and various activities organised for all ages.

- **Teambuildings**: at Colonial we want to transmit a culture that motivates people to adapt to the future of work and achieve more agile, liquid and flexible organisations. We create our events so that together we can share quality time and ideas to continue building our organisation. That is why two events have been held:
  - **Values & Skills Olympics**: in an outdoor natural setting, Colonial organised a day of collaborative games in a “gymkhana” format. Participants competed in mixed teams together with SFL and Utopicus. The objective of this activity was to present the company’s new competency model, as well as to reinforce the solid values established in the organisation. This successful event had a very positive impact on the work environment and on building relationships of trust among colleagues.

- **Christmas Event**: the Colonial and Utopicus Christmas dinner is an event conceived to celebrate and share together the moments lived during the year, in a relaxed, exciting and informal atmosphere. Held in a space in our iconic MADNUM development, this year we are adopting the atmosphere of the Christmas markets, creating a festive pause amidst the Christmas melodies in an environment where people seem to return to their childhood.

- **Design of the Christmas card**: continuing with last year's initiative, we wanted to celebrate the holidays in an inclusive, innovative way and with the voluntary collaboration of some employees. Therefore, 3 Colonial volunteers designed a different kind of Christmas card with the help of La Casa de Carlota, a design studio where creative people work with people with Down syndrome and autism. The experience was very gratifying, and all the participants were enthusiastic about the project, allowing the creativity of each one of them to emerge spontaneously.

c) Well-being and health in the workplace

As discussed throughout the chapter, the Group's human team is an essential pillar that ensures the company's proper functioning. For this reason, Colonial seeks to implement measures to improve the professional life of its employees.

Great Place to Work (GPTW)

Colonial Group strives to foster a work culture of care and well-being for its employees, using tools such as Great Place to Work to assess and improve trust and satisfaction within the organisation. In 2024, the company relaunched the organisational culture survey in order to detect areas for improvement and revalidate the certification as a Great Place to Work, reaffirming our commitment to being an excellent place to work.

Great Place To Work® Certified OCT 2024 – OCT 2025 ESP

Colonial employees highlighted their pride to belong, job security and the resources and equipment they have to carry out their work. These factors contribute to a positive work environment and the desire of employees to continue with the company in the long term.

The feedback from this survey was shared with employees and is used to develop a strategy and biennial action plans that seek to increase employee satisfaction and engagement in the Group.

Flexibility measures

- **Reduction of working time**: there is the option to reduce working time for those employees who need to take care of a family member. In accordance with the collective bargaining agreement, the salary is pro-rated accordingly.
- **Intensive full-time working day**: this measure, included in the Equality Plan, makes it possible to compact the working day into a single shift, which makes the working day more flexible.
- Possibility to take time off in lieu of extra hours worked.
- **Baby Friendly Certification**: both Colonial and Utopicus are certified "Baby Friendly" companies, meaning they both promote favourable work environments for employees with young children, facilitating flexible schedules, 100% teleworking two weeks before birth, offering psychological support to parents and providing them with tools for better education and care of the baby.

baby friendly companies

On the other hand, both Colonial and Utopicus maintain the implementation of remote work, allowing up to a maximum of 4 days per month. This initiative reinforces its commitment to the balance between professional and personal life, while promoting a more flexible and hybrid work model.



In addition, flexible working hours are permitted in order to promote a healthier work-life balance, improve productivity and reduce the stress associated with commuting.

For mental well-being, through the corporate employee insurance, Colonial offers the opportunity to use psychological services for identifying mental health risk factors, as well as specific prevention activities.

Well-being in the office

In addition to the actions mentioned above, the company strives to offer the best conditions and amenities, promoting physical activity to ensure that employees can perform their work in a safe and healthy manner. At Colonial's Madrid and Barcelona offices, fresh fruit, coffee and filtered water taps are provided. In addition, an agreement with an external company to offer physiotherapy services remains in force. Employees also have access to changing rooms, lockers and a car park with electrical outlets, promoting sustainable mobility, as well as terraces with natural plants for rest and relaxation. In addition, in line with the promotion of physical activity, employees have access to sports facilities at reduced rates through Gympass.

Utopicus optimises its spaces for the well-being of clients and employees, with ergonomic furniture, recycling points, purified water taps, bicycle parking and rest areas, coffee and assorted teas. In addition, some of them offer bicycle parking facilities, natural vegetation, terraces, spacious changing rooms with showers and rest areas or wellness areas.

Combined with the company's dynamic and sustainable personality, physical activity is encouraged at each site to improve the health of our employees.

SFL also regularly measures the working environment through a survey on quality of life and working conditions (QVCT), which characterises the objective pursued by the company: To fulfil the obligation to ensure regular assessment of occupational risks and, in addition, to lay the foundations for continuous improvement of the quality of life at work. By 2024, 100% of employees surveyed about quality of life have responded to the survey.

Health and safety: occupational risk prevention

Colonial Group guarantees a safe environment for its employees by complying with health and safety regulations and applying sophisticated measures to prevent occupational risks. The external prevention service carries out risk assessments in the workplace, implements corrective measures when necessary, conducts drills once or twice a year and ensures that all employees, including external workers from temporary employment agencies, receive training in occupational risk prevention.

Following a proactive approach and to ensure ongoing physical and mental health checks for employees, a medical examination is offered periodically (biannually at Colonial and annually at Utopicus) and voluntarily to all employees who wish to do so. In addition, Colonial's health insurance offers a psychology service that is accessible to any employee.

In 2024, SFL has continued with an active policy regarding the preservation of employee health and safety, which resulted in, for example:

- Renewal of fire fighting training in coordination with APAVE.
- Updating electrical qualifications for the relevant employees.
- Update of the Single Professional Risk Assessment Document in agreement with staff representatives.

In Spain, Colonial has a Health And Safety Committee, made up of four people (two representing the company's management and two representing employees) representing 100% of the organisation's workforce. The committee ensures the measures focusing on safety and the prevention of occupational hazards are correctly implemented, and guarantees a healthy working environment. In 2024, the Health and Safety Committee met twice a year to review the situation and promote initiatives on methods and procedures for risk prevention. In addition, new members of the First Response Team are provided with appropriate training in First Aid and training on harassment.

Health and safety indicators

SDG 3: Health and well-being

	Trend in indicators		
	2024	2023	Change
Colonial wishes to guarantee the health and well-being of its employees, in addition to their safety. By being ambitious with measures beyond the legal minimums, Colonial seeks to create environments and facilities that contribute to a healthy life inside and outside of work for its teams.	0 incidents of non-compliance concerning health and safety	0 incidents of non-compliance concerning health and safety	0 pp
Strategies / Lines of action:	1 accident with sick leave	0 accidents with sick leave	100 pp
■ Training in occupational risk prevention ■ Medical check-ups ■ Well-being measures: flexible working hours, ergonomic spaces, workshops for Mindfulness sessions etc.	0 workplace illnesses	0 workplace illnesses	0 pp

In its commitment to the safety of its employees, the Colonial Group monitors the main indicators in this area. In 2024, three work accidents were recorded, only one of them resulting in medical leave.

In 2024, a total of 1 lost day due to work-related injuries was recorded. Likewise, no days lost as a result of workplace fatalities have been reported.

The table below shows the number of accidents at the workplace, the number of accidents on the way to and from work, and the frequency and severity rates by gender:

Accident Rate

	2024			2023		
	Men	Women	Total	Men	Women	Total
Accidents	1	2	3	0	0	0
Accidents on the way to and from work	0	2	2	1	5	6
Frequency rate[1]	0	4.46	2.67	0	0	0
Frequency rate for accidents with serious consequences[2]	0	0	0	0	0	0
Severity rate[3]	0	0	0	0	0	0

(1) (No. of accidents with sick leave/total hours worked) * 1,000,000.
(2) (No. of accidents with serious consequences/total hours worked) * 1,000,000.
(3) (No. of days off work/total hours worked) * 1,000.

No occupational illnesses were reported during the same period, showing the efforts to prevent psychosocial hazards and an improvement in quality of life in the work place. Employees also undergo health checks every two years.

Finally, as can be seen in the following table, Colonial Spain's absenteeism rate in 2024 was 2.7% (1.7% in 2023). This absenteeism is mostly caused by maternity and paternity leave. Specifically, Colonial has a total of 5,287 hours of absenteeism (3,310 hours in 2023, which represents an increase of 60%). The total number of absentee hours for the Colonial Group in 2024 was 13,923, compared to 18,527 in 2023.

Absenteeism – Colonial Group

2024	Number of absenteeism hours	Absentee rate
Colonial	5,287	2.7%
SFL	5,492	5.4%
Utopicus	3,145	4.2%
Total Group	**13,923**	**3.7%**

7.2. Clients

7.2.1. Prime client portfolio

High-quality and creditworthy client portfolio

The Colonial Group's operational strategy focuses on accompanying and meeting the needs of its clients so that they achieve high levels of satisfaction with the spaces, as well as with the services and treatment received. Colonial Group has a high volume of renewals of its rental contracts, the result of the work, the Group's professional specialisation and the long experience of the entire Colonial team.

From a financial point of view, this high client retention capacity should be seen as conferring a high resilience and recurrence to the company's revenues and thus a sustainable business in the long term.

The Colonial Group's asset portfolio consists of grade A assets in the top locations in the Paris, Madrid and Barcelona markets. The Group's client portfolio is highly diversified across many sectors, which provides great robustness to revenues given the low customer turnover. In addition, across different sectors, notable are those that require quality offices in central business districts (due to the nature of their businesses).

7.2.2. Value-added services

The Colonial Group continues to place its relationship with its customers at the centre of its business strategy, working towards establishing relationships of trust and ensuring the highest level of satisfaction. This is achieved by promoting constant and fluid communication, joint work and innovation, as well as trying to know and understand current and future needs, in order to exploit spaces in a much more efficient way.

To achieve this, the Colonial Group relies on two key pillars: personalised attention in the day-to-day management of relations through a single point of contact (Client Solutions Manager) and the measurement, improvement and monitoring of the satisfaction of clients and users.
To achieve personalised attention, it is based on four important aspects: well-being, mobility, accessibility and technology and innovation.

Customer satisfaction is assessed on a recurring basis in the three main markets in which the Group operates: Paris, Madrid and Barcelona, through various surveys. these surveys allow us to monitor and track the changes in client needs and assess how the Colonial Group responds to them.

7.2.2.1. Anticipating trends and client needs

I. Paris

As part of client satisfaction monitoring, every two years, SFL conducts a satisfaction survey of all of its employees of its clients in Paris to measure their level of satisfaction and their expectations in terms of working methods, services and environment. In the last survey, carried out at the end of 2023, 1,340 people participated.

The user profile of Paris buildings is that of a 40-year-old executive, who lives in the city centre, takes around 30 minutes to get to work by public transport and has a well-being score of 7.6 out of 10 (compared to 7.0/10 for executives in Île-de France according to the Group's 2023 benchmark Paris Workforce). Last year, over 91% of respondents said they were satisfied with their facilities, with the percentage of very satisfied people increasing from 26% to 35% since 2015. Consequently, the 85% target was far exceeded.

Furthermore, every year, SFL launches the Workplace Barometer with the aim of analysing employees' perceptions of their offices. Each year a different aspect related to worker well-being is analysed.

In 2023, the growing efforts made by companies in sustainability issues were evident. 75% of respondents (70% in 2019) stated that their company encourages waste sorting, 74% (72% in 2019) that it encourages reducing printing and 74% (57% in 2019) that it encourages limiting energy consumption. In addition, the need for offices in the coming years was assessed, with 66% (57% in 2020) of respondents in favour of maintaining these work spaces, while 65% of the inhabitants of Île-de-France are opposed to being forced to work remotely several days a week.

In this latest edition, the importance of feeling comfortable in an office environment has been highlighted. 53% of respondents (44% in 2019) consider offices to be not only a place of work but also a place of life, giving their well-being in the office a score of 7.1 (higher than the 6.6 obtained in 2019). Additionally, respondents telework 1.5 days a week (0.7 before lockdown and 2.3 in 2021), showing interest in working in the office despite the new teleworking tools available post-pandemic, in line with the results obtained in previous years.

II. Barcelona and Madrid

Colonial considers it essential to make different communication channels available to its customers in order to create a fluid relationship of trust that allows it to know their needs, which in turn helps Colonial to detect opportunities and possible areas for improvement in the management of the properties. Within these channels, a satisfaction and quality survey is carried out every three years in Barcelona and Madrid among the customer portfolio. The aim of this survey is to capture the opinions, wishes and concerns of customers about the spaces, services and facilities that Colonial provides in its properties.

In the last three-year survey, carried out in 2022, it was recorded that 82% of customers rated the management carried out by Colonial as positive or very positive, with 56% of customers responding positively.

As it does every year, Colonial continues to carry out a series of planned improvement actions in accordance with the continuous renovation programme of its portfolio, with the aim of modernising the communal spaces for the enjoyment of users as a complement to the environmental policy implemented by the company.

Of all the actions carried out in 2024, the most relevant have been the following:

1. Opening of changing room spaces in the building at Av. Diagonal, 197 in Barcelona.

2. Creation of a new micro-mobility zone with the addition of bicycle and scooter parking in the Av. Diagonal, 609-615 building in Barcelona and in the Egeo building in Madrid. We continue with the project to incorporate a micro-mobility zone in the building at Av. Diagonal, 682.

3. Creation of a new lounge area with vending in the Av. Diagonal, 197 building in Barcelona, the area is prepared for vending machines.

4. Creation of a lounge area and communal terrace in the building at Av. Diagonal, 197 in Barcelona together with a space managed by Utopicus, all located on the 10th floor of the building, equipped with two work rooms with their own lounge area, which can be used both by users of the building and by Utopicus clients from other centres.

5. Work has continued on the project to convert a technical terrace into a usable terrace in the Torre Marenostrum building in Barcelona. The property will thus enjoy two spaces located on the 8th floor for access to the exterior. In the same building, a project was developed for the urban development of the external area of the Torre A building.

6. New Columat locker service offered in the city of Barcelona at Av. Diagonal, 682 and at Genova, 17 in Madrid.

7. Installation of a new vending service through the company Vitaliz at Francisco Silvela, 42, Lopez de Hoyos, 35 and Ortega y Gasset, 100 in Madrid. Work has also been done to install this vending service and smart fridges in more buildings, such as Avenida Diagonal, 197, Torre Marenostrum, Llacuna, 56 and Torre BCN in Barcelona. This service will be provided by the company Alliance Vending.

In addition to these actions, Colonial is developing an ambitious Sustainable Mobility Plan in the buildings located at A2, which is expected to be implemented over the next year and which can be carried out jointly with all those customers who share the firm commitment to reducing the carbon footprint and improving the well-being of its employees. The Sustainable Mobility Plan is a set of actions aimed at improving people's movements with criteria for improving sustainability, time and quality of life. It is made up of two phases: Diagnosis and Mobility Plan.

The Diagnosis has been carried out by means of a survey sent to all employees and companies, with the aim of identifying travel patterns, as well as possible needs and preferences for the measures to be developed, in addition to the analysis of all available mobility resources.

The Mobility Plan has been drawn up with the calculation of the total carbon footprint and per building/employee, priorities and a set of measures to be implemented in relation to improving mobility and employee satisfaction. In addition, Utopicus, as an expert in the user experience of the Group's flexible spaces, also conducts a recurring satisfaction survey among its users and clients. The Utopicus management team considers the results of the survey to be essential for the proper design of its space and client management strategy.

This survey is carried out on a half yearly basis, which makes it possible to continuously monitor the degree of satisfaction and at the same time check the acceptance of the new measures that are being implemented.

The last survey (November 2024) considered the responses of 773 users and clients from locations in Madrid and Barcelona, up from 697 users in 2023. All locations have a score higher than 8 out of 10 in terms of satisfaction with the service offered by Utopicus, maintaining the average score of 8.65 from the previous year. Similarly, the space has also score "remarkable", as it was last year. Finally, customers have rated Utopicus staff who work directly in the spaces with more than 9, thus maintaining the same rating since 2022.

Clients can report incidents on a management platform or via their centre's community front.

7.2.2.2. Value-added services: coworking & PROPNET

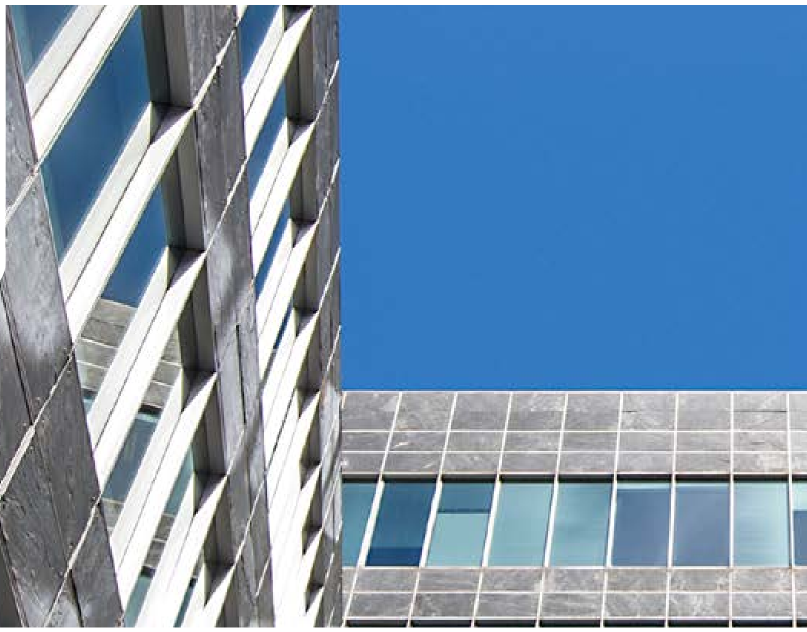
Hybrid product. Colonial/Utopicus

In the office market, one of the main trends to adapt to the increasingly demanding needs of clients and users has been the creation of offices that also offer flexible coworking space.

Since the acquisition of Utopicus, Colonial has boosted its growth and implementation in Barcelona and Madrid, launching various initiatives that have consolidated this brand as one of the main operators in the sector. Currently, it has eleven centres: six in Madrid and five in Barcelona, with a total of 36,800 sqm.

In 2023, Utopicus took a decisive step towards aligning its position and offering with Colonial, focusing on a prime-corporate product that meets the needs of today's corporate client. This change involved moving away from the traditional Utopicus user profile, prioritising a higher quality and flexible offering in prime locations that guarantee representativeness, security and accessibility.

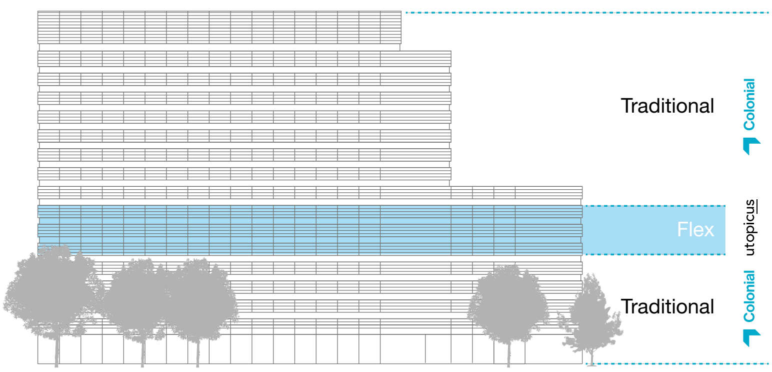
During 2024, this strategy has been consolidated with a focus on attracting and retaining corporate clients, offering integrated solutions that combine flexible spaces, services and Colonial offices. This unique proposition allows companies to customise their experience according to their needs, whether by relocating teams, using meeting rooms or incorporating additional services that complement their offices. With this evolution, Utopicus reinforces its commitment to respond to a market that demands representative, flexible and well-being-oriented environments.



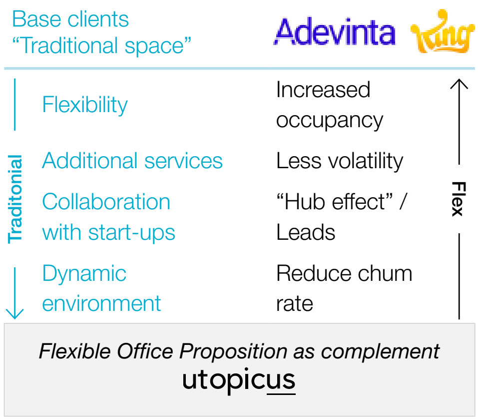

Utopicus attaches great importance to the experience of the users of the buildings. Given the relevance of this aspect, Utopicus has worked to lead the transformation process of the flexible spaces market in Spain, with a proposal that moves away from the image traditionally associated with coworking. This proposal offers flex extensions of a Colonial office space: prime, efficient, spacious and sustainable spaces in prime locations designed by renowned architectural firms, with a range of all-inclusive services. Building on Utopicus' experience in managing flexible spaces, the Group has developed a product that is better adapted to new needs by offering a new type of service in the form of a "hybrid" property. This model involves having traditional offices and coworking offices coexisting on different floors in the same building, a product that allows office clients to gain flexibility in their implementation. In the same building, clients can have additional spaces for their teams, meetings and events, as well as benefit from all the digital content and courses offered by Utopicus. For their part, clients and users of flexible spaces benefit from being in a more professional environment and benefiting from the hub effect of companies in the same sector.

The hybrid product allows Utopicus to access the best locations in the city centre in Colonial's buildings, as well as to incorporate the know-how of Colonial's teams in works and installations and to benefit from framework contracts with approved suppliers.

The case for Parc Glòries Barcelona



Benefits of hybrid products



Development of a new flex service

In 2023, Utopicus reviewed its services associated with flexible offices in order to respond to the needs of its clients and anticipate the progress of office use in the future. This is the origin of the **office suite concept**, a new flex service consisting of large modules with flexible workspaces, equipped with ergonomic furniture, offices, meeting rooms, coffee corners and phone booths. These modules, with private access, are completely customisable with the brand image of each company and also allow the use of services and common areas in the Utopicus spaces where they are located. This concept was well received by small and medium-sized businesses, to the point that some large offices were converted to this format to meet demand.

In 2024, this line of business services will be strengthened, complementing the offering of Colonial and Utopicus, covering the ad-hoc needs of corporate clients with comprehensive solutions. This joint offering combines flexible spaces, corporate offices and an additional layer of services, fully adapting to the demands of companies and their teams. Thanks to this approach, Colonial and Utopicus consolidate their collaboration, and set a new standard in flexible workspace management, offering a unique experience that responds to the demands of today's market.

Technological innovation to improve clients' sustainability

Within the framework of innovation in managing clients and their needs, Colonial has launched the ED-I platform, previously referred to as the PROPNET project, an initiative which, by collecting and centralising data on a single platform, makes it possible to better understand and measure the needs of clients, and also to improve decisions in the value chain.

With ED-I, Colonial can measure, control and add artificial intelligence to its client management, as it can measure the client's comfort, control all the installations that affect this comfort and foresee their needs according to behavioural patterns.

ED-I focuses on the sustainability of Colonial's buildings: it can measure the building's carbon footprint, control the use of resources to reduce and optimise energy consumption, as well as design the most efficient future spaces and assets possible and boost the client's own ESG rating.

The ED-I system is audited by an independent certifying body such as Bureau Veritas, with coverage also within flexible spaces.

7.2.2.3. Sustainability proposal

The Colonial Group aims to maintain a proactive service in constant communication with clients in order to improve its degree of satisfaction and intensify long-term relationships. As such, it assures the quality, technical safety and environmental values of its properties.

To this end, and in line with the Group's well-being policy, the following goals have been set:

- Promote innovation and be at the forefront in the range of services available in the common areas (by fitting out spaces such as rest areas or installing equipment such as water dispensers for the use of tenants), well-being and accessibility for clients.
- Involve tenants in strategies to improve the environmental performance of properties.
- Encourage the inclusion of the environment and social dimensions in the satisfaction surveys, as well as the design of other surveys on specific elements that may concern its clients (e.g. accessibility, services, etc.).

I. Well-being

The objectives of the well-being policy are aligned with the improvement actions at the levels of sustainable certifications, the eco-efficiency objectives and the requirements of the Group's environmental monitoring procedure. Through these objectives, the Group implements measures to achieve healthy, safe and comfortable environments with optimal indoor conditions.

Recognising that clean air is critical to health, Volatile Organic Compounds (VOCs) emitted by finishing materials and cleaning products, which would pollute indoor air, are limited and CO_2 levels are controlled in both outdoor air and air generated inside office spaces, as well as other physical conditions such as temperature and relative humidity. In addition, the Colonial Group avoids carcinogenic or toxic cleaning products and those with side effects.

The Group monitors water quality with the necessary analyses and treatments, as well as the accessibility of water sources, by installing dispensers connected to the supply network in the common areas of the buildings.

In terms of the spaces, the elimination of architectural barriers in buildings is monitored. In compliance with current legislation on universal accessibility, all the Group's buildings have accessibility measures for people with disabilities. Where space permits, communal seating areas have been provided for all occupants (indoor areas include seating and vending machines and outdoor areas are sheltered from wind and rain).

The numerous biodiversity measures implemented in the Colonial Group buildings improve the physical and psychological well-being of users by oxygenating the air, maintaining adequate humidity, reducing dust and creating a pleasant environment. To promote comfort and productivity, the Group focuses on open, airy spaces with optimal natural and artificial lighting. Facades with a high percentage of glazing facilitate the entry of light and exterior views, while LED lighting and natural light sensors in the renovations ensure a visually comfortable environment.

The Building Management Systems (BMS) implemented homogeneously in the buildings ensure that the air conditioning elements work in accordance with the indoor comfort strategies, monitoring and making certain that the indoor conditions are in line with the objectives of the Colonial Group's well-being policy.

In 2020, the Works Action Plan (WAP) was implemented for works that could affect clients and users of the buildings. The purpose of the WAP is to study the works promoted by Colonial, identifying the effects they may have on users (tenants, user companies, visitors, etc.) and adopting the necessary preventive, protective and corrective measures to eliminate or, at least, minimise these effects. These measures are complementary to those included in the Health and Safety Plan, in order to guarantee the comfort and well-being of all users during the works.

Furthermore, Colonial Group has a set of measures implemented in its buildings for clients to certify their office spaces with the WELL seal, either because they are located in an environment that is already adapted to the requirements of this certification or one that facilitates its application.

For example, Francisca Delgado 11 was awarded the International WELL Gold certificate in 2022.

INTERNATIONAL WELL BUILDING INSTITUTE™

On the other hand, health and well-being are an integral part of a broader vision of sustainability and as such are also present in the requirements of the sustainable certifications that the buildings in the portfolio have, such as BREEAM, LEED and HQE.

The spaces are equipped with cardioprotection by means of AEDs, which ensures the safety of workers and visitors to the buildings.

II. Good practices in environmental management

As part of these services, it has developed the *User's Manual for Good Practices in Environmental Management*, which provides specific guidelines on the building, aimed at ensuring that the tenant manages its implementation works and the maintenance of its offices in a manner consistent with the sustainability criteria of the Colonial Group's environmental policy.

It is a proactive, bidirectional and transparent document between the different clients and the Colonial Group, and is accessible for consultation and dissemination.

The new client contracts signed from the beginning of 2021 include green clauses, in such a way that the tenant undertakes to cooperate with Colonial and the other occupants of the building to achieve efficient environmental management of the building, energy and water savings, aligning with waste management initiatives and using materials derived from sustainable resources for the implementation or adaptation of private spaces.

In the case of SFL, all office rental contracts signed since 2016 include an environmental annex, which includes a guide for building occupants, with all the necessary information on accessibility and technical management, including energy, water and waste management. Direct communication is also established with end users through information panels that remind them of good practices for using the premises. In addition, at least once a year, a meeting is held with the main users to discuss issues of use, accessibility, investment or environmental impacts.

Utopicus, in line with the Group's Environmental Strategy, additionally implements the following measures, with the aim of raising awareness and promoting good sustainable practices.

- **Waste management**: in 2024, in addition to having recycling points in common areas, new signage was developed to help users recycle their waste correctly.
- **Biophilic design**: natural vegetation has been included in all areas of Madrid and Barcelona.
- **Awareness**: a line of programming has been developed to raise awareness in the community, through the different Utopicus platforms: internal newsletters, screens, web and social networks.
- **Welcome pack**: new merchandising that reflects Utopicus' sustainable values and encourages the reduction of single-use plastics in the space.
- **Signage and screens**: new measures have been implemented to promote good sustainable practices in the building: Recycling guides, recommendations on energy use and waste reduction or messages to encourage sustainable mobility, among others.

III. Sustainable mobility

Sustainable mobility is an essential component of smart cities and the quality of life of residents. The 2023 Paris Workplace Survey reaffirmed the importance of location and access to public transport. Inspired by the positive results of SFL's mobility surveys, Colonial Group plans to conduct similar studies in Spain to guide its future strategies.

To improve sustainable mobility, the Colonial Group is implementing services that encourage the use of eco-friendly transport, such as electric vehicles, bicycles and scooters. In this context, 100% of SFL's office assets are located within a 10-minute walk of a metro station, and infrastructure is being developed to promote sustainable modes of transport. These new forms of mobility are integrated into all new restructuring projects by creating charging infrastructure. This strategy is also being progressively deployed in the operational assets. In 2024, 10 assets are equipped with electric vehicle charging infrastructure, representing nearly 140 equipped parking spaces and charging equipment is planned for other buildings.

Additionally, in 2024, three of the operational assets (Washington Plaza, Édouard VII and 103 Grenelle) received the ActiveScore certification, which assesses the availability and quality of equipment and services that support modes of transport involving physical activity (walking, cycling, using electric scooters, etc.). These modes of transport are not only beneficial for people's health, but are also sustainable and have a reduced environmental impact compared to motorised modes of transport.

In Spain, the Colonial Group is implementing services that encourage the use of environmentally friendly transport, such as electric vehicles, bicycles and scooters. Notable initiatives include the creation of specialised facilities on its properties, offering more bike parking, showers and repair areas, with plans to expand these facilities to more buildings.

In addition, electric vehicle charging stations have been installed in the real estate portfolio, with the aim of preparing up to 20% of parking spaces for future demand. In 2024, as in 2023, there are 460 charging units installed in buildings in Madrid and Barcelona.

The allocation of bicycle parking has also increased, currently reaching 460 units (500 in 2023) in the buildings of both cities. In 2024, there will be 213 bicycle spaces and 12 scooter spaces, which represents an increase of 32 spaces compared to 2023, in addition to including boxes for folding bicycles. The Group also plans to create more spaces for parking both conventional and folding bicycles, as well as electric scooters.

7.2.2.4. Personalised service and satisfaction management

In recent years, the Colonial Group has opted to implement tools that enable it to communicate more directly with its clients, as well as to involve them in the management of the buildings, particularly in ESG issues.

I. Personalised attention: client solutions manager and space managers

The Colonial Group is aware that a personalised service is required in order to resolve all questions and doubts that arise in the day-to-day running of the properties. As such, it has created the client solutions manager position to manage each of the properties and perform the following functions:

- **Customer service**, as a direct point of contact between the client and the Colonial Group.
- **Control of the commercial activities**, analysing the profitability and economic viability of the property.
- **Sustainability and the environment**, promoting, together with the client, the environmental measures and actions that can be implemented in each circumstance. These professionals are trained in sustainability issues, specifically in relation to the requirements of BREEAM certification and the company's sustainability policies.
- **Maintenance and upkeep of buildings**, with continuous information to the clients about any relevant actions or works carried out on their properties.

The flexible work spaces (coworking) that the Colonial Group makes available to clients through Utopicus have a specific team assigned to them, made up of a space manager and a community front, to ensure a more personalised service.

II. Actions to engage users and clients with the spaces

The Colonial Group has a policy of regular communication with its customers and users to involve them in the management of its buildings and thus improve their experience. To this end, the following actions have been established through three channels:

- **Communication in focus groups**. In order to promote a closer relationship with clients, both in Spain and in France, the following are promoted:
  - Tenant Operating Committees (Paris):

    A meeting with the "main users" is held at least once a year.

    These address questions of use, accessibility, investment or environmental issues (certifications, energy and water consumption, waste management, etc.).
  - Events (Paris):

    Events are held twice a year to bring clients together in a different environment, in order to build long-term relationships. They normally take place at the Group's properties to show the progress of projects and team know-how.
  - Special activities (Paris):

    Events for users of Paris buildings, with increasing participation. Specific activities for each client, and competitions between companies in sports complexes or outdoor "pétanque" competitions, ecological product tasting events, among others.
  - "A coffee with a Client" (Spain):

    This programme promotes meetings with clients in a relaxed atmosphere in order to obtain their suggestions, comments and expectations. These meetings have been held this year, 2024. All clients were contacted and 48% provided valuable feedback to the client solution managers, more than doubling the participation rate from the previous year (23%).
- **Online communication.** Colonial's clients can communicate with Colonial and the clients solutions managers of its offices via the following tools:
  - Property intranet: through this platform they can electronically manage different aspects related to the use of the building, its services and facilities, as well as consult a database of documents.
  - The Colonial blog and social media: its content has been informing clients about trends in the real estate sector.

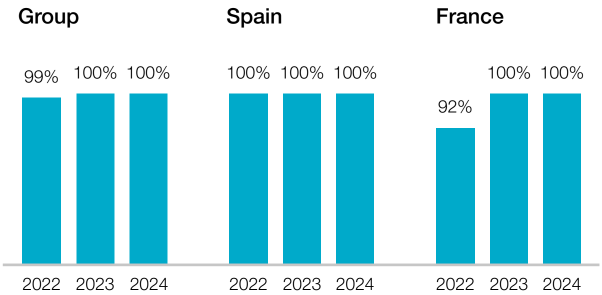
- **Written communication**. Different publications and brochures are made available to users and clients to facilitate and update their experience and use of the Colonial Group's spaces:
    - Biannual newspaper at Washington Plaza: this comes out twice a year with information on new features at the building.
    - Welcome brochures: addressed to the occupants of their buildings, both in Spain and in France, to collect all the information related to the building and its operation.

Another channel that allows Colonial to know customer needs is the intranet, through which customers can submit complaints. No complaints were recorded in 2024 (2 complaints received in 2023).

7.2.2.5. Safety and health of customers and users

In keeping with the commitment to guarantee the well-being of its employees, the Group takes this commitment beyond its own staff, carrying out safety and health assessments of all its assets in order to prevent any risks before they even materialise. In 2024, 100% of Group assets underwent a safety and health assessment.

% of assets that are assessed for health and safety risks



Incidents of non-compliance concerning health and safety

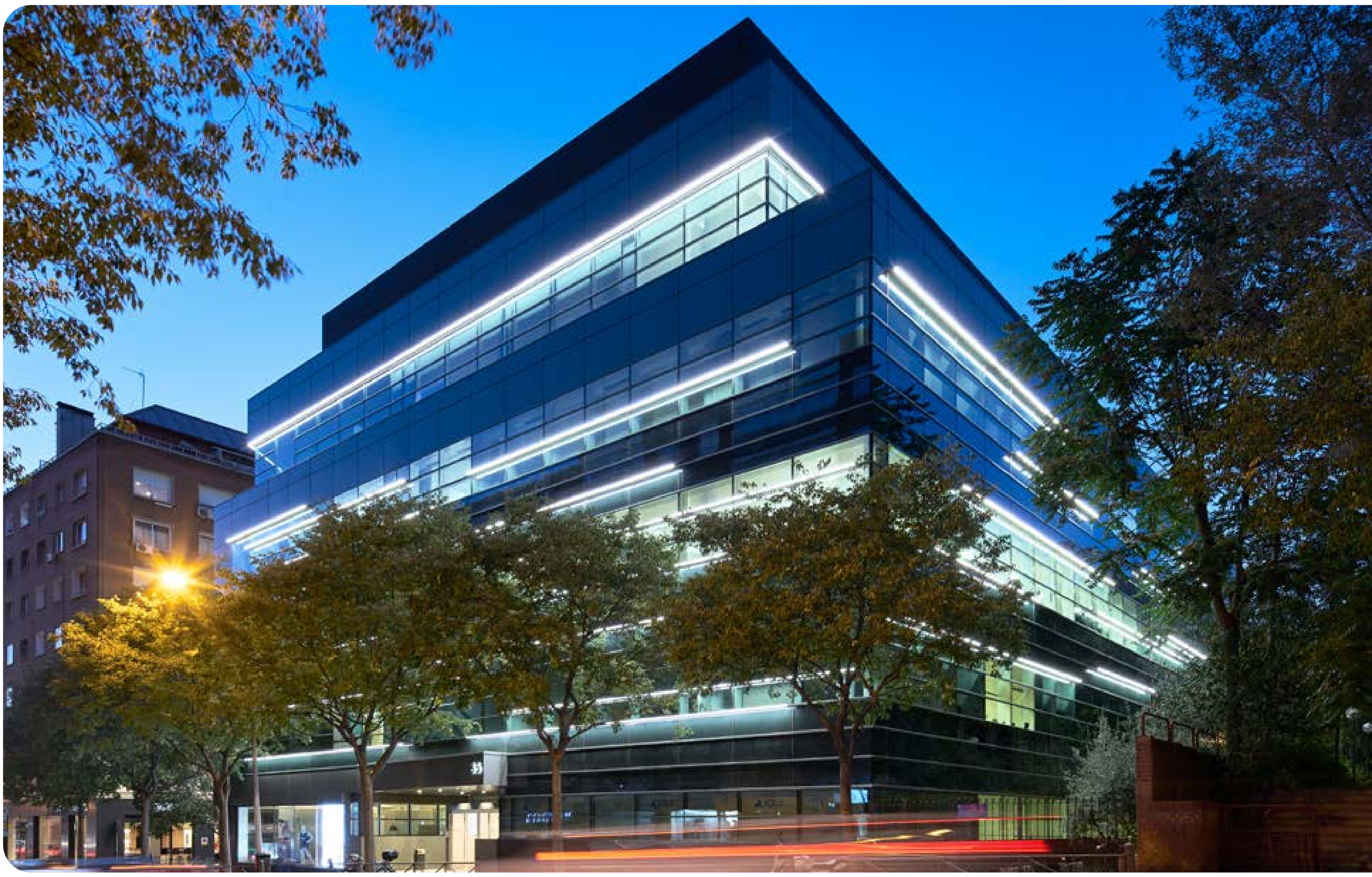
	2022	2023	2024
Spain	0	0	0
France	0	0	0

In this regard, with the commitment to providing the best working conditions to both employees and clients, the Colonial Group goes beyond the legal requirements by promoting a series of initiatives to make its buildings healthier.

Some of the main practices are as follows:

- Guidelines and procedures to manage and control safety and hygiene risks.
- Risk assessments of safety conditions in buildings.
- *Manual for coordination of economic activities*, for the occupational safety and health of employees and other users of buildings.
- Self-protection plans for the buildings, on the basis of which evacuation and fire drills are carried out in all multi-user buildings.
- Indoor air quality analysis, based on the UNE 171330-2:2014 and UNE 100012:2005 standards, which refer to indoor air quality, physico-chemical and microbiological aspects.
- Compliance with Royal Decree 352/2004, for the prevention and control of Legionnaire's Disease, and studies for the replacement of open cooling towers to prevent any risk of Legionnaire's Disease.
- Elimination of materials and products containing asbestos.
- Establishment of lead exposure risk assessments before work is carried out.
- Elimination of PCB transformers.
- Elimination of all equipment containing HCFC coolants, especially R22.
- Elimination of fuel oil boilers.

Globally, since 2020 the company has a business continuity plan that was presented to the Audit and Control Committee. Its objective is to identify the most critical processes and their maximum unavailability times, detecting the various people responsible for this plan and the roles and functions of the users. At the same time, it allows alternative solutions to be found for each of these processes in order to guarantee the service.



7.3. Social contribution

Colonial's contribution to society is reflected through all those activities carried out by the company in the areas of diversity, equality, human rights, human capital, product responsibility and community investment.

In its search for an impact that goes beyond the business, the Colonial Group recognises the importance of being an active agent of change in the communities where it operates, which translates not only into a conscientious social and work ethic, but also in fostering stronger relationships with all its stakeholders, thus generating a complete and integral company.

Through well-targeted and well-managed social initiatives, Colonial generates a positive impact on society, and also contributes to building a more inclusive, equitable and sustainable business and social environment. In this context and with a proactive attitude, Colonial has integrated the guidelines of the 2030 Agenda and its 17 Sustainable Development Goals (SDGs) into its corporate strategy to join the most ambitious action plan in favour of people, the planet and prosperity, aligning its actions within "The 5 Ps of Development" (people, planet, prosperity, peace and partnership), areas where their impact is direct and significant.

Through the creation of employment opportunities and educational programmes for skills development, Colonial directly contributes to the empowerment of local communities since it fosters their self-sufficiency and promotes equity. These efforts not only improve quality of life, but also foster the creation of ties and support networks that drive long-term economic and social growth.

Colonial plays a crucial role in promoting culture, art and urbanism, contributing to the preservation and enrichment of cultural heritage and strengthening community identity. The result is enhanced sustainable development and collective well-being.

To approach this section more precisely, we can group the actions into two main groups: Donations and sponsorships.

Donations

Through its donation initiatives, Colonial shows a special interest in supporting projects that promote the protection of physical and mental health, well-being, access to quality education, and that foster equality and dignity for all people. In this regard, the following initiatives stand out:

Quality education and economic growth: we support programmes that promote inclusive and quality learning, empowering people to access jobs that drive innovation and competitiveness and that spread cultural wealth:

- **Fundació Princesa de Girona**: promotes youth development through educational programmes, vocational training and cultural activities, fostering their leadership, creativity and social commitment in an inclusive environment.
- **IESE (University of Navarra)**: offers executive training programmes, MBAs and doctorates, focusing on ethics, leadership and social responsibility.
- **Ramon Llull University (ETHOS)**: promotes ethics in the business world through research, training, dissemination of knowledge and collaboration with institutions, seeking to foster social responsibility and sustainability in business.
- **Joan Miró Foundation**: its purpose is to preserve and disseminate the work of Joan Miró, promoting exhibitions, research, artistic education and support for contemporary creation.

Reducing inequalities: we promote the creation of more just and equitable societies to ensure that all people have access to resources, opportunities and rights, reducing gaps, generating opportunities and cultural diversity. This not only benefits individuals in particular, but also boosts economic development and the general well-being of the community by promoting peace and stability in society.

The most prominent organisations in this field are:

- **Inspiring Girls**: empowers girls and young women through workshops, mentoring and role models, promoting gender equality and self-confidence. Eight female Colonial employees joined its “Speed Networking” volunteer programme, where they told their story to motivate boys and girls between 13 and 16 years old and thus create female role models in the labour market and in different professional careers.

- **Ana Bella Foundation**: help spread the message of awareness and support for women who have suffered gender violence.

- **ARED Foundation**: promotes the social and labour integration of people at risk of exclusion through training and employment. Colonial attended its charity dinner with several employee volunteers.

- ***Palau de la música***: promotes social inclusion and the reduction of inequalities through educational programmes, accessible concerts and cultural activities that encourage the participation of diverse communities.

- **Norte Joven Association**: supports the social inclusion of young people at risk of exclusion through training, guidance, emotional support and recreational activities, promoting their personal and professional development.

- ***Fundació Nen Déu***: funding to host the *“Rock amb tu”* concert to support the integration of people with intellectual disabilities. Also, with this initiative, the Group promotes work in the currently precarious sector of musicians and artists.

- **Professional integration**: support for the European Week for the Employment of Disabled People, created by ADAPT in 1997, via our partner subsidiary, SFL. This annual event aims to raise awareness and facilitate the access of people with disabilities to employment.

- **Free space for Emmaüs**: lease of premises in Paris to the Emmaüs charity for use as a training centre.

Health and wellness: we seek to promote and encourage support for institutions that ensure access to comprehensive care and support during critical stages of life, where health and well-being are essential rights, regardless of the social status or economic capacity of those who need them.

- **Kálida Foundation**: provides comprehensive support (emotional, social and practical) to people with cancer and their families.

- **Educo Foundation**: we participate in the school **lunch scholarship programme** for children in vulnerable economic situations in Spain.

- ***Fundació Esclerosi Múltiple***: offers comprehensive support to people with multiple sclerosis and their families through rehabilitation services, research promotion, social awareness and job placement programmes.

- **King Baudouin Foundation**: ***Run&Walk Brussels 2024***: we supported the EPRA team in a charity race to support childhood cancer care.

Colonial’s most notable financial contributions to social initiatives (local associations and foundations) are detailed below:

Donation	Action	Amount
Fundació Princesa de Girona	Assistance in critical aspects of youth development	€43,000
Inspiring Girls	Inspirational engagement between school girls and professional women (volunteering)	€15,000
Fundación Ana Bella	Support for women who are victims of gender violence	€15,000
IESE	Support for educational projects	€12,000
Uni. Ramon Llull (ETHOS)	Support for research and educational projects	€9,000
Joan Miró Foundation	Cultural promotion and educational support	€7,000
Palau de la música	Social inclusion and reduction of inequalities through educational programmes	€5,000
ARED Foundation	Offers decent employment opportunities to people at high risk of social exclusion	€5,000
Norte Joven Association	Promotes the social and employment integration of disadvantaged young people	€5,000
Kálida Foundation	Cancer support (patient and family)	€5,000
Total		**€121,000**

Own projects

MADNUM, Colonial's most ambitious urban regeneration project, is still under development and shows a significant positive impact on disadvantaged communities by transforming previously industrial or socially deprived areas into inclusive, safe and prosperous spaces.

The creation of 5,000 sqm of dynamic spaces and 6,400 sqm of green areas promotes the revitalisation of the surrounding area, offering a new connection centre between the neighbourhood and MADNUM. It integrates differential services such as retail and gastronomic spaces and organisations or foundations with leading social purposes, together with flexible offices for those who work and live in the area.

Micro-mobility solutions – scooters, bicycles or pedestrian traffic – promote accessibility while having a low environmental impact, while glass windows and landscaped spaces with green roofs and plant walls improve sustainability, well-being and quality of life for those who interact with the space.

The planting of 120 trees and 15,000 shrubs, as well as the installation of nest boxes and insect hotels, not only contribute to the urban ecosystem with native species with low water consumption, but also create an ecologically valuable habitat, improving local biodiversity. This comprehensive approach by MADNUM enhances the cultural, social and technological transformation of the area, repositioning it as a dynamic hub for offices, residences and commercial activity, strengthening the social and economic fabric of the most vulnerable communities in the area.

Sponsorships and initiatives

Colonial considers the creation of strategic collaborations that allow both parties to enhance their impact on society, the environment and the economy to be a fundamental pillar, generating synergies that transcend the individual limits of each organisation. Interested in collaborating on inclusive economic projects with a positive impact, Colonial has **sponsored** various events together with organisations and associations in order to mobilise and share knowledge, expertise, technology and financial resources and thus support the achievement of the Sustainable Development Goals (SDG).

These actions are part of the Prosperity framework *(Prosperity)*, with the aim of ensuring that each individual can live a full life in balance with the natural environment.

European Public Real Association (EPRA) Conference is the most important event of the year for the European listed real estate sector. Colonial sponsored the 2024 EPRA Conference in Berlin which brought together all the European leaders in the listed real estate sector to network and discuss the latest trends underpinning our industry.

For the fourth consecutive year, Colonial sponsored ***Iberian Reit & Listed Conference in Madrid*****, promoted by** EPRA and Iberian Property, an in-depth debate aimed at the national and international investment community on the role of listed real estate companies and SOCIMIs, which Colonial, among other companies in the sector, sponsored.

For economic growth and prosperity, Colonial was also present at the 3rd edition of ***The District***, an international event dedicated to real estate from the perspective of the capital and investment markets, a great opportunity for Spain to place itself on the international real estate map.

In order to promote reflection, the exchange of experiences and networking among professionals in the sector, Colonial also sponsored the Jornadas del Economista, whose annual events bring together economists, experts and politicians to discuss current economic issues. These include conferences and round tables on macroeconomic analysis, sustainability and innovation.

One of the areas of focus for Colonial is the reduction of inequalities to the maximum extent possible. Therefore, within the real estate sector and in the economic and political sphere, we support and sponsor the gold category events and activities of interest of **WIRES *(Women In Real Estate)***, an organisation that promotes participation and gender equality among women in the real estate sector with the aim of providing a platform for professional development, education and networking among these professionals.

WIRE
WOMEN IN REAL ESTATE 2024

Finally, with the aim of building prosperous and equitable societies, Colonial is one of the sponsors of one of the largest events organised by **ESADE**, an academic institution that maintains close ties with the business world and is recognised for the quality of its education, its international reach and its clear focus on the holistic development of individuals.

ESADE *Innovation Quest* is a programme designed to promote innovation and entrepreneurship among the university's best students: they work in teams over several sessions to address real challenges posed by companies, applying agile methodologies and approaches to develop creative and viable solutions through workshops, team building exercises, and business cases.

IQ

At the end of the programme, the teams present their proposals to companies, which can result in the implementation of their ideas in the market.

Furthermore, in order to learn about the main developments in the real estate and economic sectors, as well as to understand the needs of the company's stakeholders, Colonial is a member of prominent associations, such as ***Foment del Treball Nacional***, ***Círculo de Economía***, ***Asociación Barcelona Global***, ***Asociación Española de Directivos (AED)***, ***Associació Promotors i Constructors d'Edificis (APCE)*** and ***Asociación para el Progreso de la Dirección (APD)***.

We also highlight the key participation in the following three associations:

- **ASIPA (Association of Patrimonial Investors)**: it promotes debate, the exchange of ideas, training and the defence of the interests of its members in the sector, encouraging the search for alternatives and proposals for its advancement and consolidation.

  Through this association, Colonial consolidates its commitment to fostering a highly professional and responsible real estate sector, promoting transparency in this industry and encouraging a stable legal framework.

- **EPRA (European Public Real Estate Association)**: non-profit association that facilitates, develops and represents the European real estate industry: Integrates companies, investors and suppliers.

- **ULI (Urban Land Institute)**: global organisation focused on promoting responsible land use and sustainable development. Six of Colonial's senior managers are members and have access to innovative research, benchmark practices in urban planning and an international network of experts in urban development. This helps improve Colonial's projects and their alignment with international standards.

The Group also participates in various relevant initiatives in the real estate sector, such as the **Global Real Estate Sustainability Benchmark (GRESB)**, the main actor for assessing the environmental and social performance of real estate players, which is awarded the Green Star label every year. Another relevant initiative in the context of environmental impact is the **Science-Based Targets initiative (SBTi)**, which aims to encourage companies to set greenhouse gas emission reduction targets aligned with the latest scientific work to limit the increase in global warming.

The French subsidiary SFL is also involved in various initiatives to promote sustainable development and mitigate the environmental impact of the real estate sector, such as:

- The **BBCA Association**: created in 2015, it brings together the main actors in the construction process. It is dedicated to deepening knowledge about low carbon buildings and promoting best practice with the BBCA label. The first BBCA label was introduced in 2016, followed by the BBCA Rénovation label in 2018. SFL was awarded the BBCA Rénovation label for the Biome project in 2022 and the "BBCA Low Carbon Intensity Award" in 2023.

- The ***Observatoire de l'Immobilier Durable (OID)***: a space for the exchange of knowledge and debate on sustainable development and innovation, with the aim of promoting the environmental, social and societal performance of the French real estate sector. SFL is a member of the Strategic Committee for the Development of Climate Change Adaptation Related Tools developed by OID.

- The **C3D Association**: it brings together sustainable development and CSR managers to promote the transformation towards more responsible companies and societies.

- ***Booster du Réemploi Association***: A4MT designs and implements a variety of participation programmes for its clients, in particular to encourage the reuse of materials from construction worksites. SFL has joined the "Booster" community, affirming its commitment to the recovery and reuse of materials.

Support for culture and architecture

The Colonial Group shows a strong commitment to supporting culture, architecture and urban planning through various initiatives and strategic collaborations.

- **Architecture and Urbanism**: SFL is involved in several major initiatives in this field, such as the *Pavillon de l'Arsenal,* the *Palladio* Foundation and AMO:
  - *Pavillon de l'Arsenal*: a non-profit organisation that promotes information and knowledge about the architectural heritage and urban landscape of Paris and its metropolitan area.
  - *Palladio* Foundation: it brings together companies from the real estate sector to encourage reflection on urban planning and strengthen communities. SFL, as a sponsor-partner for the ninth consecutive year, supports the foundation's efforts to enable real estate sector players to respond effectively to economic, environmental and social challenges.
  - AMO: association that promotes effective cooperation between project owners, contractors and other stakeholders in the construction process.
- **Support for Culture**: in line with its interest in art, Colonial collaborates with the *Piramidón Centre d'Art Contemporani*, uniting artistic practice with business activity to give visibility to creativity. This collaboration, which will continue throughout 2024, is reflected in the installation of works of art in the common areas of eight properties in its portfolio, bringing well-being and beauty to its users. The buildings that currently house these works include: Castellana 52, José Abascal 45, Ortega y Gasset 100, Castellana 163, Recoletos 37, Alfonso XII 62, in Madrid; and Torre BCN and Diagonal 532 in Barcelona.

  In the same vein, SFL supported the event **City of Paris – White Night**. This event, which celebrated its 22nd edition in 2024, aims to give a large public free access to a multidisciplinary artistic offer, presented in the French capital.

Colonial's main financial contributions in terms of sponsorship are outlined below:

Sponsorship	Action	Amount
Associació Barcelona Global	Barcelona & Partners Project	€25,000
EPRA	Annual World Real Estate Summit	€25,000
The District	Sponsorship of the "The District" conference	€24,990
WIRES (Women in Real Estate)	Gold category sponsorship in activities and events	€10,000
Iberian Property	Iberian Reit & Listed Conference Main Sponsor	€5,000
El Economista (jornadas)	Sponsorship of conferences	€5,000
ESADE Real Estate Club	Sponsorship of the real estate club	€4,000
Innovation Quest Esade	Innovation Quest event sponsorship	€3,500
Total		**€102,490**


8

8. Corporate Governance

8.1. Corporate Governance Structure

Colonial Group's corporate governance structure follows the guidelines established by Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Corporate Enterprises Act (LSC), as well as the provisions of the articles of association, the Rules of Procedure of the General Shareholders' Meeting, and the Regulations of the Board of Directors and its committees with powers.

As regards its hierarchical organisation, it is shown below:

General Shareholders' Meeting

Articles of Association and Rules of Procedure of the General Shareholders' Meeting

Board Regulations

Board of Directors

Strategic plan, management objectives and setting of corporate policies

Audit and Control Committee

INTERNAL AUDIT

COMPLIANCE UNIT

- Overseeing, preparing and reporting financial information.
- Proposing the external auditor and liaising with them.
- Overseeing ethical issues as well as sustainability issues.
- Providing information on related transactions.

Nomination and Remuneration Committee

CORPORATE GOVERNANCE UNIT

- Monitoring of selection and diversity policy.
- Proposing and monitoring the remuneration policy.
- Proposing and monitoring the training plan for board directors.
- Overseeing compliance with corporate governance rules and regulations.

Sustainability Committee

ESG COMMITTEE

- Assessing and reviewing the environmental and sustainable economy policies.
- Assessing and monitoring the sustainability indices.
- Advising the Board of Directors on environmental and sustainable development issues.
- Issuing reports on environmental and sustainable development issues.

The company's documents are available on the corporate website at the following:
https://www.inmocolonial.com/accionistas-e-inversores/gobierno-corporativo/documentacion

8.2. Share capital

At 31 December 2024, Colonial's share capital consisted of a total of 627,344,687 shares, all belonging to a single class and giving all holders the same rights, which are fully subscribed and paid up.

As regards the equal treatment of shareholders, this is enshrined in the articles of association, which in turn do not set any limit on the number of votes that can be cast by the same shareholder. In addition to the above, Colonial has a policy for reporting economic, financial, non-financial and corporate information to shareholders, institutional investors and proxy advisors in accordance with the recommendations of the *Good Governance Code for Listed Companies*.

Colonial's communication policy can be consulted here: https://www.inmocolonial.com/sites/default/files/uploaded-files/2021-10/col_politica_de_comunicacion_dic2020.pdf

Capital structure

During the 2024, the main changes in the share capital structure have been as follows:

- **Incorporation of Criteria Caixa, S.A.U. as a new reference shareholder**

  The Extraordinary General Shareholders's Meeting held on 12 June 2024 agreed to increase Colonial's share capital by 219,322,625 euros, through the issue and circulation of 87,729,050 new ordinary shares with a nominal value of 2.50 euros per unit, of the same class and series as those that were in circulation, the consideration for which consisted of cash and a series of registered properties corresponding to residential and office properties owned by Criteria Caixa, S.A.U. and certain wholly-owned subsidiaries of Criteria Caixa, S.A.U.

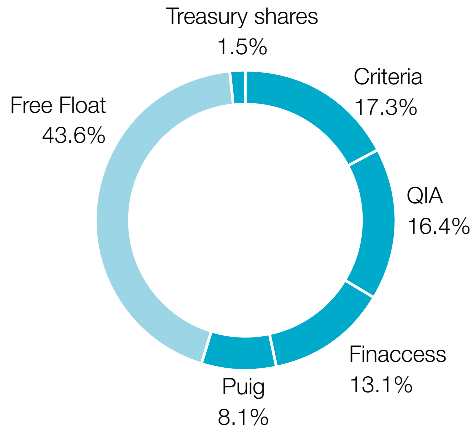
  As a result of the execution of the aforementioned capital increase, Criteria Caixa, S.A.U. came to hold a stake in Inmobiliaria Colonial, SOCIMI, S.A. of 17.6%.

  Likewise, as a result of the increase in Criteria Caixa, S.A.U.'s stake in Colonial's share capital, the appointment of two directors proposed by Criteria Caixa, S.A.U. was submitted for approval to the Extraordinary General Meeting (Ms Elena Salgado Méndez and Mr Felipe Matías Caviedes), with the aim of ensuring that the Board's composition would be proportional to the shareholding reality.

- **Aguila LTD is no longer a significant shareholder**

  As notified to the Spanish National Securities Market Commission dated 22 November 2024, the company Aguila LTD ceased to be a significant shareholder of Colonial. In connection with the above, the company Aguila LTD. is no longer represented on the Board of Directors of Colonial.

The share capital structure as at 31 December 2024 is as follows:



Likewise, updated information on the share capital structure is always available, both on the website of Inmobiliaria Colonial, SOCIMI, SA and on the website of the Spanish National Securities Market Commission (CNMV).

Colonial's share price and share performance in real time: https://www.inmocolonial.com/en/shareholders-and-investors/colonials-share/share-capital-and-shareholder-structure

8.3. General Shareholders' Meeting

The General Shareholders' Meeting is a meeting of Colonial's shareholders, in compliance with the formalities and requirements laid down by law under the Corporate Enterprises Act, to deliberate and decide by majority vote on matters within its competence, thus expressing the company's will in the form of a resolution. For these purposes, in order to facilitate the exercise of the rights to attend and participate in the General Shareholders' Meeting under equal conditions, Colonial permanently publishes on its website the requirements and procedures for participation, as well as the system for adopting resolutions, which is the same as that set out in the Capital Companies Act.

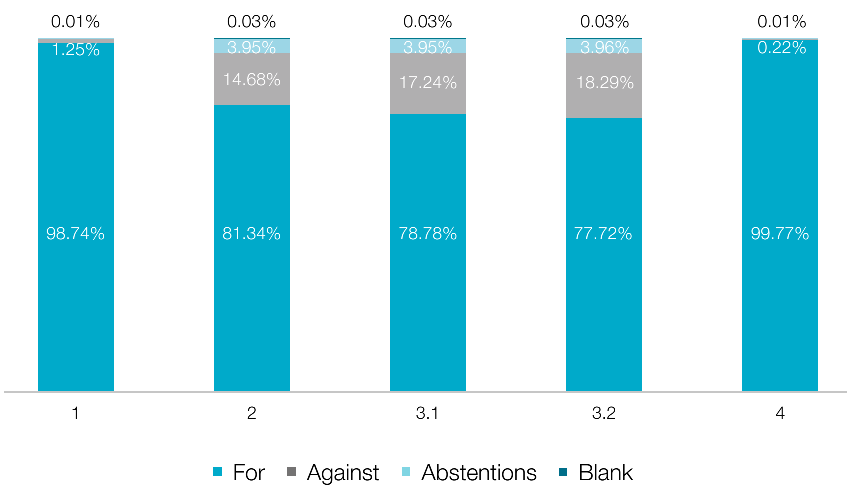
In this respect, it should be borne in mind that in order for the General Meeting to validly resolve to increase or reduce capital and any other amendment of the Articles of Association, the issue of debentures convertible into shares or debentures granting bondholders a share in the company's profits, the abolition or limitation of the pre-emptive right to acquire new shares, as well as the transformation, merger, demerger or global transfer of assets and liabilities, the transfer of the registered office abroad or any other matter determined by law, if the capital present or represented exceeds fifty per cent, it shall be sufficient for the resolution to be adopted by an absolute majority. However, the favourable vote of two-thirds of the capital present or represented at the General Meeting shall be required when, at second call, shareholders representing twenty-five per cent or more of the subscribed capital with voting rights, without reaching fifty per cent, are present.

Results of the General Meetings held in 2024

In 2024, the General Shareholders' Meeting held an extraordinary meeting on 12 June and an ordinary meeting on 13 June, at which all the resolutions submitted for approval by the Board of Directors were passed. Without prejudice to the fact that all the documentation relating to the content of the proposals submitted for approval and the results of the votes are available on Colonial's website, the main indicators are as follows:

EGM 12 June 2024	
Attendance figures	132 shareholders: 79.89% of the share capital
Main resolutions	Link to the agenda: www.inmocolonial.com
Additional proposals made by shareholders	No
Shareholders' remarks	Three shareholders spoke
Live webcast	Yes
Average vote in favour	The average vote in favour was 87.27%. The details of each of the points can be seen in the graph below.

EGM 2024 voting results



1. Increase in share capital.
2. Determination of the number of members of the Board of Directors.

3.1. Appointment of Ms Elena Salgado Mendez as Company Director.

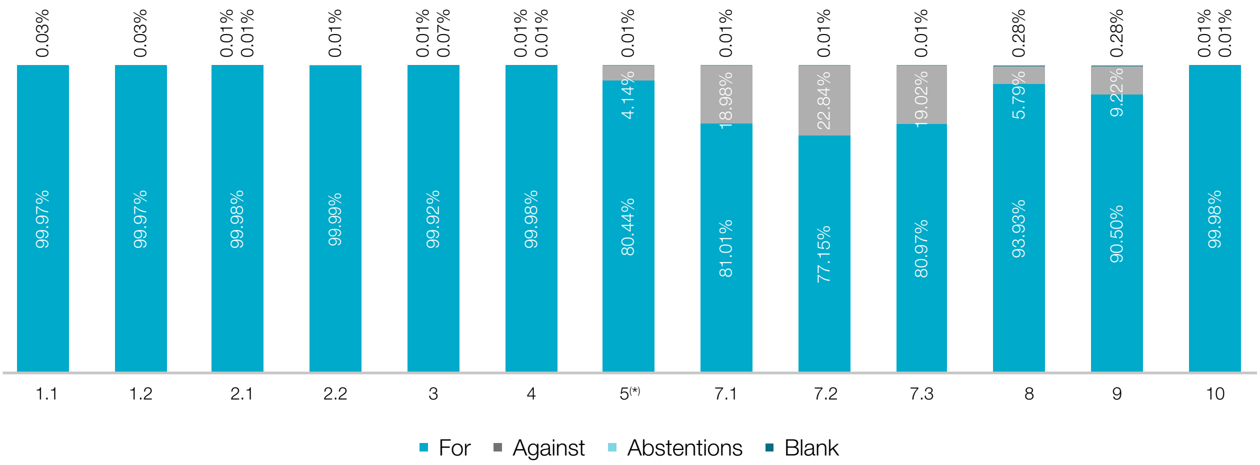
3.2. Appointment of Mr Felipe Matías Caviedes as Director of the Company.

4. Delegation of powers.

AGM 13 June 2024

Attendance figures	166 shareholders: 83.37% of the share capital
Main resolutions	Link to the agenda: www.inmocolonial.com
Additional proposals made by shareholders	No
Shareholders' remarks	No
Live webcast	Yes
Average vote in favour	The average vote in favour was 92.60%. The details of each of the points can be seen in the graph below.

AGM 2024 voting results



1.1. Examination and approval of the individual annual financial statements.

1.2. Examination and approval of the consolidated financial statements.

2.1. Examination and approval of the proposed distribution of profit.

2.2. Distribution of dividends.

3. Examination and approval of management reports and approval of the management of the Board of Directors.

4. Appointment of the auditor for the financial years ending on December 31, 2025, 2026 and 2027.

5. Authorisation to shorten the period established for calling the EGMs.

6. Establishment of the number of members of the Board of Directors.

7.1. Ratification and appointment of Mr. Giuliano Rotondo as Director of the Company.

7.2. Re-election of Sheikh Ali Jassim M. J. Al-Thani as Company Director.

7.3. Re-election of Carlos Fernández González as Company Director.

8. Approval of a long-term incentive plan (LTIP) consisting of the award of shares in the Company.

9. Voting, in an advisory basis, on the Annual Report on the Remuneration of Directors.

10. Delegation of powers.

(*) According to Article 515 of the Capital Companies Act, this percentage is calculated on the basis of the total voting share capital.

Notwithstanding the fact that all the proposals submitted to the Extraordinary General Meeting and the Ordinary General Meeting were approved by a large majority, the proposals that received the highest percentage of dissenting votes are listed below:

EGM 2024

- Proposal 3.2, corresponding to the appointment of Felipe Matías Caviedes as a director of the company, was opposed by 18.29%.
- Proposal 3.1, corresponding to the appointment of Elena Salgado Méndez as a director of the company, was opposed by 17.24%.

AGM 2024

- Proposal 7.2 regarding the re-election of Sheikh Ali Jassim M.J. Al-Thani's nomination as a member of the Company's Board of Directors was met with 22.84% opposition.
- Proposal 7.3, corresponding to the re-election of Carlos Fernández González as a director of the company, was opposed by 19.02%.
- Proposal 7.1, corresponding to the ratification and appointment of Giuliano Rotondo as a director of the company, was opposed by 18.98%.

The proposals most objected to related to the appointment or re-election of five proprietary directors. In this regard, on the occasion of the call for the Ordinary General Meeting and the Extraordinary General Meeting, the corresponding reports from the Nomination and Remuneration Committee justifying the re-election/appointment proposals were made available to the shareholders. The aforementioned reports contained a detailed description of the academic and professional profiles of the proposed board members, with the aforementioned committee concluding that all of them possess the specific knowledge, skills and competencies, as well as the necessary experience and merits and meet the requirements of integrity, suitability, solvency, availability and commitment to the duties of a Colonial board member. In addition, during the 2024 financial year, the Nomination and Remuneration Committee verified compliance with Colonial's Selection and Diversity Policy and **with the new parity requirements set out in the Capital Companies Law** and carried out an analysis of the composition of the Board of Directors, its needs and the company's shareholding structure.

Communication with Sharehoders and Proxy Advisors

Colonial's priority is to promote the exercise of voting rights by its shareholders at the General and Extraordinary Meetings held in order to know their opinion on the main issues at the corporate governance level. To this end, various actions are carried out throughout the year to promote voting by its shareholders, as well as to understand, assess and apply improvements in governance policies proposed by the main international stakeholders.

Engagement with Proxy Advisors – ISS and Glass Lewis

In the capital markets, Glass Lewis and ISS are the two main consulting firms for institutional investors on how they should vote on each of the proposed resolutions of each shareholders' meeting, in order to comply with both the applicable local legislation as well as international best practices.

Throughout the year, the investor relations team has maintained regular contact with ISS and Glass Lewis, attending their sector meetings to anticipate and implement practical improvements in terms of governance and Proxy Vote Management. The company has also organised bilateral meetings to quantify and understand voting intentions on the resolutions of the proposals for the meeting and new trends. The chairwoman of the Colonial Group's Remuneration Committee has also participated in some non-strategic meetings.

Communication with shareholders prior to the Shareholders' Meetings

Following the call for each meeting, whether Ordinary or Extraordinary, Colonial together with the global governance consultant, *Georgeson,* launches a *"Proxy Advisory"* campaign to: (i) carry out an identification of shareholders and (ii) prepare and distribute a detailed report on the points to be voted on, explaining and detailing the key public information that Colonial prepares and publishes on its website, especially the annual remuneration report and the long-term incentive plan policy.

With an average annual reach of between 80% and 90% of shareholders, the company ensures that institutional investors with positions in Colonial receive specific details of the points that are put to a vote and the explanations that the company provides for each of them.

During this period, Colonial's Investor Relations team liaises with the *Governance* departments of the main institutional shareholders through bilateral meetings where the company's policies to be voted on are explained in detail, or through letters that these investors send to the Chairman of the Board of Directors where they explain their vision of the company and their corporate governance priorities for the coming year, along with their decision on the points to be voted on at the Meeting. These interactions with the investment community help the Group understand the needs of its shareholders and align its policies with the best international standards.

8.4. Board of Directors

8.4.1. Highlights

Colonial has a balanced, diverse and effective board of directors and committees, which apply various practices that ensure the proper functioning of the various management bodies.

I. Composition and functioning

Adequate size: 13 members.

Term of office: 4 years.

Separation of president/CEO positions.

Non-executive chairman.

Individual attendance level of over 98%, showing high commitment of the directors.

Ongoing training and induction programmes for directors.

II. Independence of the Board of Directors

- Degree of independence: 31%.
- 100% of independent directors have served for less than 6 years.
- Of the last 5 appointments of independent directors, 4 have been women.

Audit and Control, Nomination and Remuneration, and Sustainability Committees: 100% non-executive and chaired by independents.

Committees with a high degree of independence:

- Audit and Control Committee: 75% independent.
- Nomination and Remuneration Committee: 75% independent.
- Sustainability Committee: 100% independent.

Average length of service of independent directors: <5 years.

III. Diversity

Gender diversity: 50% of non-executive directors are women.

All advisory committees of the Board are chaired by women.

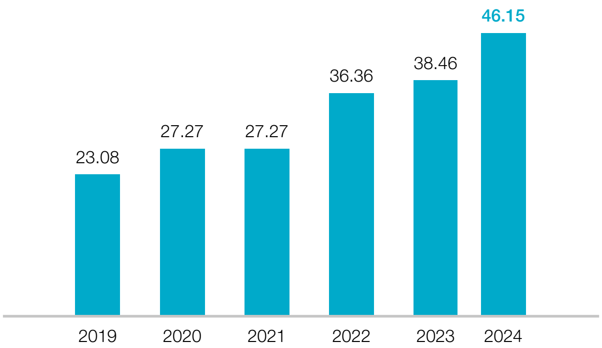
100% of the members of the Board's 3 delegated committees are women.

Appropriate balance of diversity of knowledge and expertise in the Board.

Five different nationalities.

Board of Directors

% Women out of total directors



Audit and Control Committee

100% women

Chaired by a woman

Nomination and Remuneration Committee

100% women

Chaired by a woman

Sustainability Committee

100% women

Chaired by a woman

8.4.2. Internal regulations

The **Board of Directors of Inmobiliaria Colonial**, in accordance with the company's articles of association, is vested with the broadest powers for all matters related to the oversight of the company's management, as well as with all the powers not attributed by law or by the articles of association to the General Shareholders' Meeting.

Pursuant to the above, the Regulations of the Board of Directors establish that the Board of Directors is responsible, without the possibility of delegation, for determining the general policies and strategies of the company, including the corporate social responsibility policy, the approval of the investment and financing policy, the strategic or business plan, the annual management and budget objectives and the policy relating to its own shares, as well as determining the corporate governance policy of the company and the Group and the dividend policy. The Board of Directors also determines the risk control and management policy, including tax risks, identifies the company's main risks and implements and supervises the internal information and control systems, in order to ensure the future viability and competitiveness of the company and adopts the most relevant decisions for its best development.

The composition of the Board of Directors, as well as the procedure for the appointment of its members, the evaluation of their performance and the proposals and measures for improvement in the management and administration of the company, are determined by the Capital Companies Act and the Articles of Association, without prejudice to the commitment to the recommendations on good corporate governance issued by the National Securities Market Commission (CNMV).

In exercising its duties, the Board acts with unity of purpose and independence of judgement, and treats all shareholders in the same position equally. It is guided by the Company's interest, understood as the achievement of a profitable and sustainable business in the long term, promoting its continuity and the maximisation of the company's economic value. Seeking the Company's best interests, in compliance with laws and regulations and a conduct based on good faith, ethics and respect for uses and commonly accepted good practices, the Board of Directors strives to reconcile corporate interests with the legitimate interests of its employees, suppliers, clients and any other stakeholders that could be affected, and the impact of the company's activities on the community as a whole and on the environment.

In relation to the above, Colonial has the following documents available on its corporate website:

- Articles of Association
- Rules of Procedure of the General Shareholders' Meeting
- Regulations of the Board of Directors
- Regulations of the Audit and Control Commission
- Selection and Diversity Policy
- Criminal compliance and prevention policy
- Policy on reporting economic-financial, non-financial and corporate information to shareholders, institutional investors, and proxy advisors

- Requirements and procedures for proving ownership of shares, the right to attend the General Shareholders' Meeting and the exercise or delegation of voting rights
- Code of Ethics
- Treasury Stock Policy
- Policy on processing and dissemination of inside information and other relevant information
- Corporate social responsibility policy
- Equality plan
- Colonial Group's Ethics Channel General Policy
- Ethical Channel Procedure
- Compliance policy
- Anti-Corruption policy
- Supplier ESG criteria policy

8.4.3. Classification of Directors

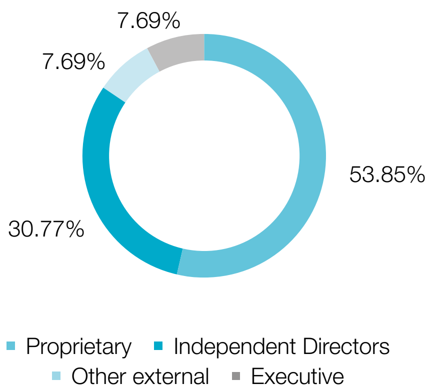
As at 31 December 2024, Colonial's Board of Directors was made up of:

- **54% proprietary directors, 7 of 13.**

  Two of whom are representing Criteria (17% of Colonial's share capital), two are representing Qatar Investment Authority (16% of Colonial's share capital), two are representing Finaccess (13% of Colonial's share capital), and one is representing Puig (8% of Colonial's share capital).

- **31% independent directors, 4 out of 13.**
- **8% executive directors, 1 out of 13.**
- **8% of other external directors, 1 out of 13.**

Director categories



8.4.4. Composition of the Board of Directors

As provided for in current legislation, directors are appointed by the General Shareholders' Meeting, or, in the event of an early vacancy, directly by the Board of Directors in the exercise of its power of co-option, until the next general meeting is held. In accordance with the foregoing, the procedure and criteria to be followed in the appointment and re-election of candidates for director is subject to the provisions of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Corporate Enterprises Act (LSC), the articles of association and the Regulations of the Board of Directors.

At 31 December 2024, the composition of the Board of Directors of Inmobiliaria Colonial, SOCIMI, S.A. and its advisory committees was as follows:

Name of Director	Position	Nature of charge	EC	NRC	ACC	SC
Juan José Brugera Clavero	Chairman	Other external	P			
Pere Viñolas Serra	Chief Executive Officer & Vice Chairman	Executive	V			
Sheikh Ali Jassim M. J. Al-Thani - QIA	Director	Dominical				
Silvia Mónica Alonso-Castrillo Allain	Director	Independ.		V		P
Ana Bolado Valle	Director	Independ.	V	P	V	V
Carlos Fernández González - Finaccess	Director	Dominical	V			
Miriam González-Amézqueta López	Director	Independ.			P	
Felipe Matias Caviedes - Criteria	Director	Dominical	V			
Begoña Orgambide García - Finaccess	Director	Dominical			V	
Ana Peralta Moreno	Director	Independ.		V	V	V
Manuel Puig Rocha - Puig	Director	Dominical				
Giuliano Rotondo - QIA	Director	Dominical	V			
Elena Salgado Méndez - Criteria	Director	Dominical		V		
Francisco Palá Laguna	Secretary	Non-Director	S	S	S	S
Nuria Oferil Coll	Vicesecretary	Non-Director	VS	VS	VS	VS

Notes:
– ACC: Audit and Control Committee
– NRC: Nomination and Remuneration Committee
– EC: Executive Committee
– SC: Sustainability Committee
– P: President
– VP: Vice president
– V: Vocal
– S: Secretary
– VS: Vice secretary

Main changes to the Board of Directors during the 2024 financial year:

- The Board of Directors of Colonial, at its meeting held on May 9, 2024, agreed to accept the resignation submitted by Mr. Luis Maluquer Trepat as Director. Luis Maluquer Trepat's decision was due to the fact that he considered that the time had come to conclude a cycle in his professional life.
- On 12 June 2024, the Extraordinary General Shareholders' Meeting approved, within the framework of the capital increase with Criteria, the appointment of Ms Elena Salgado Méndez and Mr. Felipe Matías Caviedes as directors representing Criteria.
- On 13 June, 2024, the Ordinary General Shareholders' Meeting approved the ratification and appointment of Giuliano Rotondo as a new member of the Company's Board of Directors, as proprietary director. Giuliano was appointed as a Director by co-option to the Board of Directors held on 18 October 2023, following a favourable report from the Nomination and Remuneration Committee, at the proposal of Qatar Investment Authority, in order to fill the vacancy on the Board of Directors following the resignation of Mr Adnane Mousannif.

- Effective 11 September, 2024, Juan Carlos García Cañizares resigned as Director for professional reasons that would prevent him from having sufficient free time in the future to properly perform his duties as a director of the Company.

8.4.5. Diversity and competence matrix of the members of the Board of Directors

The appointment or re-election of candidates to the Board of Directors is carried out in compliance with Colonial's selection and diversity policy and is based on the principles of diversity and balance in the composition of the Board of Directors, within the overarching objective of making the operation of this body more effective and professional and increasing the quality of corporate management.

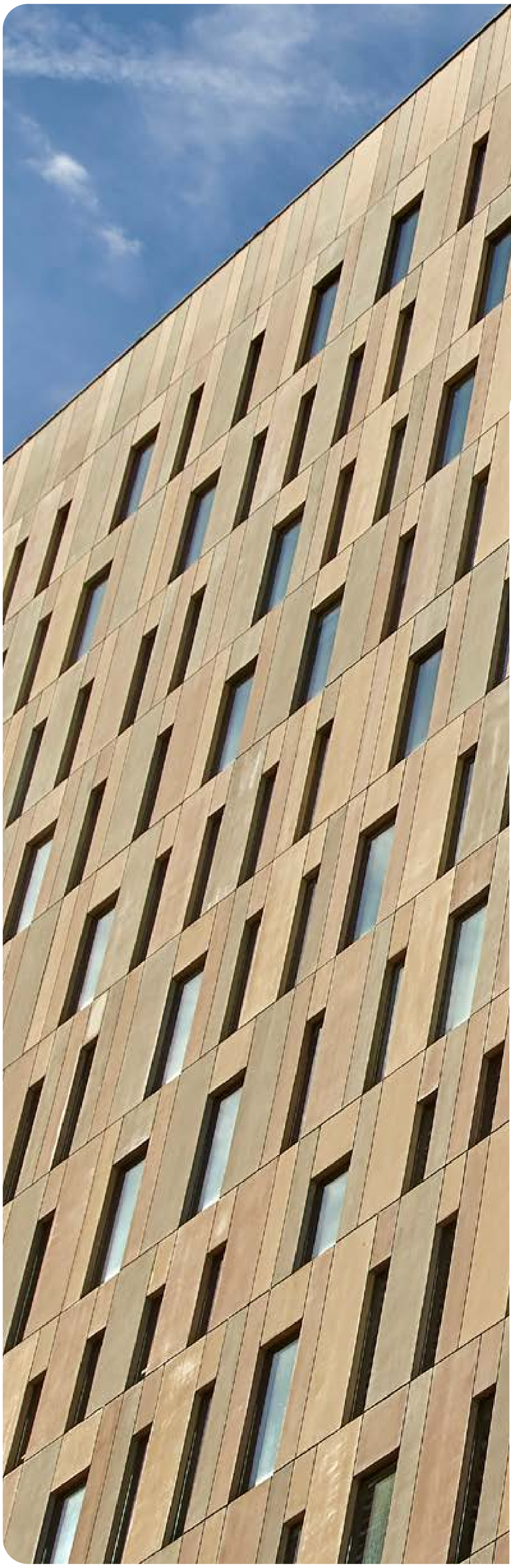
In accordance with the selection and diversity policy, the selection of candidates for directorship requires a prior analysis of the company's needs, carried out by the Board of Directors, following a report from the Nomination and Remuneration Committee (NRC). In this process, individuals will be sought who meet the requirements of ability, qualifications and professional and personal integrity set out in the policy. Once these requirements have been met, care shall be taken to ensure that the selection processes favour the integration of directors on the Board of Directors with a diversity of training and professional experience, skills, knowledge, age and gender, and that they do not suffer from any implicit bias that could imply any discrimination on grounds of gender, age or different abilities, among others. This shall always be done in the Company's best interests.

As part of the verification of compliance with Colonial's selection and diversity policy, in 2024 the Nomination and Remuneration Committee analysed the composition of the Board of Directors, its needs and the company's shareholding structure, in order to assess the conditions that the directors should meet while exercising their positions and the dedication necessary for proper performance. This shall all be done within the framework of different selection processes. In light of the above, in order to continue promoting a diverse composition appropriate to the needs of the Board of Directors, the Nomination and Remuneration Committee has reported on all the appointments that have been submitted to the General Shareholders' Meeting during 2024.

Below is the matrix of competencies of the members of the Board of Directors:

Areas of expertise / knowledge

Director	Classification	Real Estate	Internat.	Management and Administration	Finance	Audit, risks and compliance	ESG	Corporate Governance	Legal and tax	Previous experience in other boards
J. J. Brugera Chairman	Other external	✓	✓	✓	✓		✓	✓		✓
P. Viñolas CEO & Vice-Chairman	Executive	✓	✓	✓	✓	✓	✓	✓		✓
Sheikh Ali Jassim	Proprietary	✓	✓	✓	✓	✓		✓		✓
S. Alonso-Castrillo	Independent	✓	✓	✓	✓		✓	✓	✓	✓
A. Bolado	Independent	✓	✓	✓	✓	✓	✓	✓		✓
C. Fernández	Proprietary	✓	✓	✓	✓	✓	✓	✓		✓
M. González-Amézqueta	Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓
F. Matías	Proprietary	✓		✓	✓	✓			✓	✓
B. Orgambide	Proprietary	✓	✓	✓	✓	✓		✓		✓
A. Peralta	Independent	✓		✓	✓	✓	✓	✓		✓
M. Puig	Proprietary	✓	✓	✓	✓	✓	✓	✓		✓
G. Rotondo	Proprietary	✓	✓	✓	✓		✓	✓	✓	✓
E. Salgado	Proprietary		✓	✓	✓		✓	✓	✓	✓



This competency matrix shows that Colonial's directors' expertise/knowledge lies primarily in management and administration and finance, and that they all have prior experience on other boards.

Field of expertise / knowledge

In terms of international experience, Europe and the Americas (North America and Latin America) are the continents with the most work experience.

In addition to the above, the academic and professional profile of the board members, as well as their participation in the share capital, can always be found on the corporate website.

8.4.6. Directors' individual attendance

With regard to the attendance of directors at meetings of the Board of Directors and its delegated committees during the 2024 financial year, detailed information on this matter is included below:

Highlight: The average attendance was 98%

	Board	NRC(*)	Audit and Control Committee	Sustainability Committee
Director	12	11	16	5
Juan José Brugera Clavero	100%	–	–	–
Pedro Viñolas Serra	100%	–	–	–
Sheikh Ali Jassim M.J. Al-Thani	100%	–	–	–
Silvia Mónica Alonso-Castrillo Allain	100%	100%	–	100%
Ana Bolado Valle	100%	100%	100%	100%
Carlos Fernández González	92%(1)	–	–	–
Juan Carlos García Cañizares	100%	86%(2)	–	–
Miriam González-Amézqueta	100%	–	100%	–
Felipe Matías Caviedes	100%	–	–	–
Luis Maluquer Trepat	100%	100%	100%	100%
Begoña Orgambide García	100%	–	100%	–
Ana Peralta Moreno	100%	100%	94%(3)	100%
Manuel Puig Rocha	92%(4)	–	–	–
Giuliano Rotondo	92%(5)	–	–	–
Elena Salgado Méndez	100%	100%	–	–

(*) NRC: Nomination and Remuneration Committee.

(1) Carlos Fernández González attended all the meetings held, with the exception of the Board of Directors' meeting of 24 May 2024, having delegated his vote to Begoña Orgambide García.

(2) Juan Carlos García Cañizares attended 100% of the meetings of the Board of Directors during 2024. He has attended all meetings of the Nomination and Remuneration Committee (NRC) except for the meeting on 8 May, having delegated his vote to the chair.

(3) Ana Peralta Moreno attended all meetings held in 2024, except for the meeting of the Audit and Control Committee on 29 July 2024, having delegated her vote to the chair.

(4) Manuel Puig Rocha attended all the meetings held, with the exception of the Board of Directors' meeting of 26 September 2024, having delegated his vote to the chair.

(5) Giuliano Rotondo has attended all meetings held, with the exception of the meeting of the Board of Directors on 26 September 2024, having delegated his vote to the Chairman.

8.4.7. Directors' right to information

The directors of the Colonial Group are vested with the broadest powers to inquire into any aspect of the company, to examine its books, records, documents and other background information on corporate operations. In this respect, they have at their disposal, among other means, applications and information tools where they can access at any time all the information relating to the Board of Directors, its committees, any update plans, news, and legislative developments, among other contents.

8.4.8. Plan for the updating and training of board members

In order to develop and enhance the collective knowledge of the highest governing body on economic, environmental and social issues, the Colonial Group has the **Refresher Plan for the Board**. It is developed under the leadership of the chairman of the Nomination and Remuneration Committee in collaboration with the Corporate Governance Unit, with the aim of informing on new trends that have arisen in the sector and are having a disruptive effect on the real estate business.

In this regard, an annual refresher and training plan is established for the company's directors, which sets out its dates, content, recipients and speakers.

The refresher training sessions, depending on the subject matter, are given by members of the Colonial management team or by external professionals of recognised prestige.

During 2024, the following training sessions have been held:

- "Trends in Corporate Activism" (September 25, 2024).
- "Impact of teleworking on the office sector" (October 15, 2024).
- "Implementation of the Corporate Sustainability Report. New ESG challenges" (November 6, 2024).
- "Geopolitical risks in the new international order after the US elections" (December 12, 2024).

8.4.9. Conflicts of interest

In relation to the regulation of potential conflicts of interest, Colonial is subject to the provisions of the Capital Companies Act, which establishes that directors must abstain from participating in the deliberation and voting on resolutions or decisions in which they or a related person have a direct or indirect conflict of interest. Votes from directors affected by a conflict of interest who are required to absent themselves from the meeting shall be deducted from the calculation of the majority of votes necessary. The above obligation to abstain shall not apply to resolutions or decisions that affect them as directors, such as their appointment or revocation for positions on the administrative body or others of similar significance.

Likewise, also in accordance with the provisions of the Capital Companies Act, directors must adopt the necessary measures to avoid incurring in situations in which their interests, whether on their own behalf or on behalf of others, may conflict with the corporate interest and with their duties to the company and, in particular, directors must abstain from:

a) Conducting any business transactions with the company, except in the case of ordinary transactions, made on standard terms for clients and of little significance, i.e., transactions whose information is not necessary to give a true and fair view of the company's assets, financial position and profitability.

b) Using the name of the company or invoking their status as a director to improperly influence private transactions.

c) Making use of corporate assets, including confidential information of the company, for private purposes.

d) Taking advantage of the company's business opportunities.

e) Obtaining advantages or remuneration from third parties other than the company and its Group in connection with the performance of their duties, except in the case of mere courtesy.

f) Engaging in activities on their own account or on account of others which entail an effective competition, whether actual or potential, with the company or which are otherwise in permanent conflict with the interests of the company. The above shall also apply if the beneficiary of the prohibited acts or activities is a person related to the director, as defined by law.

The above is mandatory and cannot be modified by the company in its articles of association; however, the law also provides for a waiver regime whereby the company may waive the above prohibitions in individual cases by authorising a director or related person to enter into a particular transaction with the company, to use certain company assets, to take advantage of a particular business opportunity, to obtain an advantage or remuneration from a third party.

Such authorisation must necessarily be approved by the general meeting if it is intended to waive the prohibition on obtaining an advantage or remuneration from third parties, or if it concerns a transaction whose value exceeds ten per cent of the company's assets. In other cases, the authorisation may also be granted by the board of directors provided that the independence of the members granting the authorisation from the exempted director is guaranteed. In addition, the safety of the authorised operation for the Company's assets or, where appropriate, its implementation under market conditions and the transparency of the process shall be ensured.

Finally, the obligation not to compete with the company may only be waived if no harm to the company is to be expected or if the expected harm is outweighed by the expected benefits to the company. The waiver shall be granted by express and separate resolution of the General Shareholders' Meeting.

On an annual basis, the directors report on possible situations of conflict of interest that either they themselves or persons related to them may have with the company and, if any, these are reported in the financial report, within the *Annual Corporate Governance Report.* As far as the 2024 financial year is concerned, no conflict of interest situations have arisen.

8.4.10. Actions of the Board of Directors during the financial year 2024

On an annual basis, the full Board assesses the quality and efficiency of its own actions, as well as the actions and composition of its Committees, the diversity of their composition and their powers. A performance evaluation is also carried out on the Chairman, the CEO and the Secretary of the Board.

In this regard, each of the committees prepares a report on its operation during the financial year and submits it to the Board of Directors. This report includes an analysis of the composition, operation, competencies and main activities carried out during the year, as well as a final evaluation and a proposal for improvements. As regards the evaluation of the Board of Directors, the report is prepared by the Nomination and Remuneration Committee and is submitted together with the rest of the operating reports to the Board of Directors for approval.

In addition to the above, in accordance with Colonial's spirit of continuous improvement in corporate governance and going beyond the requirements established by both the regulations and best practices, the Board of Directors commissioned an external independent expert (*Georgeson*) to evaluate the Board and its committees in terms of their composition, operation and responsibilities. *Georgeson* sent an evaluation questionnaire to the members of the Board of Directors, which was completed by the directors. Based on their responses, Georgeson has prepared a report of conclusions which analyses the responses of the directors and suggests recommendations for improvement. Following the assessment, the Board of Directors approved the performance reports and the assessments of the Board and its advisory committees.

The main conclusions of the operating reports are highlighted below. More detailed information can be found in Colonial's Annual Corporate Governance Report for the year 2024, available on Colonial's website. In addition, the complete reports on the operation of the Audit and Control Committee and the Nomination and Remuneration Committee are made available to the public on the corporate website on the occasion of the call for the Ordinary General Meeting.

During 2024, the following Board actions stand out:

In 2024, the Board of Directors performed the following **ordinary management** activities, among others: monitoring the strategy and management of Colonial's businesses, carrying out the appropriate analyses of the investment and divestment proposals, calling the Ordinary General Shareholders' Meeting with the corresponding proposed resolutions, and the Extraordinary General Shareholders' Meeting in the context of the corporate operation with Criteria Caixa. Likewise, the Board of Directors has continued to promote the ESG policy in order to continue maintaining the highest reporting standards in this area.

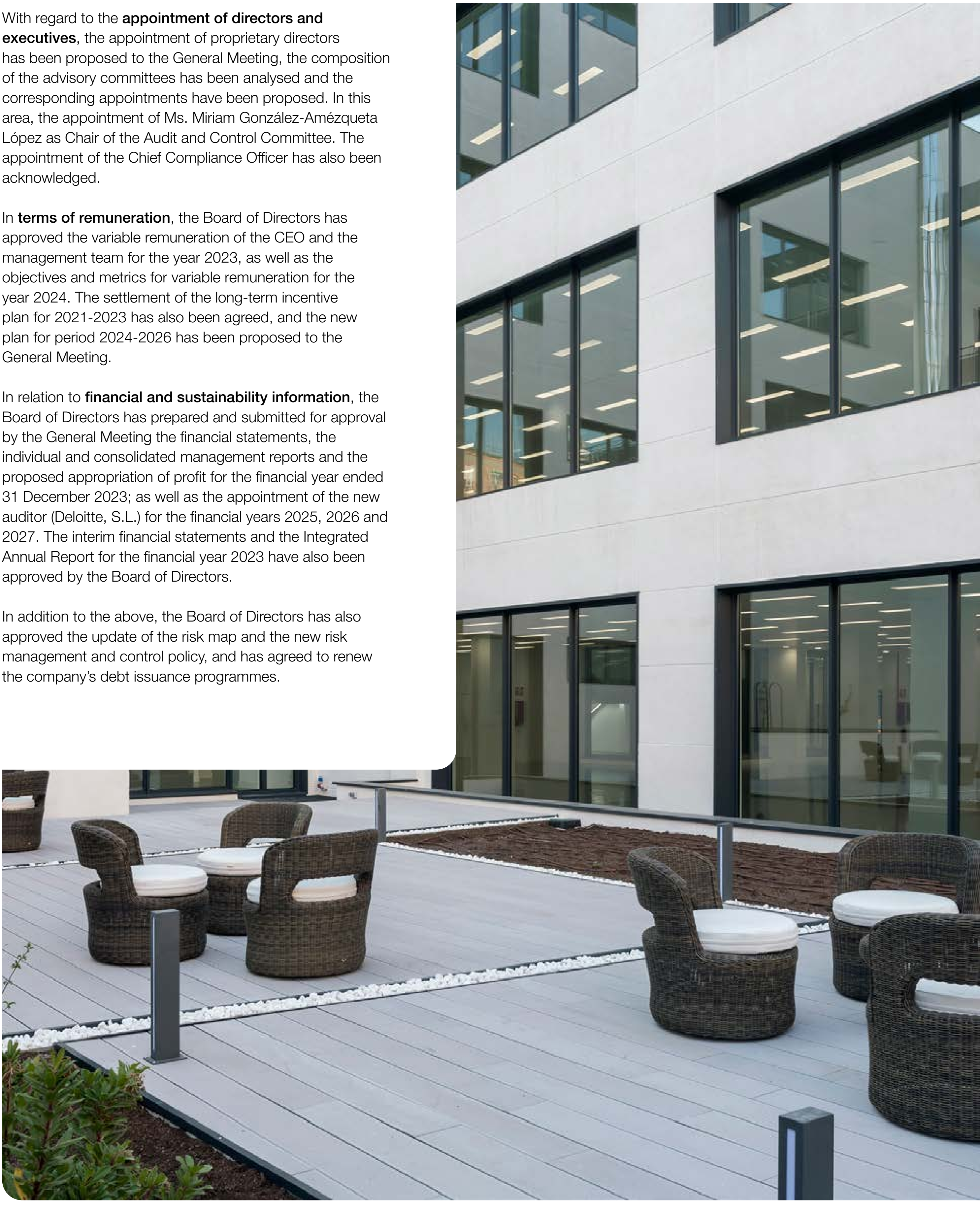
As for **corporate governance**, the corporate governance reports and the remuneration of directors for the 2023 financial year have been approved, Colonial's code of ethics has been modified to reflect Colonial's commitment to decarbonisation and its alignment with the Paris Climate Agreement, and the Regulations of the Audit and Control Committee have been modified.

With regard to the **appointment of directors and executives**, the appointment of proprietary directors has been proposed to the General Meeting, the composition of the advisory committees has been analysed and the corresponding appointments have been proposed. In this area, the appointment of Ms. Miriam González-Amézqueta López as Chair of the Audit and Control Committee. The appointment of the Chief Compliance Officer has also been acknowledged.

In **terms of remuneration**, the Board of Directors has approved the variable remuneration of the CEO and the management team for the year 2023, as well as the objectives and metrics for variable remuneration for the year 2024. The settlement of the long-term incentive plan for 2021-2023 has also been agreed, and the new plan for period 2024-2026 has been proposed to the General Meeting.

In relation to **financial and sustainability information**, the Board of Directors has prepared and submitted for approval by the General Meeting the financial statements, the individual and consolidated management reports and the proposed appropriation of profit for the financial year ended 31 December 2023; as well as the appointment of the new auditor (Deloitte, S.L.) for the financial years 2025, 2026 and 2027. The interim financial statements and the Integrated Annual Report for the financial year 2023 have also been approved by the Board of Directors.

In addition to the above, the Board of Directors has also approved the update of the risk map and the new risk management and control policy, and has agreed to renew the company's debt issuance programmes.



8.5. Advisory Committees of the Board of Directors

8.5.1. Audit and Control Commission (ACC)

The main function of the Audit and Control Committee is to support the Board of Directors in all its supervisory tasks through regular reviews of the process of preparing economic and financial information, and the effectiveness of the company's internal control, internal audit and risk management systems. It is also tasked with discussing with the auditor any significant weaknesses in the internal control system detected in the course of the audit, all without infringing its independence.

As regards its structure, the main changes in 2024 have been the replacement of its chair, since four years have elapsed since the appointment of Ana Peralta Moreno as Chairwoman of the Audit and Control Committee. Ms Miriam González-Amézqueta was appointed as the new chair. The number of Committee members was reduced from 5 to 4 as a result of the resignation of Mr Luis Maluquer Trepat as a director.

On February 27, 2025, the Audit and Control Commission approved the report on its own operation, detailing issues relating to the preparation and development of sessions. This full report is made available to the public on the occasion of the announcement of the General Meeting and certain issues are reported in the Annual Corporate Governance Report for the year 2024.

The main activities carried out by the Audit and Control Committee during the 2024 financial year are detailed below:

In relation to the **economic-financial and sustainability information**, the Committee has analysed the process of preparing: (i) the annual financial information for the year ended 31 December 2023; (ii) the interim financial information prepared throughout the year 2024; and (iii) the sustainability information included in the integrated annual report (IAI).

Furthermore, in relation to **sustainability information**, the Committee has overseen the preparation of the reports issued by the external expert on the IAI and ESG indicator results therein.

Finally, the Commission has supervised and approved the amendment to the Code of Ethics to introduce Colonial's commitment to decarbonisation in environmental matters in line with the Paris Climate Agreement, as well as the audit report on the carbon footprint.

As for the **internal control systems**, the Committee has supervised the correct functioning and implementation of the internal control systems of financial and non-financial information established and presented by the Company's internal audit director, as well as the risk management systems, in the process of preparing the financial information, **including tax risks**.

In addition, during 2024, the Committee has overseen the update of the corporate risk map and has monitored the changes to the risk control and management policy, reporting favourably to the Board of Directors on the proposed modifications.

As regards the **Relations with the external auditor**, in order to guarantee the quality and integrity of the financial information, the Committee has established the appropriate relations with the external auditor, PricewaterhouseCoopers (PwC), also confirming its independence. The committee also supervised the selection and hiring of Deloitte, S.L. as external auditor for the years 2025, 2026 and 2027.

In relation to the **Internal Audit**, the Committee approved the "Internal Audit Plan" for 2024 and has monitored its progress and degree of compliance.

Regarding **Related-Party Transactions**, the Committee is responsible for reporting on related-party transactions that must be approved by the General Meeting or the Board of Directors, as well as supervising the Company's internal procedure for those whose approval has been delegated. In 2024, the Committee has favourably informed the Board of Directors on the increase in the amount of an intragroup loan, the approval of which has been the responsibility of the Board of Directors, insofar as it is the only transaction that the ACC has considered to be related-party in accordance with the provisions of the Capital Companies Law, all without prejudice to those transactions that may have been considered as such in accordance with accounting regulations. Likewise, a report was prepared detailing the related-party transactions carried out by the Company in the 2023 financial year.

Regarding **Corporate governance**, the Committee reported favorably on the Annual Corporate Governance Report for the year 2023. It has also supervised compliance with the Company's internal policies. Furthermore, the Committee has taken note of the new developments introduced by the new Technical Guide 1/2024 on audit committees of public interest entities published by the CNMV and has led the adaptation of the Committee's Rules to the new developments introduced by the Technical Guide.

With regard to **Regulatory Compliance**, the Committee has maintained recurring contact with the Compliance Unit, supervising its activities during the year.

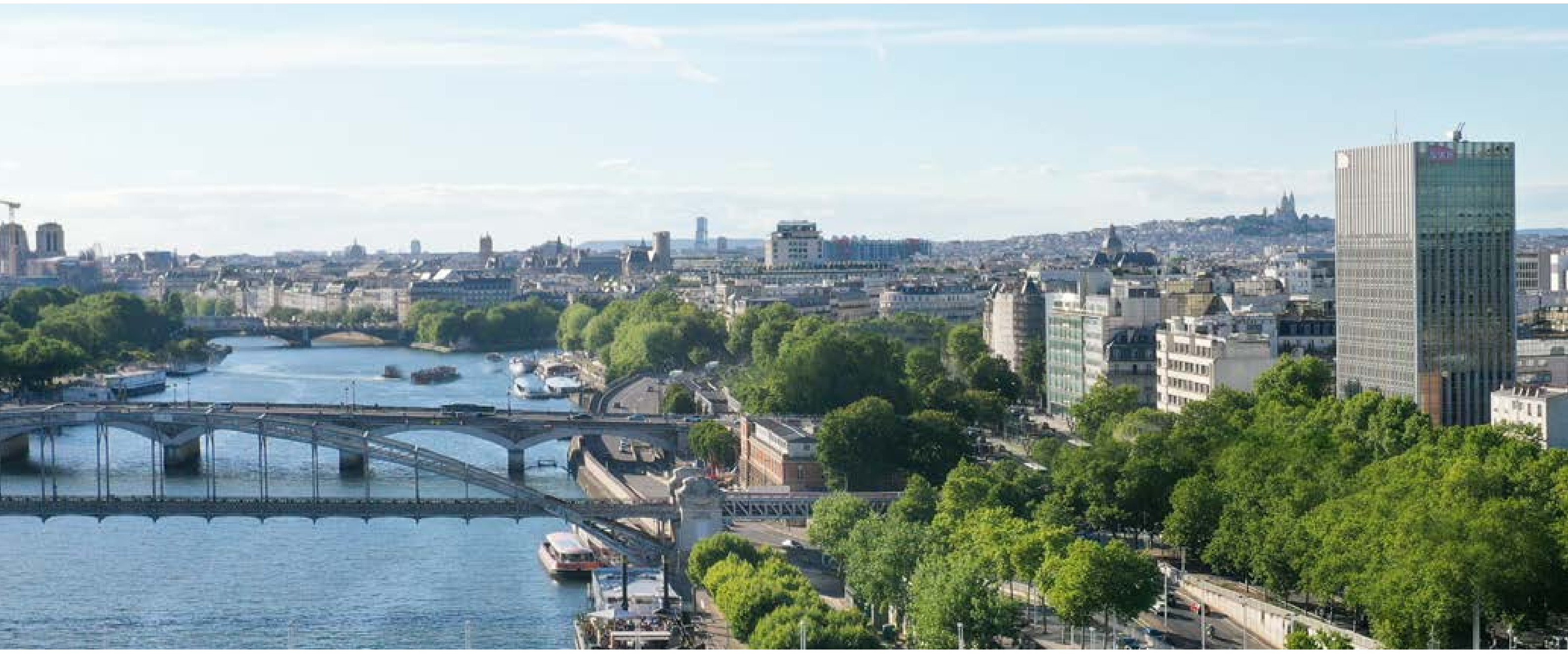
As for **Corporate Transactions**, the Committee has received information on the potential merger between the Company and its subsidiary *Société Foncière Lyonnaise* and has analysed and informed the Board of Directors of its potential economic conditions, associated risks and accounting impact. The Committee also took note of, analysed and reported favourably to the Board of Directors on the economic conditions, associated risks and accounting impact relating to the acquisition of shares in the Company by Criteria through monetary and non-monetary contributions (certain residential and office properties). The Committee has also monitored the integration of the business model of its subsidiary Utopicus into the Company.

8.5.2. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) is responsible for reporting to the Board of Directors on proposals for the appointment of proprietary and executive directors, and for proposing the appointment of independent directors, following the relevant assessment of the skills, knowledge and experience required, always taking into account the principles of diversity and balance in its composition. The Committee is also responsible for proposing to the Board the remuneration policy for directors, managers and persons performing senior management functions.

In addition to the above, in the specific area of corporate governance, the NRC is responsible for overseeing compliance with corporate governance rules and other issues related thereto. In order to advise and propose to the NRC the actions necessary to maintain the adequacy of Colonial's corporate governance as per the best national and international practices and recommendations, the NRC created the Corporate Governance Unit. This unit is headed by the Deputy Secretary of the Board together with the Chairman of the Nomination and Remuneration Committee and has the financial independence to seek external advice as it deems necessary.

In exercising its functions, the Corporate Governance Unit leads the plan for updating the Board of Directors, and has implemented a Welcome Plan for new directors.



New director onboarding plan

Colonial has an onboarding programme for **new board members**. This programme includes an asset tour, holding face-to-face and individual meetings with each of the company's executives to present the work carried out in each of them, handing out the company's corporate texts, and access codes to the board portal where both the corporate texts and the documentation relating to the meetings of the Board of Directors are available to directors. Directors are also provided with a calendar of meetings of the board and of the committees of which they are members, together with the calendar of the directors' professional development plan. Finally, a corporate email is also made available to the board members with the cybersecurity measures implemented at Colonial.

With regard to its composition, operation, powers and main activities, the Nomination Committee prepares an annual report on the matter, which is submitted to the Board of Directors for approval and published on the corporate website when the General Shareholders' Meeting is called. The 2024 report has been approved by the Board of Directors on 27 February 2025 and is published in full on the corporate website together with the call for the General Meeting. Likewise, the Annual Corporate Governance Report for the year 2024 includes the main aspects of the report on the operation of the Nomination and Remuneration Committee.

In 2024, the Nomination and Remuneration Committee (NRC) has carried out the following activities, among others:

In terms of appointments, the NRC has favourably informed the Board of Directors of all the proposals for the appointment of proprietary directors whose appointment took place in 2024, has favourably informed the Board of Directors of the proposals for the appointment of various members of the advisory committees, and has acknowledged the appointment of the Chief Compliance Officer.

As regards **remuneration issues**, the NRC has informed and proposed to the Board of Directors for its subsequent approval: the 2024 Annual Report on Directors' Remuneration, the variable remuneration of the CEO and the management team accrued during the year 2023, the targets to set the 2024 variable remuneration for the CEO and the management team, a new long-term incentive plan for the period 2024-2026, the settlement of the long-term incentive plan for the period 2021-2023.

With regard to **Colonial's Corporate Governance**, the NRC has analysed the degree of compliance with corporate governance recommendations, reviewed the succession plan for the Chairman of the Board of Directors and the CEO of the Company and reported favourably on the number of members that make up the Board of Directors within the minimum and maximum number provided for in the Company's Bylaws.

As regards **ordinary management**, the NRC has coordinated the assessment of the actions of the Board of Directors and its delegated committees, as well as the performance by the Chairman of the Board, the CEO and the Secretary of the Board of their respective duties. Together with the Chairman of the Board of Directors, it has led the training and knowledge updating plan for directors. It has verified compliance with the selection and diversity policy and reported its findings to the Board of Directors.

8.5.3. Sustainability Committee (SC)

The Sustainability Committee was established by resolution of the Board of Directors on 17 December 2020 and has the following functions, among others:

i. Evaluating and periodically reviewing the environmental and sustainable development policies approved by the company's Board of Directors, as well as ensuring that the company's environmental and sustainable development practices are in line with these policies.

ii. Evaluating and monitoring any proposals for the company's inclusion in the most widely recognised international sustainability indices.

iii. Advising the Board of Directors on environmental and sustainable development issues in accordance with internationally accepted best practice.

iv. Analysing preliminary draft legislation, voluntary initiatives and recommendations on environmental and sustainable development issues and their possible effects on the company's activities, as well as to report on the possible impact on company of European regulations and national, regional and local legislation on environmental and sustainable development issues, with a view to adopting the appropriate decisions.

v. Analysing the most commonly accepted measurement instruments and indexes in international practice to gauge and measure the position of the company in relation to the environment and sustainable development, and issue recommendations to improve the company's position.

vi. Issuing reports and carry out the corresponding actions in environmental and sustainable development matters.

During the 2024 financial year, the Sustainability Committee met five times (two of them together with the Audit and Control Committee) and all its meetings were attended by all its members. One session was held in person and the other four sessions were held via telephone connections or videoconferences through computer applications such *as Teams*, in accordance with the internal rules of the company. At these remote meetings, the secretary acknowledged the identity of all the members of the Committee attending the meetings.

With regard to the preparation and development of the meetings, the chairperson of the Committee convenes them with adequate advance notice and the members of the Committee are provided, prior to each meeting, with information on the matters to be discussed, thus encouraging their active participation and the informed adoption of agreements.

In addition to the members of the Committee, the Chairman of the Board of Directors, the CEO, the Director of Corporate Development, the Director of Human Resources and General Services, the Director of Internal Audit and representatives of PwC, among others, attended as guests.

In the exercise of its functions, during the 2024 financial year, the Sustainability Committee has carried out the following activities, among others:

- Analysing, evaluating and promoting environmental and sustainable development policies and practices of the company.
- Supervision and approval, together with the Audit and Control Committee, of the Company's integrated annual report, for the purposes of submitting it to the approval of the Board of Directors for its subsequent publication and dissemination to the market. In addition, the Committee has carried out an analysis of the ESG aspects and progress of the integrated annual report, its impact on the market and the company's position vis-à-vis its competitors.
- Analysis of the linking of part of the variable remuneration of executive directors and the management team to the fulfilment of ESG objectives.
- Determination of the parameters that will serve as the basis for compliance with the ESG metric in cycle 2024-2026 of the new long-term incentive plan (ILP).
- Review of the report on the company's ESG indicators, as well as the limited assurance reports on the GHG 2023 inventory (Greenhouse Gas Emissions Inventory) and on Green Bonds prepared without qualification by the company's external auditor.
- Quantitative analysis of the most relevant sustainability metrics, such as total energy consumption, consumption intensity or carbon emissions.
- Analysis and monitoring of compliance with the quantitative and qualitative ESG criteria set by certain independent agencies for the year 2023.
- Monitoring the degree of compliance with the Company's climate strategy.

- Review and monitoring of compliance with the strategy and the decarbonisation targets for the Company's assets in the short and long term, in favour of the carbon absorption plan (removal) to achieve carbon neutrality by 2030, as well as the use of the Carbon Risk Real Estate Monitor (CRREM) tool.

- Analysis of progress in monitoring Scope 1– direct emissions, Scope 2 – indirect emissions and Scope 3 – other indirect emissions, in accordance with global standards (GHG).

- Monitoring the update of the reporting mechanisms to the European Corporate Sustainability Reporting Directive (CSRD), improving traceability between the results of the materiality analysis and the social reporting content from the Company.

- Planning and promoting training sessions for employees and members of the Board of Directors on ESG matters, addressing topics such as the new requirements established by the new CSRD directive, as well as the positive impacts on the Company of its decarbonisation plan.

- Monitoring progress in the development of the sustainability information control system and the implementation of digital tools.

- Monitoring the development and implementation of an internal control system that promotes the reliability of data related to sustainability information.

- Analysis of the impact on Colonial of regulatory trends and developments, green taxonomy and Spanish and European ESG regulations.

- Determination of the new functions and powers that the Committee will assume once the Regulations of the Board of Directors are amended.

- Organisation of the Sustainability Committee's calendar of sessions for the next financial year 2025.

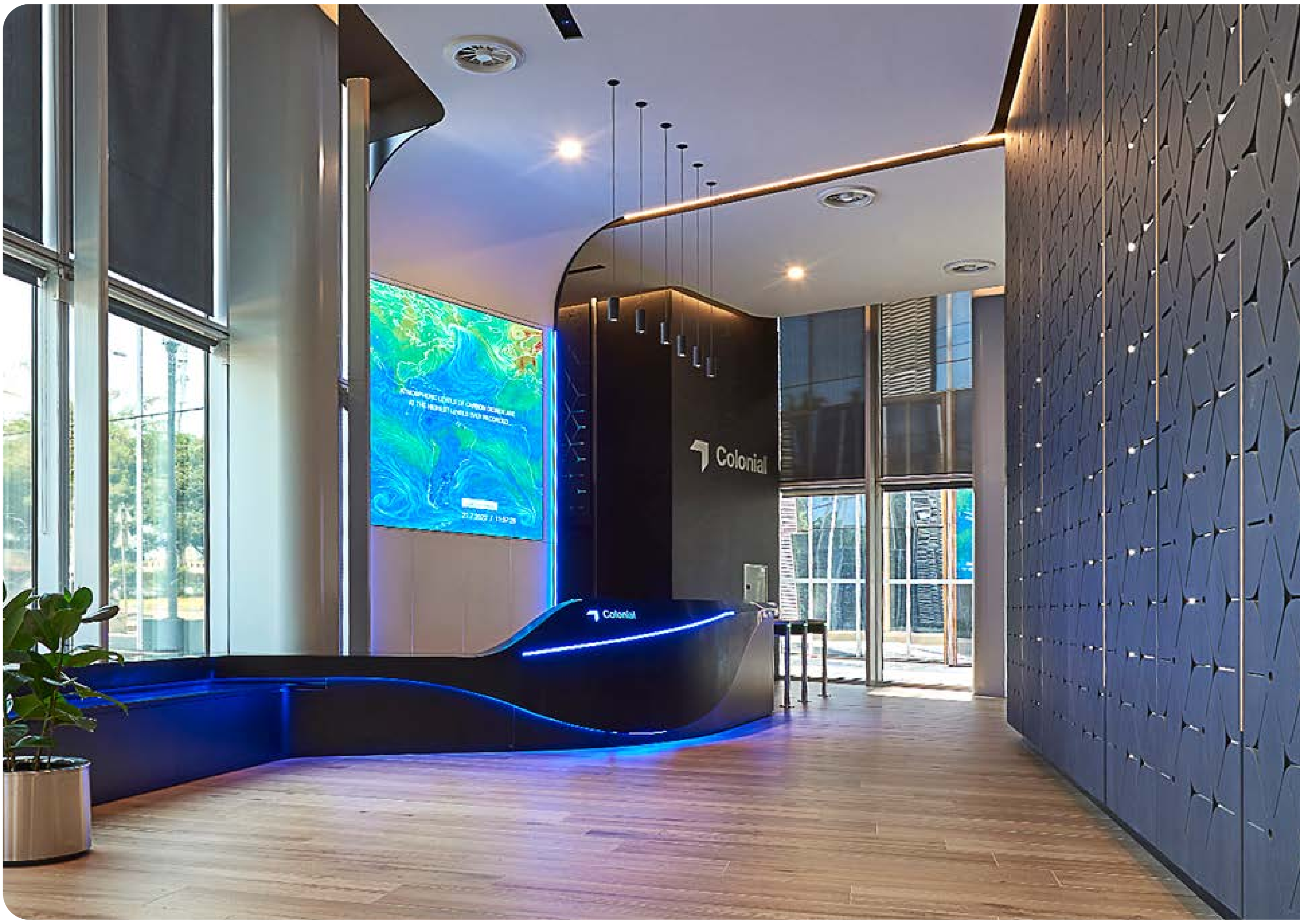
8.6. Remuneration of the Board of Directors

In 2024, at the proposal of the Nomination and Remuneration Committee, a new long-term incentive plan consisting of the delivery of shares in the Company was approved. The proposal was submitted to the Ordinary General Shareholders' Meeting dated 13 June 2024 and was supported by 93.93% of the shareholders present or represented at the 2024 Ordinary General Shareholders' Meeting.

Likewise, during 2024, the activities to review and improve the structure and content of the report on directors' remuneration have continued. As a result, the 2023 Annual Report on Directors' Remuneration has had the support of 90.50% of the shareholders present or represented at the 2024 Ordinary General Shareholders' Meeting, up from 71.94% at the 2023 Ordinary Meeting.

The 2024 remuneration policy is available on the corporate website and corresponds to that approved by the 2023 Ordinary General Shareholders' Meeting for the financial years 2024, 2025 and 2026.

The 2024 Annual Remuneration Report was prepared by the Board of Directors on 27 February 2025 and is available on the corporate website at the following link.



8.7. Business ethics

Highlights 2024

- 0 complaints received in the Complaints Channel.
- 5 meetings of the Audit and Control Committee have discussed Compliance issues.
- 0 euros in donations to political parties and associated foundations.
- 0 euros Lobbying activities.
- 100% of employees have received training in the following subjects: privacy/GDPR, Regulatory Risk Prevention, Anti-Corruption Policy, Prevention of Money Laundering and processing and dissemination of privileged information.

Colonial has had a robust regulatory compliance model in place since 2011 and is continuously improving.

8.7.1. Compliance

In line with its continued work to implement the best corporate governance practices, in September 2024 the Board of Directors agreed to modify the Compliance function, entrusted to the Regulatory Compliance Unit since 2011. In this regard, the Board of Directors has appointed a Chief Compliance Officer, who has assumed all the compliance functions previously performed by the Regulatory Compliance Unit. The new Chief Compliance Officer is functionally subordinate to the Audit and Control Committee and enjoys financial independence from other areas.

The new compliance structure allows us to enhance compliance at Colonial, reinforcing the first line of defence to the extent that the Director of Legal Affairs can provide advice on business matters without risk of conflict of interest, strengthening the second line of defence with the appointment of a Chief Compliance Officer, and guaranteeing the independence of the internal auditor, thereby reinforcing the third line of defence.

The Compliance Unit submits an annual report to the Audit and Control Committee on the results of its activities during the year. The 2024 Annual Compliance Report was approved at the Audit Committee meeting dated 21 January 2025 and, as a sign of Colonial's commitment to transparency and best corporate governance practices, is available on the corporate website in the ethics and compliance section.

8.7.2. Code of Ethics and Corporate Policies

- Approved in 2011, last updated in July 2024.
- Available on the corporate website for all Colonial's stakeholders.
- Delivery of the Code of Ethics and corporate policies to the new incorporations of Colonial and Utopicus.
- All Colonial and Utopicus employees have this year ratified their commitment to the principles of the Code of Ethics.
- Since 2023, SFL has had its Code of Ethics.

I. Code of Ethics

In 2011, the company's **Code of Ethics** was approved, in line with the good governance recommendations generally recognised in international markets and the principles of social responsibility accepted by the company. This document embodies Colonial's commitment to the principles of business ethics and transparency, and establishes the basic values that should guide the activities of Colonial's professionals.

In July 2024, the Code of Ethics was updated to reflect Colonial's commitment to the Paris Climate Agreement as part of its ESG strategy.

Principles of the Code of Ethics

Action lines	Relations with and between the Group's professionals	Commitments to third parties and the market
■ Respect for the law	■ Non-discrimination and mutual respect and equal treatment	■ Free competition
■ Professional integrity	■ Equal opportunities	■ Integrity in management
■ Respect for the environment	■ Work-life balance	■ Client relations
	■ Right to privacy	■ Relations with contractors and suppliers
	■ Health and safety at work	■ Shareholder relations
		■ Restricted and confidential information
		■ Protection of corporate assets
		■ Conflicts of interest
		■ Neutrality
		■ Company commitment
		■ External activities

The Code of Ethics is given to all employees as part of the welcome package. On an annual basis, training sessions are held on the subject and a commitment is made to comply with their content. During the 2024 financial year, a total of 22 contracts have been signed in Spain and in all of them the Code of Ethics has been delivered and the corresponding acceptance of its content and commitment to comply with it has been included.

The Code of Ethics is available to all Colonial's stakeholders on its website, and its contents include the following commitments, which in turn are developed through the various corporate policies that are updated on a recurring basis:

- In relation to the **principle of neutrality**, Colonial develops its business model without interfering or participating in the political processes of the countries and communities in which it operates. Any relationship between Colonial and governments, authorities, institutions and political parties is based on the principles of legality and political neutrality. In this regard, in accordance with the Code of Ethics and the anti-corruption policy, Colonial is prohibited from making donations to political parties and their related foundations.

- With regard to **free competition**, Colonial is committed through the Code of Ethics and its development policies to compete fairly in the markets in compliance with the antitrust regulations applicable in the countries where it carries out its activities. Likewise, there shall be no misleading or disparaging advertising of its competitors or third parties.

- With regard to **professional integrity**, both the Code of Ethics and the anti-corruption policy prohibit the direct or indirect acceptance of any gift of any amount, the purpose of which is to favour a person or entity in the procurement of goods or services.

- In relation to the principle of **management integrity**, the Board of Directors is committed to accurate, valid, timely, relevant and complete financial reporting. The company has a general policy regarding the publication of economic-financial, non-financial and corporate information that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders (www.inmocolonial.com).

II. Corporate Policies

Anti-corruption policy

It reflects Colonial's rejection of any type of corruption and fraud. Its principles include:

- The prohibition of any type of corruption during the performance of business activities, whether in the public or private sector.
- The prohibition of accepting gifts whose purpose is to favour the person or entity that grants them.
- The prohibition of any type of donation to political parties and their associated foundations.
- Management of sponsorships and donations, which must: i) be aligned with Colonial's strategy, ii) have the approval of the President and the CEO and iii) be reported annually to the Board of Directors.

Treasury Stock Policy

In accordance with the provisions of the Regulations of the Board of Directors (Art. 5), it is the responsibility of the full Board of Directors to determine the policy regarding treasury stock. On 14 December 2022, under Colonial's general definition and strategies, the Board of Directors approved the Treasury Stock Policy, which sets out the principles of action for treasury stock operations. These must be carried out in accordance with the provisions of the applicable legislation in force and within the scope of the authorisations granted by the General Shareholders' Meeting.

The Company also has a treasury stock manager, who ensures the execution of specific plans, supervises ordinary treasury stock operations and is responsible for making official notifications of securities transactions required by current regulations, as well as maintaining their proper control and registration.

Policy on the treatment and dissemination of privileged information and other relevant information

The Policy was formulated by the Board of Directors of Colonial on December 14, 2022, with the purpose of establishing the framework for the treatment and dissemination of privileged information and other relevant information. The Policy incorporates and adapts to Colonial's internal scope the provisions of the Securities Market Law, the Market Abuse Regulations and other applicable legislation, as well as the obligations and/or requirements imposed by the National Securities Market Commission ("CNMV").

Compliance and Criminal Prevention Policy

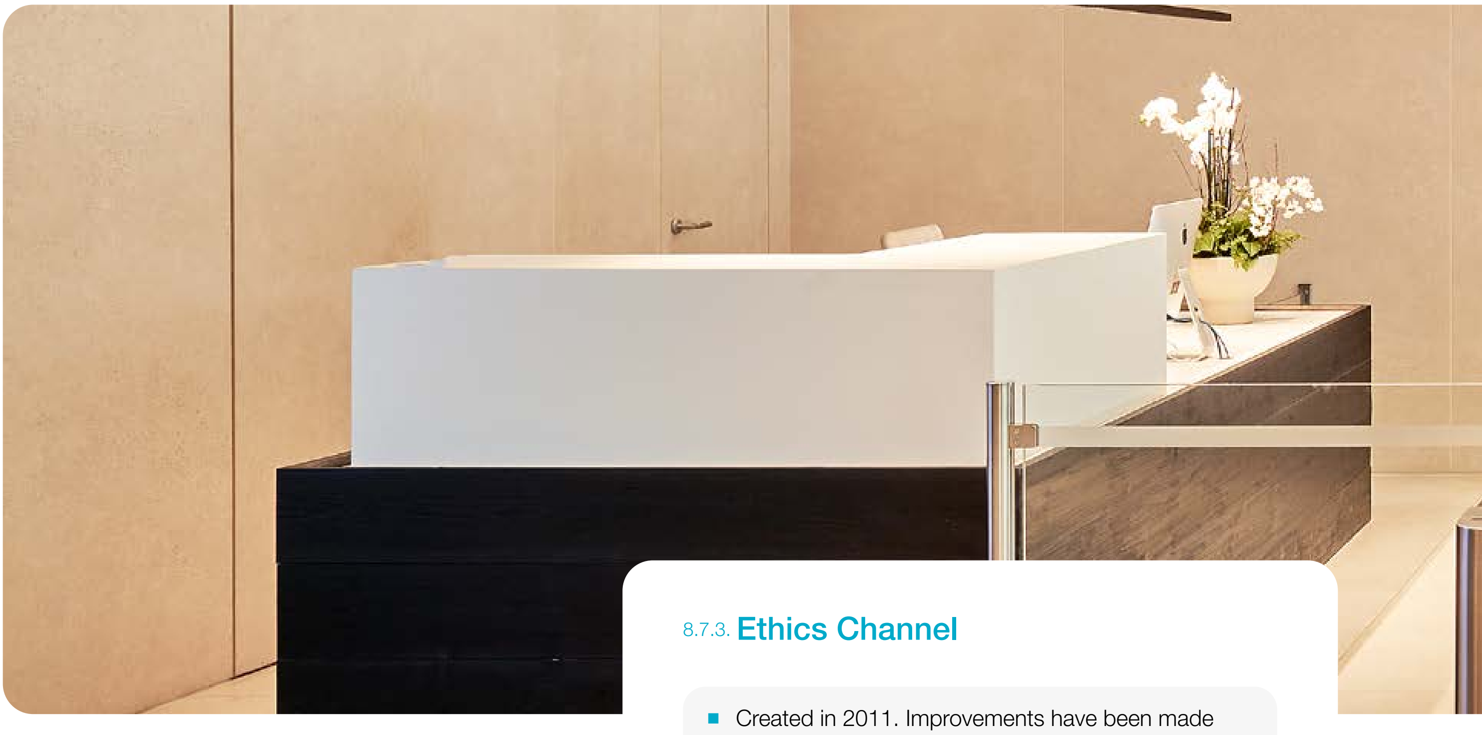
The Compliance and Crime Prevention Policy reflects Colonial's commitment to promoting a culture of regulatory compliance. The policy reflects the basic pillars of Colonial's compliance model, which include monitoring applicable regulations, defining policies and procedures, continuous monitoring of the model, allocating human and financial resources, as well as establishing an internal information system and communication of possible illicit conduct, together with the corresponding disciplinary regime. The Policy was approved by the Board of Directors on 22 June 2021 and its monitoring is the responsibility of the Compliance Unit, reporting directly to the Audit and Control Committee.

Policy for communicating economic-financial, non-financial and corporate information to shareholders, institutional investors and voting advisors

Approved by Colonial's Board of Directors on 17 December 2020, the Policy for communicating economic-financial, non-financial and corporate information to shareholders, institutional investors and proxy advisors was drawn within the framework of recommendation 4 of the Code of good governance of listed companies promulgated by the Spanish National Securities Market Commission. It sets forth the mechanisms for communication and relations with shareholders, as well as institutional investors, proxy advisors and the general public, guaranteeing equal treatment in order to avoid situations of privilege or market abuse. The aforementioned Policy establishes the internal procedure for the dissemination of information, the channels of information, communication and contacts with shareholders and investors, as well as with proxy advisors.

Selection and diversity policy

The Selection and Diversity Policy was formulated, at the proposal of the Nomination and Remuneration Committee, by the Board of Directors of Colonial on December 17, 2020 and aims to provide effectiveness and professionalism to the operation of the Board of Directors by increasing the quality of corporate management; to this end, in the process of selecting or re-electing candidates for directors, the Company will be guided by the purpose of achieving an adequate balance on the Board of Directors in the best interest of the Company. The aforementioned policy establishes the content of the selection process for candidates for directors, as well as the conditions they must meet, including the promotion of diversity on the Board of Directors. The policy is reviewed annually by the Nomination and Remuneration Committee, which reports its findings to the Board of Directors.



Risk Control and Management Policy

On December 16, 2024, the Company, through its Board of Directors, has carried out an update of its Risk Control and Management policy. This policy sets out the basic principles and guidelines for action to ensure that risks of any kind that may negatively affect the achievement of Colonial's objectives are identified, analysed, assessed, managed and controlled in a systematic manner, with uniform criteria within the established thresholds or tolerance levels.

Environmental policies

In addition to the above, Colonial maintains its commitment to the environment through a group of policies that are constantly being reviewed and that include issues such as the well-being of its buildings' occupants, biodiversity protection, the fight against climate change or the development of a strategic environmental plan for each building with the aim of achieving nearly zero energy buildings.

The above commitments are public, are reviewed on a recurring basis and are verifiable on the corporate website, www.inmocolonial.com.

Supplier selection policy

Colonial has its own supplier selection policy, available on its website, which establishes the criteria that suppliers must meet in ESG matters. In this regard, Colonial reviews that suppliers comply with the requirements established in the policy and that specific ESG clauses are contractually included.

8.7.3. Ethics Channel

- Created in 2011. Improvements have been made over time: This extends to directors, employees, shareholders, suppliers, contractors and subcontractors.
- Managed by the Compliance Unit through the Chief Compliance Officer, who reports directly to the Audit and Control Committee (ACC).
- No complaints have been processed during the 2024 financial year.

Colonial has had the Ethics Channel since 2011. It is open to receive all types of communications and queries regarding the Code of Ethics from Colonial, Utopicus and SFL employees, directors, shareholders, suppliers, contractors and subcontractors.

In accordance with Law 2/2023, which regulates the protection of persons who report regulatory violations and the fight against corruption, the necessary improvements have been made to the Colonial and Utopicus Ethics Channel. The main characteristics of the Ethical Channel are the following:

- The creation of the Ethics Channel and its operating procedures and the appointment of the Chief Compliance Officer as an independent manager were approved by the Board of Directors. The Channel and the documentation on its procedures are available on the Colonial website 24 hours a day, 7 days a week.

- The purpose of this channel is to facilitate the communication of possible irregularities that may constitute a serious or very serious criminal or administrative offence.
- It facilitates the reporting of violations and increases the guarantees of protection for whistleblowers.
- It allows the possibility of anonymous and/or verbal complaints.
- In addition to the company's internal channel, infringements may also be reported through external channels set up by the relevant competent authorities.
- Referral of the complaint to the competent authority (Public Prosecutor's Office) when the facts could be indicative of a crime.
- The investigation of the information will have a maximum duration of 3 months, extendable to 6 months.
- A specific sanctioning regime is established.
- It complies with ESG rating best practices:
  - Ethics Channel available 24/7 in all languages.
  - The Ethics Channel is outsourced to an independent third-party solution and only the Chief Compliance Officer has access to the reports received.

On 1 December 2023, all Colonial and Utopicus employees were provided with a training pill on the update of the Ethics Channel. All training on criminal risk prevention, ethical code and anti-corruption policy includes an explicit reference to the ethical channel as a means of reporting incidents.

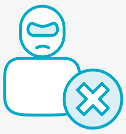
During 2024, the management of communications received through the ethics channel has continued. No communication was processed during 2024.

In accordance with the provisions of the Ethics Channel procedure, all communications and complaints received will be managed by the Chief Compliance Office, who is organically and financially independent from the executive management. Communications or complaints can be submitted anonymously and will be treated confidentially by the body.

The Ethics Channel is available 24/7 and persons who make any kind of query or complaint, provided they do so in good faith, are protected against any form of reprisal, threat, extortion, discrimination or criminalisation on the basis of the disclosures made. Colonial will sanction any kind of retaliation against the interested party in good faith. In addition, the Chief Compliance Officer is responsible for processing and managing any other facts of which it becomes aware by any other means, with the advice and legal assistance of external counsel if necessary. Likewise, as established in the regulation, the Ethics Channel is set up fully in accordance with the different legally established data protection requirements, in order to duly protect the privacy and intimacy of the persons involved and, in particular, to guarantee the confidentiality of the person making a complaint. In this regard, the Data Protection Officer (DPO) is responsible for its continued compliance and may rely on specialised external advice for this purpose.

8.7.4. Crime prevention

- A criminal risk prevention manual has been available since 2015.
- Update on criminal risks and controls.
- Monitoring of criminal risks controls through a GRC tool.



Within the framework of Colonial's compliance model, which was established in 2011, it has had a *Criminal Risk Prevention Manual* since 2015, which is reviewed on a recurring basis in order to adapt it to new circumstances as they arise. Likewise, in 2020 the Audit and Control Committee approved a compliance policy (available on the corporate website at this link) the purpose of which is to formally ratify Colonial's commitment to promote a culture of regulatory compliance that allows for the development of honest, upright and transparent professional conduct, as well as to show its commitment to zero tolerance and firm condemnation of the commission of any kind of illegal act, particularly in the criminal sphere, without, under any circumstances, its commission being justified on the basis of a benefit for the company. This policy defines the control mechanisms established by the company.

In 2024, the risk and control matrix was updated within the risk management tool. The comments of the directors and managers of each area have been incorporated and as a final result of the process, each manager and director has received a presentation with the list of risks and controls assigned to them individually and has expressed their commitment to monitoring them, as well as their compliance with them.

In addition to the above, on a recurring basis, Colonial reviews the internal and external regulations applicable to it, through the Compliance function, as well as external advisors and lawyers, in order to ensure full and correct compliance.

I. Fight against fraud

- In accordance with Colonial's commitment to managing its assets with integrity, the company has an Anti-Corruption Policy applicable to all its employees.
- Colonial and Utopicus employees hace ratified their commitment to comply with Colonial's anti-corruption policy.
- The anti-corruption policy sets out a clear procedure for the acceptance of gifts.

Colonial, in line with the Sustainable Development Goals (SDGs), and more specifically SDG 16, aims to promote just, peaceful and inclusive societies and to radically reduce corruption and bribery in all its forms by 2030.

In this regard, Colonial's anti-corruption policy was formalised in 2021 and approved by the Board of Directors at its meeting on 7 October 2021. On an annual basis, Colonial and Utopicus employees are trained in the Code of Ethics and the Anti-Corruption Policy and renew their commitment thereto.

In accordance with Colonial's Code of Ethics and anti-corruption policy, any form of corruption is totally contrary to its principles and values, and any kind of behaviour related to any form of bribery is prohibited. In accordance with the above, Colonial expressly rejects bribes to authorities and public officials and prohibits its employees from giving to third parties or receiving from third parties undue payments of any kind, or gifts, handouts or favours that are outside market usage or which, due to their value, characteristics or circumstances, may reasonably alter the development of commercial, administrative or professional relations involving the Group's companies.

Furthermore, within the anti-corruption policy, a procedure has been established in relation to the delivery and acceptance of gifts:

> It is forbidden to accept, directly or indirectly, any gift of any amount whose purpose is for the Subject Person to favour, directly or indirectly, the person or bank that grants it in the contracting of goods or services.
>
> For the acceptance of gifts:
>
> i. The value of the gift may not exceed 250 euros and must be in accordance with social customs and sectoral standards.
>
> ii. Exceptionally, for gifts exceeding the aforementioned amount of 250 euros, authorisation may be requested from the Chief Compliance Officer when circumstances justify it.

In addition to the aforementioned precepts for the fight against corruption, the company has a model of segregation of duties and a purchasing authorisation system, to increase controls in this area which are applied throughout the Group. Colonial has a total of 10 employees with joint and several powers to make provisions in favour of third parties, which represents 8.5% of the workforce. These employees, to the extent that they hold a managerial or executive position, actively participate in the crime prevention plan and receive specific training in this regard. No significant corruption-related risks have been identified during 2024 through the mechanisms described above.

II. Grants, sponsorships and donations

- Donations to political parties and their related foundations are prohibited.
- All donations and sponsorships have been jointly approved by the Chairman and CEO.

Colonial's anti-corruption policy, approved by the Board of Directors at its meeting of 7 October 2021, regulates the processing of donations, sponsorships and subsidies.

The term *donation* shall be understood as any voluntary contribution (monetary or otherwise) made by the Colonial Group to an entity or legal person with no intention of receiving anything in return and for the sole purpose of participating in and contributing to the activities of the done, i.e. without expecting to obtain any profit in return. Donations must be justified by the Colonial Group's activity and be in line with the lines of action set by the company and/or its ESG commitments. The chairman of the Board of Directors and the Chief Executive Officer shall be responsible for deciding on donations and the amounts to be donated. The Board of Directors shall also be informed annually of all donations made, if any, during the financial year.

The term *sponsorship* refers to any agreement whereby the Colonial Group provides financial (or other) support to an entity or legal person or a specific initiative, in exchange for promoting, directly or indirectly, the name of the Colonial Group as a sponsor in its activities. Strategic alignment of sponsorships will be ensured and appropriate procedures will be put in place. The chairman of the Board of Directors and the Chief Executive Officer shall decide on the amounts and activities to be sponsored. The Board of Directors shall also be informed annually of all sponsorships made during the financial year.

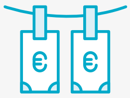
In this regard, donations to political parties and their related foundations are prohibited and any relationship between Colonial and governments, authorities, institutions and political parties will be based on the principles of legality and political neutrality; furthermore, in accordance with the provisions of the anti-corruption policy, the Chairman of the Board of Directors and the Chief Executive Officer shall jointly decide on the amounts and activities subject to sponsorship, as well as on the donations and the amounts allocated to them.

With regard to the 2024 financial year, the Compliance function has continued to monitor the donations and sponsorships contained in the corporate policy monitoring report presented to the Audit Committee on 15 April 2024. All sponsorships and donations granted by Colonial have the formal approval of the Chairman and CEO jointly.

In this regard, within the framework of the Colonial Group's ESG Strategy, the company plans to increase its involvement in specific actions that promote social integration, philanthropic activities and greater participation of society in Colonial's activities. These initiatives are consistent with Colonial's commitment to promote and achieve the Sustainable Development Goals (SDGs), more specifically SDG 17: "Revitalising the global partnership for sustainable development", indispensable for the success of the UN 2030 Agenda for Sustainable Development.

8.7.5. Prevention of money laundering and financing of terrorism

- A Money Laundering and Terrorist Financing Prevention Manual is available.
- An independent expert has issued the *External expert's report on the internal control and communication procedures and bodies established to prevent money laundering*.
- A review of the manual has been carried out and it has been updated taking into account the recommendations of the External Expert.



With regard to the prevention of money laundering and the financing of terrorism, although Colonial's main activity is the leasing of real estate, which it carries out in Spain (mainly in Barcelona and Madrid) and in Paris, (through its subsidiary *Société Foncière Lyonnaise*), and the performance of this activity as such does not make it a regulated entity, Colonial also carries out real estate development activities. This activity consists of purchasing buildings for refurbishment and subsequent leasing, and can therefore be considered a regulated entity for the purposes of Article 2.1 l) of the Money Laundering Prevention Act.

In this regard, Colonial has a manual for the prevention of money laundering and terrorist financing and a system for the prevention of money laundering and terrorist financing aligned with the regulatory requirements applicable to it and an Internal Control and Communication Body (OCIC) in which all of Colonial's business areas are represented. Specifically, Colonial has the appropriate anti-money laundering IT tools for risk mitigation, which allow for proper identification of clients and has external advice from reputable law firms, which allows for strengthening surveillance efforts, as well as a system for classifying clients based on risk.

Although no deficiencies were detected in the External Expert Report for the 2023 financial year, in 2024 and following the recommendations of the External Expert, actions have been carried out to communicate and disseminate the ethical channel and a review of the manual has been carried out to include the recommendations of the External Expert, highlighting the annexes relating to non-cooperating countries.

Finally, within the framework of its activity, during 2024, identification tasks have been carried out in the area of money laundering prevention in the four divestment operations carried out by the company in this year, with the collaboration of an external advisor for this purpose.

8.7.6. Market abuse

- Policy on processing and disseminating inside information and other relevant information.
- Treasury stock policy.
- Both policies:
  - They are available on the company's corporate website.
  - They apply to all employees.
  - All employees have been informed.
  - All employees have received training in this area.

During the 2024 financial year, the market abuse and treasury share policies were communicated to the new Colonial incorporations that were considered to be persons concerned. This is not the case for the incorporations of Utopicus, as it is not a listed company.

These two policies apply to all employees and are available on the corporate website.

All employees were informed about both policies and received training on these matters.

Likewise, in accordance with the provisions of this policy, communications have been sent regarding periods of prohibition on trading to the company's employees with the obligation to report transactions with shares, as well as to the Management Committee and the company's directors.

8.7.7. Privacy

- The company has a number of procedures in place to comply with the GDPR (General Data Protection Regulation).
- It has had a DPO (Data Protection Officer) since 2020, who holds regular follow-up meetings with an external advisor to review policies and other aspects, and also with Colonial's Security Committee.

Since 2018, the company has had a number of procedures in place to comply with the GDPR (General Data Protection Regulation) among them:

- Information security policy.
- Information access control policy.
- Information Security Incident Management Policy.
- Information classification policy.
- Asset and resource use policy.
- Security breach management procedure.
- Non-automated data processing procedure.
- Affected person management procedures.

In addition, since 2020, the company has had a DPO (Data Protection Officer), who holds regular follow-up meetings with an external advisor (EY) to review policies and other aspects. In addition, the DPO also forms part of Colonial's Security Committee, which meets monthly to deal with different aspects related to the company's cybersecurity.

During 2024, a security analysis of all suppliers that process Colonial's personal data was carried out and an action plan was approved by the Colonial Security Committee that includes review and monitoring actions for the suppliers analysed.

8.7.8. Multi-annual training plan on compliance

- Compliance training plan for 2022, 2023 and 2024 for all Colonial employees. Approved by the Audit and Control Committee on March 22, 2022.
- Compliance training plan for 2025, 2026 and 2027 for all Colonial employees. Approved by the Audit and Control Committee on October 10, 2024.

In 2022, Colonial formally established a multi-year compliance training plan for its employees. This plan covers the years 2022, 2023 and 2024, was approved by the Audit and Control Committee at its meeting on March 22, 2022 and contains annual training on ethics, market abuse, prevention of money laundering, prevention of crimes (including corruption and bribery) and privacy for all Colonial employees. On 10 October 2024, a new training plan on compliance was submitted for approval by the Audit and Control Committee for the years 2025, 2026 and 2027. The new plan maintains the subjects of the previous plan while including the provision of training in other more current formats, such as gaming.

8.7.9. Engagement in lobbying activities

Colonial has a corporate social responsibility policy that must be complied with by all the Group's employees, as well as its administrators and representatives. One of the commitments set out in the policy is that Colonial's activities are carried out ethically, transparently and in line with regulatory requirements.

For all these reasons, Colonial has developed a regulatory compliance system with instruments such as the Code of Ethics, the Compliance function and a series of Policies that develop Colonial's commitment to ethics and compliance. Under this system, Colonial develops its business model without interfering or participating in the political processes of the countries and communities where it operates. Any relationship with governments, authorities, institutions and political parties is always based on the principles of legality and political neutrality.

Colonial is therefore committed to transparency and integrity in its possible lobbying activities, which involves actions such as the following:

- Follow-up of international conventions and treaties on the subject.
- The rejection of any form of corruption in the development of its business activity, whether in the public or private sector.
- Prohibition of committing illegal acts or acts that violate existing regulations under the justification that the person is acting in the best interests of the company.
- Information disclosed by the company to shareholders, investors, analysts and the market should be truthful and complete, and should accurately describe the company and the group and its business activities and strategies.
- Prohibition of donations to political parties and their related foundations.

Finally and as a sign of Colonial's commitment, it is worth noting that no monetary amount has ever been invested in this type of activity.

8.8. Organisation of the Group

COLONIAL GROUP

Colonial

GAV 12/24: **€11,646m**
GAV incl. transfer costs 12/24: **€12,276m**

- **50%** Inmocol Torre Europa, S.A.
- **100%** Spain assets
- **98.2%** SFL
  - **100%** Washington Plaza
  - **100%** Parholding
  - **51%** New Joint Ventures (**49%** PREDICA)

8.9. Management Team

D. Juan José Brugera Clavero
Chairman

D. Pere Viñolas Serra
CEO

Dª. Carmina Canyet i Cirera
Corporate Managing Director

Dª. Nuria Oferil Coll
Chief Legal Officer

D. Albert Alcober Teixidó
Chief Operating Officer

Dª. Begoña Muñoz López
Chief Human Resources

Dª. Àngels Arderiu Ibars
Chief Financial Officer

D. Juan Manuel Ortega Moreno
Chief Investment Officer

D. Carlos Krohmer
Chief Corporate Development Officer

9. Appendices

9.1. EPRA ratios

1. EPRA Earnings

EPRA Earnings

€m	2024	2023
Earnings per IFRS Income statement	**307**	**(1,019)**
Earnings per IFRS Income statement - €cts/share	*52.70*	*(188.83)*
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(101)	1,427
(ii) Profits or losses on disposal of investment, development properties held for investment and other interests	(30)	(4)
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0	0
(iv) Tax on profits or losses on disposals	(11)	(9)
(v) Negative goodwill / goodwill impairment	0	0
(vi) Changes in fair value of financial instruments and associated close-out costs	3	2
(vii) Acquisition costs on share deals and non controlling joint venture interests	0	0
(viii) Deferred tax in respect of EPRA adjustments	(26)	(32)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(1)	0
(x) Minority interests in respect of the above	45	(194)
Company pre specific adjusted EPRA Earnings	**188**	**171**
Company specific adjustments:		
(a) Extraordinary provisions & expenses	6	1
(b) Non recurring financial result	(1)	(0)
(c) Tax credits	0	0
(d) Others	0	0
(e) Minority interests in respect of the above	(0)	(0)
Company specific Adjusted EPRA Earnings	**193**	**172**
Average nº of shares (m)	*583.2*	*539.6*
Company adjusted EPRA Earnings per Share (EPS) - €cts/share	*33.02*	*31.95*

Note: Diluted earnings per share: average shares of the period, including variations due to capital operations, without adjusting for the impact of treasury shares.

2. EPRA Net Asset Value: new methodology

EPRA Net Asset value – December 2024

€m		NAV previous methodology	Net Reinstatement Value	Net Tangible Assets	Net Disposal Value
IFRS Equity attributable to shareholders		**5,677**	**5,677**	**5,677**	**5,677**
Include:					
(i)	Hybrid instruments	–	–	–	–
Diluted NAV		**5,677**	**5,677**	**5,677**	**5,677**
Include:					
(ii.a)	Revaluation of investment properties (if IAS 40 cost option is used)	–	–	–	–
(ii.b)	Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	–	–	–	–
(ii.c)	Revaluation of other non-current investment	137	137	137	137
(iii)	Revaluation of tenant leases held as finance leases	–	–	–	–
(iv)	Revaluation of trading properties	–	–	–	–
Diluted NAV at Fair Value		**5,814**	**5,814**	**5,814**	**5,814**
Exclude:					
(v)	Deferred tax in relation to fair value gains of IP	210	210	210	–
(vi)	Fair value of financial instruments	12	12	12	–
(vii)	Goodwill as a result of deferred tax	–	–	–	–
(viii.a)	Goodwill as per the IFRS balance sheet	–	–	–	–
(viii.b)	Intangible as per the IFRS balance sheet	–	–	–	–
Include:					
(ix)	Fair value on fixed interest rate debt	–	–	–	113
(x)	Revaluation of intangibles to fair value	–	–	–	–
(xi)	Real estate transfer tax	–	549	–	–
EPRA NAV – €m		**6,036**	**6,585**	**6,036**	**5,927**
Nº of shares (m)		***627.3***	***627.3***	***627***	***627***
EPRA NAV - Euros per share		***9.62***	***10.50***	***9.62***	***9.45***

EPRA Net Asset value – December 2023

€m		NAV previous methodology	Net Reinstatement Value	Net Tangible Assets	Net Disposal Value
IFRS Equity attributable to shareholders		**4,936**	**4,936**	**4,936**	**4,936**
Include:					
(i)	Hybrid instruments	–	–	–	–
Diluted NAV		**4,936**	**4,936**	**4,936**	**4,936**
Include:					
(ii.a)	Revaluation of investment properties (if IAS 40 cost option is used)	–	–	–	–
(ii.b)	Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	–	–	–	–
(ii.c)	Revaluation of other non-current investment	124	124	124	124
(iii)	Revaluation of tenant leases held as finance leases	–	–	–	–
(iv)	Revaluation of trading properties	13	13	13	13
Diluted NAV at Fair Value		**5,073**	**5,073**	**5,073**	**5,073**
Exclude:					
(v)	Deferred tax in relation to fair value gains of IP	298	298	289	–
(vi)	Fair value of financial instruments	10	10	10	–
(vii)	Goodwill as a result of deferred tax	–	–	–	–
(viii.a)	Goodwill as per the IFRS balance sheet	–	–	–	–
(viii.b)	Intangible as per the IFRS balance sheet	–	–	–	–
Include:					
(ix)	Fair value on fixed interest rate debt	–	–	–	219
(x)	Revaluation of intangibles to fair value	–	–	–	–
(xi)	Real estate transfer tax	–	531	–	–
EPRA NAV – €m		**5,381**	**5,912**	**5,372**	**5,292**
Nº of shares (m)		***539.6***	***539.6***	***539.6***	***539.6***
EPRA NAV - Euros per share		***9.97***	***10.96***	***9.95***	***9.81***

3. EPRA Net Initial Yield and Topped-Up Net Initial Yield

D. EPRA Net Initial yield & "Topped-Up" Net Initial Yield

€m		Barcelona	Madrid	Paris	Total 2024	Total 2023
Investment property – wholly owned		1,332	2,691	7,571	11,594	11,283
Investment property – share of JVs/Funds		52	n. a.	n. a.	52	50
Trading property (including share of JVs)		n. a.	n. a.	n. a.	n. a.	n. a.
Less: developments and major refurbishments		(160)	(544)	(870)	(1,574)	(1,154)
Completed property portfolio	**E**	**1,224**	**2,148**	**6,701**	**10,073**	**10,179**
Allowance for estimated purchasers' costs		44	63	451	557	569
Gross up completed property portfolio valuation	**B**	**1,267**	**2,211**	**7,152**	**10,630**	**10,748**
Annualised cash passing rental income		53	98	215	366	348
Property outgoings		(6)	(7)	(5)	(18)	(20)
Annualised net rents	**A**	**46**	**91**	**210**	**348**	**328**
Add: notional rent expiration of rent free periods or other lease incentives		2	2	63	67	89
"Topped-up" net annualised rent	**C**	**49**	**93**	**273**	**416**	**417**
EPRA Net Initial Yield	**A/B**	**3.66%**	**4.13%**	**2.94%**	**3.28%**	**3.05%**
EPRA "Topped-Up" Net Initial Yield	**C/B**	**3.85%**	**4.22%**	**3.82%**	**3.91%**	**3.88%**
Gross Rents Total Reversion	F	65	108	299	472	479
Property outgoings Total Reversion		(3)	(6)	(5)	(13)	(15)
Annualised Net Rents Total Reversion	**D**	**62**	**102**	**294**	**459**	**465**
Net Initial Yield Total Reversion[1]	**D/B**	**4.91%**	**4.63%**	**4.11%**	**4.31%**	**4.32%**
Gross Initial Yield Total Reversion[1]	**F/E**	**5.31%**	**5.02%**	**4.46%**	**4.68%**	**4.71%**

(1) 100% occupied at market rents.

4. EPRA Vacancy Rate

EPRA Vacancy Rate – Offices Portfolio

€m	2024	2023	Var. %
Barcelona			
Vacant space ERV	12	9	
Portfolio ERV	61	55	
EPRA Vacancy Rate Barcelona	**20%**	**16%**	**4 pp**
Madrid			
Vacant space ERV	8	4	
Portfolio ERV	98	93	
EPRA Vacancy Rate Madrid	**8%**	**4%**	**5 pp**
Paris			
Vacant space ERV	0	0	
Portfolio ERV	245	242	
EPRA Vacancy Rate Paris	**0%**	**0%**	**0 pp**
Total Portfolio			
Vacant space ERV	21	12	
Portfolio ERV	404	391	
EPRA Vacancy Rate Total Office Portfolio	**5%**	**3%**	**2 pp**

Note: Annualized figures.

EPRA Vacancy Rate – Total Portfolio

€m	2024	2023	Var. %
Barcelona			
Vacant space ERV	12	9	
Portfolio ERV	63	57	
EPRA Vacancy Rate Barcelona	**20%**	**16%**	**4 pp**
Madrid			
Vacant space ERV	9	4	
Portfolio ERV	104	93	
EPRA Vacancy Rate Madrid	**8%**	**4%**	**5 pp**
Paris			
Vacant space ERV	1	1	
Portfolio ERV	287	300	
EPRA Vacancy Rate Paris	**0%**	**0%**	**0 pp**
Total Portfolio			
Vacant space ERV	22	13	
Portfolio ERV	455	450	
EPRA Vacancy Rate Total Portfolio	**5%**	**3%**	**2 pp**

Note: Annualized figures.

5. EPRA Cost Ratios

E. EPRA Cost Ratios

€m			12/2024	12/2023
(i)	Administrative/operating expense line per IFRS income statement		62	51
(ii)	Net service charge costs/fees		23	24
(iii)	Management fees less actual/estimated profit element		0	0
(iv)	Other operating income/recharges intended to cover overhead expenses less any related profits		0	0
(v)	Share of Joint Ventures expenses		0	0
Exclude (if part of the above):				
(vi)	Investment Property depreciation		n. a.	n. a.
(vii)	Ground rent costs		n. a.	n. a.
(viii)	Service charge costs recovered through rents but not separately invoiced		(6)	(6)
EPRA Costs (including direct vacancy costs)		**A**	**79**	**69**
(ix)	Direct vacancy costs		(7)	(6)
EPRA Costs (excluding direct vacancy costs)		**B**	**72**	**63**
(x)	Gross Rental Income less ground rent costs – per IFRS		391	377
(xi)	Less: service fee and service charge costs components of Gross Rental Income (if relevant)		(5)	(5)
(xii)	Add: share of Joint Ventures (Gross Rental Income less ground rents)		1	0
Gross Rental Income		**C**	**387**	**372**
EPRA Cost Ratio (including direct vacancy costs) (A/C)		**A/C**	**20.5%**	**18.5%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)		**B/C**	**18.6%**	**17.0%**

6. EPRA CAPEX disclosure

Property-related CAPEX

€m	Spain	France	12/2024	12/2023
Acquisitions[1]	0	0	0	0
Development (ground-up/green field/brown field)	36	59	95	148
Like-for-like portfolio	23	33	56	38
Other[2]	8	5	13	18
Capital Expenditure	**68**	**97**	**165**	**204**

(1) Does not include contribution of assets in exchange of shares.
(2) Includes capitalised interest relating to projects, letting fees and other capitalised expenses.

7. EPRA LTV

In million euros	Group as reported 2024	Proportionate Consolidation			Combined 2024
		Share of joint venture	Share of material associates	Non controlling interest	
Include:					
Borrowings from Financial Institutions	300	–	12	(5)	307
Commercial paper	185	–	–	(3)	182
Hybrids	–	–	–	–	–
Bond Loans	4,523	–	–	(30)	4,493
Foreign Currency Derivatives	–	–	–	–	–
Net Payables	168	–	0	(9)	160
Owner-occupied property (debt)	–	–	–	–	–
Current accounts (Equity characteristic)	–	–	–	–	–
Exclude:	**–**	**–**	**–**	**–**	**–**
Cash and cash equivalents	543	–	2	(29)	515
Net Debt (a)	**4,633**	**–**	**11**	**(18)**	**4,626**
Include:					
Owner-occupied property	85	–	–	(1)	84
Investment properties at fair value	11,492	–	26	(1,087)	10,431
Properties held for sale	17	–	–	–	17
Properties under development	–	–	–	–	–
Intangibles	6	–	–	(0)	6
Net Receivables	–	–	–	–	–
Financial assets	–	–	–	–	–
Total Property Value (b)	**11,600**	**–**	**26**	**(1,088)**	**10,539**
LTV (a/b)	**39.9%**				**43.9%**
Proforma LTV (a/b)[(1)]	**39.8%**				**43.7%**
LTV Droits Inclus (DI)	***37.9%***				***41.4%***
Proforma LTV Droits Inclus (DI)[(1)]	***37.7%***				***41.2%***

(1) Proforma including divestments commitments already formalized.

8. EPRA Sustainability tables

Energy consumption and GHG emissions

Energy consumption and GHG emissions in 2024-2023

EPRA Energy-Int, EPRA GHG-Int
EPRA GHG-Dir-Abs & EPRA GHG-Indir-Abs

Sustainability Indicators		Unit of measurement	2024 Consumption	2023 Consumption	Variation
Electicity Consumption *(Elec-Abs)*		MWh	112,789	119,375	–6%
Fuel Consumption *(Fuels-Abs)*		MWh	9,661	13,227	–27%
Heating & Cooling Consumption *(DH&C-Abs)*		MWh	21,334	21,352	0%
Solar Photovoltaic		MWh	411	274	50%
Solar Termal		MWh	61	85	–29%
Green Energy Consumption		MWh	471	359	31%
Total Energy Consumption		**MWh**	**144,256**	**154,312**	**–7%**
Intensity – Energy-Int		**kWh/sqm**	**141**	**152**	**–7%**
		kWh/net revenue	**0.394**	**0.468**	**–16%**
Direct CO_2 emissions / Scope 1 *(GHG-Dir-Abs)*		$TeqCO_2$	1,882	1,803	4%
Indirect emissions / Scope 2 *(GHG-Indir-Abs)*	Market-based method	$TeqCO_2$	1,682	2,167	–22%
	Location-based method	$TeqCO_2$	4,960	6,192	–20%
Total emissions / Scopes 1 & 2	**Market-based method**	**$TeqCO_2$**	**3,563**	**3,970**	**–10%**
	Location-based method	**$TeqCO_2$**	**6,842**	**7,995**	**–14%**
Intensity – GHG-Int	**Market-based method**	**$KgCO_2e$/sqm**	**3**	**4**	**–11%**
	Location-based method	**$KgCO_2e$/sqm**	**7**	**8**	**–15%**
	Market-based method	**$KgCO_2e$/net revenue**	**0.010**	**0.012**	**–19%**
	Location-based method	**$KgCO_2e$/net revenue**	**0.019**	**0.024**	**–23%**
Other indirect CO_2 emissions (Scope 3) *(Private areas)*	Market-based method	$TeqCO_2$	5,017	8,711	–42%
	Location-based method	$TeqCO_2$	6,225	9,356	–33%
Total emissions / Scopes 1 & 2 & 3	**Market-based method**	**$TeqCO_2$**	**8,581**	**12,681**	**–32%**
	Location-based method	**$TeqCO_2$**	**13,066**	**17,351**	**–25%**
Intensity - GHG-Int	**Market-based method**	**$KgCO_2e$/sqm**	**8**	**12**	**–33%**
	Location-based method	**$KgCO_2e$/sqm**	**13**	**17**	**–25%**
	Market-based method	**$KgCO_2e$/net revenue**	**0.023**	**0.038**	**–39%**
	Location-based method	**$KgCO_2e$/net revenue**	**0.036**	**0.053**	**–32%**
Area covered		Sqm	1,024,551	1,016,644	
Coverage		# of assets	72	74	

Note: Of the electricity consumption in 2024, 40,461MWh correspond to common areas and shared services, and 72,328MWh, to private areas. Also, of the electricity consumption in 2023, 41,830MWh correspond to common areas and shared services, and 77,545MWh, to private areas. Green energy consumption represents 0,33% of the total.
In some cases, the Group only has the control of the consumption of the common areas, so as part of the effort made to report total consumption, the Group has made an estimate of consumption data for tenants to whom it does not have access. The estimated energy consumption data represents 19% of the total reported. The estimated data represents 20% of the reported electricity consumption, 8% of the DH&C consumption, and c.30% of the fuel consumption.

Energy consumption and emissions in own-use offices

Sustainability Indicators		Unit of measurement	2024 Consumption	2023 Consumption	Variation
Electricity Consumption		MWh	174	185	–6%
Fuel Consumptiom		MWh	95	70	36%
Total Energy consumption		**MWh**	**269**	**256**	**5%**
Intensity – Energy-Int		**kWh/sqm**	**48**	**45**	**5%**
Direct CO_2 emissions		$TeqCO_2$	16	12	38%
Indirect CO_2 emissions	Market-based method	$TeqCO_2$	3	5	–38%
	Location-based method	$TeqCO_2$	11	15	–29%
Direct & Indirect emissions	**Market-based method**	**$TeqCO_2$**	**20**	**17**	**15%**
	Location-based method	**$TeqCO_2$**	**27**	**32**	**–16%**
Intensity – GHG-Int	**Market-based method**	**$KgCO_2e/sqm$**	**3**	**3**	**15%**
	Location-based method	**$KgCO_2e/sqm$**	**5**	**6**	**–16%**
Area covered		Sqm	5,654	5,654	
Coverage		# of assets	3	3	

Energy consumption and emissions in leased properties with control over the consumption of the properties

EPRA Elec-LfL, EPRA Fuels LfL & EPRA DH&C-LfL
EPRA GHG-Dir-Abs & EPRA GHG-Indir-Abs

Sustainability indicators		Unit of measurement	2024 Consumption	2023 Consumption	Variation
Electicity Consumption *(Elec-LfL)*		MWh	103,858	103,646	0%
Fuel Consumption *(Fuels-LfL)*		MWh	9,384	8,652	8%
Heating & Cooling Consumption *(DH&C-LfL)*		MWh	17,874	18,360	–3%
Solar Photovoltaic		MWh	380	274	39%
Solar Termal		MWh	61	85	–29%
Green Energy Consumption		MWh	441	359	23%
Total Energy Consumption		**MWh**	**131,556**	**131,017**	**0%**
Intensity - Energy-Int		**kWh/sqm**	**159**	**159**	**0%**
		kWh/net revenue	**0.394**	**0.458**	**–14%**
Direct CO_2 emissions / Scope 1 *(GHG-Dir-Abs)*		$TeqCO_2$	1,882	1,688	11%
Indirect emissions / Scope 2 *(GHG-Indir-Abs)*	Market-based method	$TeqCO_2$	1,407	1,864	–25%
	Location-based method	$TeqCO_2$	4,556	5,729	–20%
Total emissions / Scopes 1 & 2	**Market-based method**	**$TeqCO_2$**	**3,289**	**3,553**	**–7%**
	Location-based method	**$TeqCO_2$**	**6,437**	**7,417**	**–13%**
Intensity – GHG-Int	**Market-based method**	**$KgCO_2e$/sqm**	**4**	**4**	**–7%**
	Location-based method	**$KgCO_2e$/sqm**	**8**	**9**	**–13%**
	Market-based method	**$KgCO_2e$/net revenue**	**0.010**	**0.012**	**–21%**
	Location-based method	**$KgCO_2e$/net revenue**	**0.019**	**0.022**	**–13%**
Other indirect CO_2 emissions (Scope 3) *(Private areas)*	Market-based method	$TeqCO_2$	4,730	7,352	–36%
	Location-based method	$TeqCO_2$	5,845	7,049	–17%
Total emissions / Scopes 1 & 2 & 3	**Market-based method**	**$TeqCO_2$**	**8,019**	**10,904**	**–26%**
	Location-based method	**$TeqCO_2$**	**12,282**	**14,465**	**–15%**
Intensity – GHG-Int	**Market-based method**	**$KgCO_2e$/sqm**	**10**	**13**	**–26%**
	Location-based method	**$KgCO_2e$/sqm**	**15**	**18**	**–15%**
	Market-based method	**$KgCO_2e$/net revenue**	**0.024**	**0.038**	**–37%**
	Location-based method	**$KgCO_2e$/net revenue**	**0.037**	**0.051**	**–27%**
Area covered		Sqm	826,094	826,155	
Coverage		# of assets	60	60	

Notes: These tables show the consumption and emissions generated in the Colonial buildings included in the sustainable like-for-like scope, following the recommendations of EPRA Best Practices on Sustainability Reporting. The calculation of the like-for-like indicators has been carried out separately for each type of consumption (electricity, fuel and water), including those buildings that have been in continuous operation in the last two years (2024 and 2023) and for which complete consumption data is available for the last two years. Also included are those assets in which the Group has control over the consumption of supplies and single-user assets, except for properties in project status and plots of land, as they do not generate consumption.
The Scope 1 and 2 carbon footprint has been calculated based on the energy consumption of the buildings, leakage and refrigerant gas recharges.
For Scope 3, these tables contain data on category 13 as established by the GHG Protocol, corresponding to GHG emissions from energy consumption in the private areas of tenants. Being aware that most of its emissions come from this area, out of the 15 categories established in the GHG Protocol, the Colonial Group calculate the emissions of the 8 categories applicable to the Group's business, as can be seen in detail in the chapter *6.2 Eco-efficiency results*.

Of the like-for-like electricity consumption in 2024, 37,102 MWh correspond to common areas and shared services, and 66,757 MWh, to private areas. Also, of the like-for-like electricity consumption in 2023, 38,621 MWh correspond to common areas and shared services, and 65,025 MWh, to private areas. Green energy consumption represents 0.34% of the total, in line with previous years.

Water consumption

Water consumption in 2024-2023

EPRA Water-Int

		Total 2024			Total 2023			Variation		
Sustainability Indicators	Unit of measurement	Cons. 2024	Intensity 2024 *(Water-Int)* (l/sqm)	Intensity 2024 *(Water-Int)* (l/net revenues	Cons. 2023	Intensity 2023 *(Water-Int)* (l/sqm)	Intensity 2023 *(Water-Int*) (l/net revenues	Cons.	Intensity (l/sqm)	Intensity (l/net revenues)
Water consumption *(Water-Abs)*	m^3	328,296	331	0.896	363,141	361	1.099	–10%	–8%	–19%

Surface	Sqm	991,735	1,006,500
Coverage	# of assets	70	73

Notes: 0,5% of the water comes from recycled and reused water. The rest is supplied by water mains. Data consumption of water is obtained through telemetry, manual readings and invoices. The estimated water data represents 18% of the total consumption.

Water consumption in own use offices

Sustainability Indicators	Unit of measurement	Cons. 2024	Cons. 2023	Var.	2024 intensity (l/sqm)	2023 intensity (l/sqm)	Variation
Water consumption	m^3	3,302	1,867	77%	584	330	77%

Surface	Sqm	5,654	5,654
Coverage	# of assets	3	3

Water consumption in leased properties with control over the consumption of the properties

EPRA Water-LfL

Sustainability Indicators	Unit of measurement	Cons. 2024	Cons. 2023	Var.	Intensity 2024 (l/sqm)	Intensity 2023 (l/sqm)	Var.	2024 intensity (l/net revenues)	2023 intensity (l/net revenues)	Var.
Water consumption *(Water-LfL)*	m^3	302,749	288,529	5%	366	349	5%	0.907	1.009	–10%

Surface	Sqm	826,094	826,155
Coverage	# of assets	60	60

Notes: 1% of the water comes from recycled and reused water. The rest is supplied by water mains.

Waste

Waste by type and disposal

EPRA Waste-Abs. EPRA Waste-LfL

Sustainability Indicators	Type of Waste	Total Waste 2023 kg	Total Waste 2023 % of the total	Total Waste 2024 kg	Total Waste 2024 % of the total
EPRA Waste-Abs GRI 306-2	**Hazardous Waste**				
	Reuse	228	0.65%	396	3.07%
	Recycling	3,876	11.00%	2,589	20.06%
	Composting	0	0.00%	0	0.00%
	Recovery (including energy)	1,252	3.55%	3,417	26.47%
	Land-land improvement, backfilling and drainage	0	0.00%	0	0.00%
	On-site storage(1)	4,164	11.82%	550	4.26%
	Non-reusable hazardous waste	22,439	63.70%	1,959	15.18%
	Incineration (not reused)	22	0.06%	1	0.01%
	Deep well injection (not reused)	0	0.00%	0	0.00%
	Landfill (not reused)	1,819	5.16%	1,486	11.51%
	Other disposal method	1,429	4.06%	2,510	19.45%
	Total hazardous waste generated	**35,229**	**100.00%**	**12,908**	**100.00%**
	Non-hazardous Waste(2)				
	Reuse	182,380	3.24%	327,215	3.81%
	Recycling	3,573,214	63.51%	6,870,466	80.06%
	Composting	36,326	0.65%	53,190	0.62%
	Recovery (including energy)	980,593	17.43%	1,173,861	13.68%
	Land-land improvement, backfilling and drainage	0	0.00%	0	0.00%
	On-site storage(1)	167,074	2.97%	1,235	0.01%
	Non-reusable hazardous waste	1	0.00%	0	0.00%
	Incineration (not reused)	0	0.00%	8,600	0.10%
	Deep well injection (not reused)	0	0.00%	0	0.00%
	Landfill (not reused)	379,711	6.75%	112,292	1.31%
	Other disposal method	306,569	5.45%	34,950	0.41%
	Total non-hazardous waste generated	**5,625,869**	**100.00%**	**8,581,810**	**100.00%**

(1) The "on-site storage" consists of temporary storage at the waste managers' facilities and has increased compared to 2022 due to a specific action in the Ribera de Loira building and the regrouping of waste treatment typologies generated from SFL.
(2) Non-hazardous waste includes the amount of waste corresponding to uncontaminated land.

Waste by type and disposal

EPRA Waste-Abs. EPRA Waste-LfL

Sustainability Indicators	Type of Waste	Total Waste 2023 kg	Total Waste 2023 % of the total	Total Waste 2024 kg	Total Waste 2024 % of the total
EPRA Waste-LfL	**Hazardous Waste**				
	Reuse	225	1.85%	396	3.95%
	Recycling	3,590	29.45%	2,548	25.42%
	Composting	0	0.00%	0	0.00%
	Recovery (including energy)	846	6.94%	3,417	34.09%
	Land-land improvement, backfilling and drainage	0	0.00%	0	0.00%
	On-site storage(1)	4,164	34.16%	516	5.15%
	Non-reusable hazardous waste	865	7.10%	36	0.36%
	Incineration (not reused)	21	0.17%	1	0.01%
	Deep well injection (not reused)	0	0.00%	0	0.00%
	Landfill (not reused)	1,051	8.62%	599	5.98%
	Other disposal method	1,429	11.72%	2,510	25.04%
	Total hazardous waste generated	**12,191**	**100.00%**	**10,023**	**100.00%**
	Non-hazardous Waste(2)				
	Reuse	8,079	0.43%	145,865	3.04%
	Recycling	506,985	26.71%	3,472,120	72.33%
	Composting	19,302	1.02%	53,182	1.11%
	Recovery (including energy)	737,442	38.85%	971,961	20.25%
	Land-land improvement, backfilling and drainage	0	0.00%	0	0.00%
	On-site storage(1)	167,068	8.80%	1,235	0.03%
	Non-reusable hazardous waste	1	0.00%	0	0.00%
	Incineration (not reused)	0	0.00%	8,600	0.18%
	Deep well injection (not reused)	0	0.00%	0	0.00%
	Landfill (not reused)	265,982	14.01%	112,292	2.34%
	Other disposal method	193,659	10.20%	34,950	0.73%
	Total non-hazardous waste generated	**1,898,519**	**100.00%**	**4,800,205**	**100.00%**

(1) The "on-site storage" consists of temporary storage at the waste managers' facilities and has increased compared to 2022 due to a specific action in the Ribera de Loira building and the regrouping of waste treatment typologies generated from SFL.
(2) Non-hazardous waste includes the amount of waste corresponding to uncontaminated land.

9.2. Colonial portfolio

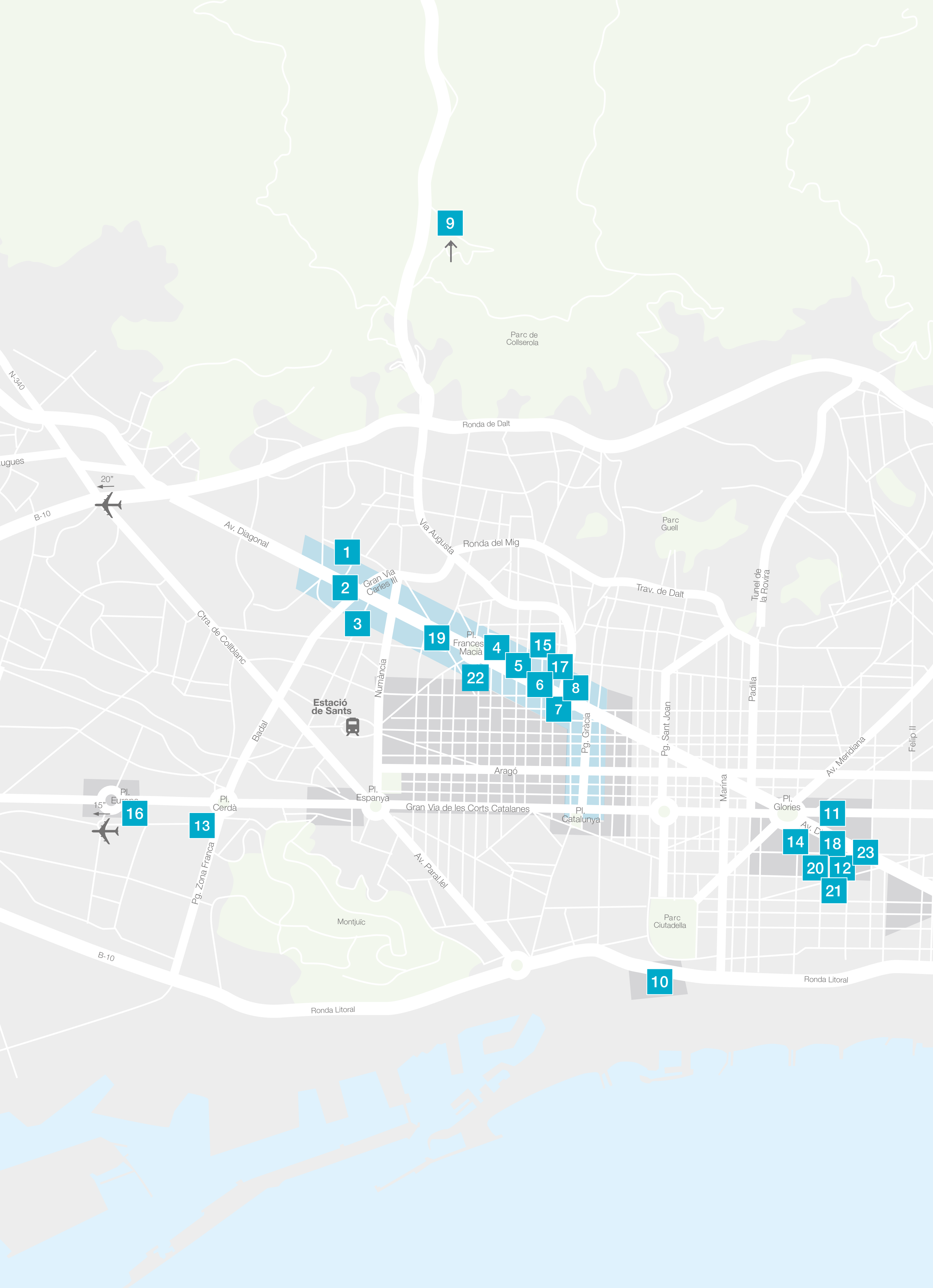
9.2.1. Location of assets

Barcelona

1. Paseo de los Tilos, 2-6
2. Av. Diagonal, 682
3. Av. Diagonal, 609-615
4. Travessera de Gràcia, 11
5. Amigó, 11-17
6. Av. Diagonal, 530-532
7. Av. Diagonal, 409
8. Vía Augusta, 21
9. Complejo de oficinas Sant Cugat Nord
10. Torre Marenostrum
11. Diagonal - Glòries
12. Complejo de oficinas Illacuna
13. Torre BCN
14. Parc Glòries (Ciutat de Granada, 150)
15. Travessera de Gràcia, 47-49
16. Plaza Europa, 34
17. Gal·la Placídia
18. Av. Diagonal, 197
19. Av. Diagonal, 525
20. Sancho de Ávila, 110-130
21. WittyWood (Llacuna, 42)
22. Buenos Aires, 21
23. Llull, 331

Prime Central Business District

Business District



9
Parc de Collserola
Ronda de Dalt
N-340
20"
B-10
Av. Diagonal
1
2
Gran Via Carles III
3
Via Augusta
Ronda del Mig
Parc Guell
Trav. de Dalt
Tunel de la Rovira
19
Pl. Francesc Macià
4
15
5
17
6
8
22
7
Ctra. de Collblanc
Numància
Estació de Sants
Badal
Pg. Gràcia
Pg. Sant Joan
Padilla
Av. Meridiana
Felip II
Aragó
Marina
Pl. Europa
15"
16
Pl. Cerdà
13
Pl. Espanya
Gran Via de les Corts Catalanes
Pl. Catalunya
Pl. Glories
11
14
18
23
20
12
21
Av. Paral.lel
Pg. Zona Franca
Montjuïc
Parc Ciutadella
10
Ronda Litoral
B-10
Ronda Litoral

Madrid

MADRID – City Center & CBD

1 Paseo de Recoletos, 37-41
2 Génova, 17
3 Paseo de la Castellana, 52
4 Paseo de la Castellana, 43
5 Santa Engracia
6 Poeta Joan Maragall, 53
7 Discovery Building
8 López de Hoyos, 35
9 The Window Building
10 Francisco Silvela, 42
11 Ortega y Gasset, 100
12 Ramírez de Arellano, 37
13 MV49 Business Park
14 Alfonso XII, 62
15 José Abascal, 45
16 Serrano, 73
17 Santa Hortensia, 26-28
18 Paseo de la Castellana, 163
19 Arturo Soria, 336
20 Madnum
21 Manuel de Falla, 7
22 Miguel Ángel, 23
23 Velázquez, 86d
24 Don Ramón de la Cruz, 84
25 Gran Vía, 30
26 Visionary Building

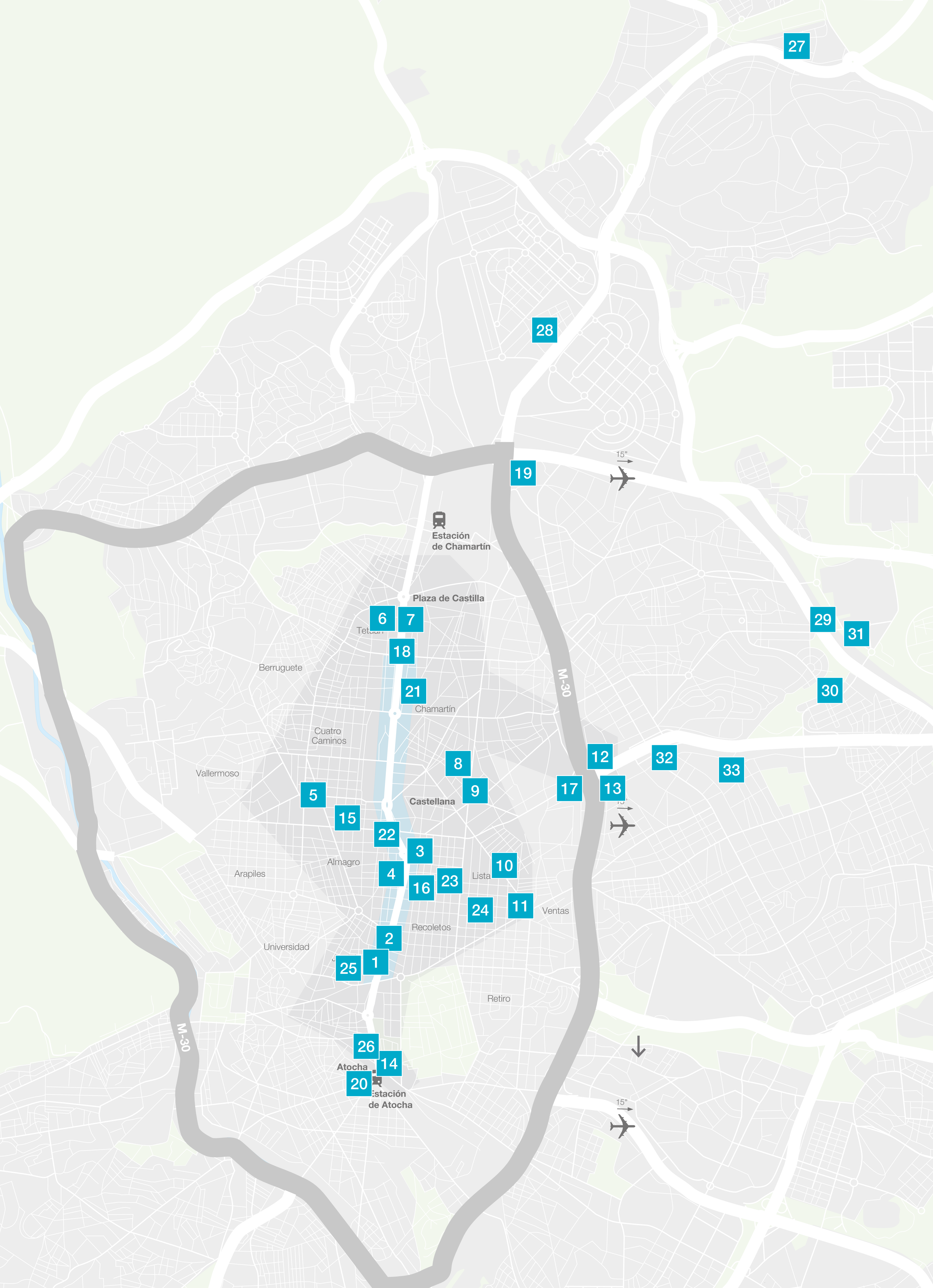
NORTH MADRID
Arroyo de la Vega & Las Tablas

27 Oblicua (Francisca Delgado, 11)
28 Puerto de Somport, 8

EAST MADRID
Campo de las Naciones & A2

29 Ribera del Loira, 28
30 Tucumán
31 Egeo Building
32 Josefa Valcárcel, 40 bis
33 J.I. Luca de Tena, 7

Prime Central Business District
Business District



27
28
19
15"
Estación
de Chamartín
Plaza de Castilla
6
7
Tetuán
18
Berruguete
21
Chamartín
M-30
29
31
30
Cuatro
Caminos
Vallermoso
8
12
32
33
5
9
17
13
Castellana
15
22
3
Almagro
Arapiles
4
16
23
Lista
10
24
11
Ventas
Recoletos
2
Universidad
25
1
Retiro
M-30
26
14
Atocha
20
Estación
de Atocha
15"

Residential

1. Paseo de la Castellana, 157
2. Boadilla del Monte
3. Euterpe
4. Pacífico
5. Mileno

Paris

1. Louvre Saint-Honoré
2. Washington Plaza
3. Galerie des Champs-Élysées
4. 90 Champs-Élysées
5. 92 Champs-Élysées Ozone
6. Cézanne Saint-Honoré
7. Edouard VII
8. 176 Charles de Gaulle
9. Rives de Seine
10. 83 Marceau
11. 131 Wagram
12. 103 Grenelle
13. 104-110 Haussmann Saint-Agustin
14. #Cloud.paris
15. Pasteur
16. Condorcet
17. Biome

Prime Central Business District

Business District

SAINT-DENIS
20”
A86
N14
D13
COLOMBES
N315
N1
ASNIÈRES-SUR-SEINE
SAINT-OUEN
AUBERVILLIERS
N2
COURBEVOIE
CLICHY
Périphérique
Porte de la Chapelle
D20
LEVALLOIS-PERRET
Porte de Clichy
Av. de Flandre
25”
8
Seine
Av. Jean Jaurès
11
Bd. des Batignolles
Bd. de Clichy
Gare du Nord
Porte Maillot
Gare de St.-Lazare
16
Gare de l’Est
2
6
R. La Fayette
Av. Foch
13
R. Belleville
5
Av. des Champs-Elysées
Bd. des Italiens
14
Périphérique
Av. Victor Hugo
4
10
Bd. Sébastopol
3
7
Av. la Republique
R. Rivoli
1
Bois de Bologne
Quai d’Orsay
Bd. Voltaire
Porte de la Muette
12
Champ de Mars
Bd. Saint Germain
Quai de Grenelle
Av. Mozart
17
R. du Faubourg Saint Antoine
Pl. de la Nation
Av. de Breteuil
Jardin du Luxembourg
Bd. Saint Michel
Gare de Lyon
Bd. Exelmans
Bd. Montparnasse
Lecourbe
Gare d’Austerlitz
15
9
Gare Montparnasse
Av. du Maine
Porte de St. Cloud
Seine
Pl. d’Italie
Porte de Sevres
Av. Général Leclerc
Porte de Bercy
Périphérique
Porte d’Orleans
IVRY-SUR-SEINE
D906
CLAMART
D5
D920
D7

9.2.2. Surface area of assets – details

Rental portfolio Barcelona

sqm	Acquisition year	Floor space above ground: Offices	Floor space above ground: Retail	Floor space above ground	Floor space below ground	Total surface	Parking units
Av. Diagonall, 409	2001	3,680	851	4,531		4,531	
Av. Diagonal, 530	1992	10,321	2,555	12,876	4,708	17,584	99
Av. Diagonal, 609-615 - Dau/Prisma	1997	21,753		21,753	18,839	40,592	431
Av. Diagonal, 682	1997	8,372	145	8,517	1,795	10,312	50
Pedralbes Centre	1997	36	7,695	7,731	151	7,882	
Av. Diagonal, 523-525	2018	5,706		5,706	1,179	6,885	10
Diagonal, 220-240 - Glòries	2000	11,672		11,672	536	12,208	40
Illacuna	2006	19,113	812	19,925	13,606	33,531	389
P.º de los Tilos, 2-6	2000	5,143		5,143	3,081	8,224	69
Travessera de Gràcia, 47-49	2016	5,061		5,061	1,620	6,681	17
Vía Augusta, 21-23	1999	4,620	218	4,838		4,838	
Travessera de Gràcia, 11	1994	4,105	410	4,515	1,994	6,509	61
Amigó, 11-17	1994	2,960	608	3,568	1,778	5,346	88
Torre BCN	2000	9,600	235	9,835	2,967	12,802	88
Torre Marenostrum	2003	21,856		21,856	19,204	41,060	508
Parc Glòries	2016	24,450		24,450	5,444	29,894	162
Sant Cugat Nord	1999	27,904		27,904	20,626	48,530	681
Gal·la Placídia	2018	4,285		4,285	1,555	5,840	14
Av. Diagonal, 197	2014	14,515	753	15,268	9,170	24,438	299
Buenos Aires, 21	2021	8,784		8,784		8,784	
WittyWood (Llacuna, 42)	2020	2,476		2,476	585	3,061	10
Plaza Europa, 34	2017	13,406	329	13,735	6,664	20,399	170
Llull, 331	2024	6,496		6,496	2,466	8,962	177
Portfolio in operation		**236,313**	**14,611**	**250,924**	**117,970**	**368,894**	**3,363**
Sancho de Ávila, 110-130	2019	17,860		17,860	4,776	22,636	180
Surface underway		5,742	105	5,847	2,177	8,024	
Projects underway		**23,602**	**105**	**23,707**	**6,953**	**30,660**	**180**
Total Barcelona		**259,915**	**14,716**	**274,631**	**124,923**	**399,554**	**3,543**

Note: In order to facilitate the analysis of the portfolio, part of the office buildings have been specified to be dedicated to retail/commercial use (generally on the ground floors). The assets in the Barcelona rental portfolio are 100% owned by Colonial, with the exception of the plot of land at Plaza Europa 34 which is held through a joint venture with Inmo, S.L. The assets in the Madrid rental portfolio and the rest of Spain are 100% owned by Colonial.

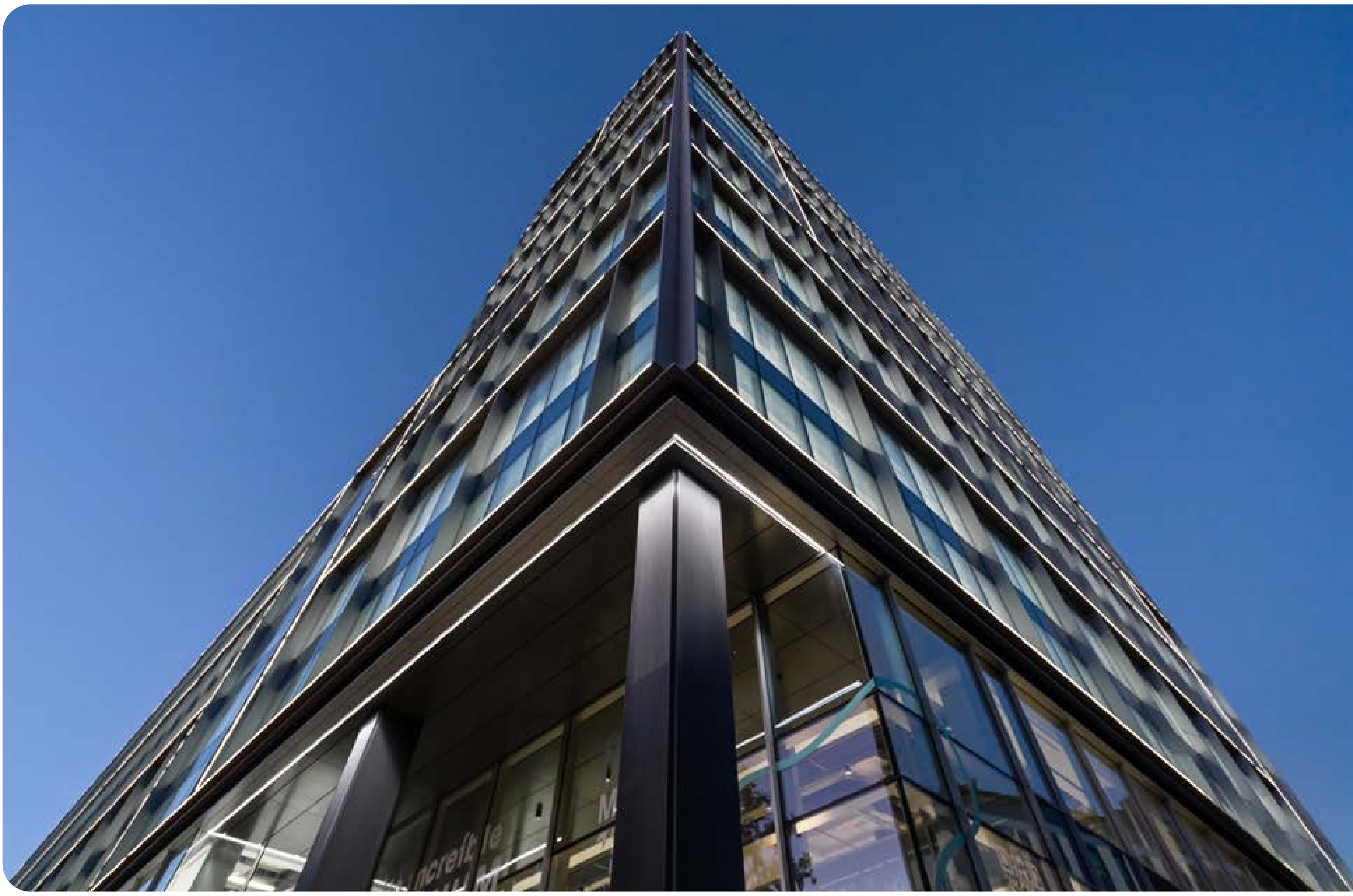
Rental portfolio Madrid & others

sqm	Acquisition year	Floor space above ground			Floor space above ground	Floor space below ground	Total surface	Parking units
		Offices	Retail	Others				
P.º Castellana, 52	1998	6,496	1,027		7,523	2,615	10,138	49
P.º Castellana, 163	2016	10,729	533		11,262	1,927	13,189	61
P.º Recoletos, 37-41	2005	13,642	3,560		17,202	5,316	22,518	180
P.º Castellana, 43	2005	5,455	543		5,998	2,441	8,439	81
Génova, 17	2015	3,638	1,038		4,676	2,601	7,277	70
José Abascal, 45	2016	5,324			5,324	1,858	7,182	54
Serrano,73	2016	4,242			4,242	3,121	7,363	104
Alfonso XII, 62	2002	13,135			13,135	2,287	15,422	78
Santa Engracia	2015	9,815	220		10,035	5,562	15,597	180
Francisco Silvela, 42	1999	4,893	500		5,393	3,926	9,319	105
José Ortega y Gasset, 100	2000	6,870	922		7,792	2,563	10,355	96
Poeta Joan Maragall, 53	2001	13,685	2,330		16,015	9,668	25,683	295
Discovery Building	2015	9,496	656		10,152	4,707	14,859	100
López de Hoyos, 35	2005	6,613	527		7,140	4,105	11,245	111
Arturo Soria, 336	2017	8,363	300		8,663	5,593	14,256	190
Martínez Villergas, 49	2006	24,135			24,135	16,194	40,329	496
Ramírez de Arellano, 37	1999	5,988			5,988	4,923	10,911	160
Egeo Building	2018	18,255			18,255	9,581	27,836	350
Príncipe de Vergara, 112-114	2015	10,842	525		11,367	4,524	15,892	115
Manuel Falla, 7	2015	6,252			6,252	1,640	7,892	41
Miguel Ángel, 23	2017	7,320	835		8,155	1,353	9,508	114
Velázquez, 86d	2015	14,435	1,883		16,318	5,960	22,278	159
Don Ramón de la Cruz, 84	2015	9,339			9,339	3,584	12,923	91
Francisca Delgado, 11	2014	13,971	245		14,216	17,734	31,950	396
Puerto de Somport, 8	2017	6,866			6,866	13,394	20,260	369
Ribera de Loira, 28	2014	9,924	629		10,553	17,028	27,581	370
Tucumán	2015	5,650	1,276		6,926		13,966	176
Josefa Valcárcel, 40 bis	2017	8,718			8,718	7,566	16,284	259
Complejo Madnum	2017	21,946	1,114		23,060	34,472	57,531	
Lagasca, 88	n. d.	480			480	185	665	3
Gran Vía, 30	2024	5,412			5,412	285	5,697	23
Visionary Building	2024	8,111			8,111	930	9,041	76
Boadilla (Living)	2024			4,781	4,781	3,176	7,957	
P.º Castellana, 157 (Living)	2024			6,564	6,564	1,392	7,956	
Euterpe (Living)	2024			6,617	6,617	3,339	9,956	
Pacífico (Living)	2024			5,007	5,007	1,629	6,636	

Rental portfolio Madrid & others (continuation)

sqm	Acquisition year	Floor space above ground: Offices	Floor space above ground: Retail	Floor space above ground: Others	Floor space above ground	Floor space below ground	Total surface	Parking units
Pacífico Locales	2024		62		62		62	
Milenio (Living)	2024			26,957	26,957	19,139	46,096	
Milenio Locales	2024		450		450		450	
Portfolio in operation		**300,040**	**19,176**	**49,926**	**369,142**	**233,357**	**602,499**	**5,045**
Complejo Madnum	2017	34,359	2,186		36,545	500	37,045	608
Santa Hortensia, 26-28	2016	40,029			40,029	32,567	72,596	946
J.I. Luca de Tena, 7	2016	10,145			10,145	13,400	23,545	335
Autovía de Toledo				23,557	23,557		23,557	
Surface underway		4,618		78	4,696	1,814	6,510	
Projects underway		**89,150**	**2,186**	**23,635**	**114,971**	**48,281**	**163,253**	**1,889**
Total Madrid & others		**389,190**	**21,362**	**73,561**	**484,113**	**281,638**	**765,751**	**6,934**
Total Spain		**649,105**	**36,078**	**73,561**	**758,744**	**406,561**	**1,165,305**	**10,477**

Note: In order to facilitate the analysis of the portfolio, part of the office buildings have been specified to be dedicated to retail/commercial use (generally on the ground floors). The assets in the Barcelona rental portfolio are 100% owned by Colonial, with the exception of the plot of land at Plaza Europa 34 which is held through a joint venture with Inmo, S.L. The assets in the Madrid rental portfolio and the rest of Spain are 100% owned by Colonial.



Rental portfolio France

sqm	Acquisition year	Floor space above ground: Offices	Floor space above ground: Retail	Floor space above ground: Others	Floor space above ground	Floor space below ground	Total surface	Parking units
Louvre Saint-Honoré	1995	16,428	16,037		32,465	1,544	34,009	181
Edouard VII	1999	27,753	14,568	8,724	51,045	5,857	56,901	523
#Cloud.paris	2004	28,679		246	28,925	4,984	33,909	211
Condorcet	2014	20,376		2,863	23,239	2,457	25,696	50
Galerie Champs-Élysées	2002		4,983		4,983	3,851	8,834	125
90 Champs-Élysées	2002/ 2009	7,817	932		8,749		8,749	
92 Champs-Élysées	2000	4,114	3,085		7,199		7,199	
Cézanne Saint-Honoré	2001/ 2007	21,523	1,849		23,373	3,544	26,917	142
131 Wagram	1999	8,007			8,007	2,798	10,804	114
83 Marceau	2001/ 2007	8,737	690		9,427	2,403	11,830	129
Washington Plaza	2000	41,020	406	2,557	43,983	11,294	55,277	662
106 Haussmann	2002/ 2004		677		677	178	854	104
176 Charles de Gaulle	1997	5,546	1,196		6,742	1,896	8,638	129
Pasteur	2022	38,452	961		39,413	7,375	46,788	443
Biome	2017	22,452		1,870	24,322	1,678	26,000	84
103 Grenelle	2006	12,207	258	1,052	13,516	1,691	15,207	100
Portfolio in operation		**263,110**	**45,643**	**17,312**	**326,064**	**51,548**	**377,613**	**2,997**
Rives de Seine	2004	20,269		1,760	22,029	6,589	28,618	366
Haussmann Saint-Augustin		11,683	114		11,797	2,473	14,270	
Louvre Saint-Honoré	1995	9,530			9,530	5,732	15,262	
Surface underway		8,465	369		8,834	18,071	26,906	
Projects underway		**49,947**	**483**	**1,760**	**52,190**	**32,864**	**85,054**	**366**
Total France		**313,057**	**46,126**	**19,072**	**378,255**	**84,413**	**462,667**	**3,363**
Total Colonial Group		**962,162**	**82,204**	**92,633**	**1,136,999**	**490,974**	**1,627,972**	**13,840**

Colonial has 98.4% of the share capital of SFL. SFL has 100% ownership of the totality of its rental portfolio with the exception of Cézanne Saint-Honoré, 103 Grenelle, #Cloud and 92 Champs Élysées of which it owns 51%, assets which have been created new "Joint Ventures" together with Predica.

9.3. Key sustainability indicators GRI & EPRA BPR'S

9.3.1. Table of contents GRI, EPRA BPR'S

Statement of use	Colonial has reported in accordance with the GRI Standards for the period from 1st January 2024 to 31st December 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Construction and Real Estate (CRE)

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
General Disclosures			
GRI 2:General Disclosures 2021	2-1 Organizational Details	Inmobiliaria Colonial, SOCIMI, S.A. Location: Paseo de la Castellana no 52 (Madrid, Spain) Operations in Spain and France.	
	2-2 Entities included in the organization's sustainability reporting	315 Annual Accounts 2024 There are no adjustments of the information for minority interests, there have been no mergers, acquisitions and spin-offs of entities or parties. If there are any adjustments to the scope it has been indicated in each of the published contents.	
	2-3 Reporting period, frequency and contact point	379, 391 This report as well as the Annual Accounts corresponds to the fiscal year from January 1st to December 31st 2024 and is published annually. Its publication date is 31 March, 2025.	
	2-4 Restatements of information	They have been indicated in each case by direct notes.	
	2-5 External Assurance	388 The contents included in this index have been verified by an independent external third party, PricewaterhouseCoopers Auditores, S.L.	
	2-6 Activities, value chain and other business relationships	6-7,100-114, 120-123, 219-223, 334-345 Annual Accounts 2024	
	2-7 Employees	56, 230-263 Annual Accounts 2024	
	2-8 Workers who are not employees		Information not available: No information is available for workers who are not employees of Colonial.
	2-9 Governance structure and composition/ EPRA-Gov-Board	49-57, 284-304, 366 ACGR 2024	
	2-10 Nomination and selection of the highest governance body / EPRA-Gov-Select	300-301, 366 ACGR 2024	

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
GRI 2:General Disclosures 2021	2-11 Chair of the highest governance body	292 ACGR 2024	
	2-12 Role of the highest governance body in overseeing the management of impacts	60-64, 284-290	
	2-13 Delegation of responsibility for managing impacts	60-64, 284-290	
	2-14 Role of the highest governance body in sustainability reporting	297-298, 302-303	
	2-15 Conflicts of interest/ EPRA-Gov-Col	296-297, 366	
	2-16 Communication of critical concerns	308-309 No critical concerns have been reported in 2024.	
	2-17 Collective knowledge of the highest governance body	293-294 ACGR 2024	
	2-18 Evaluation of the performance of the highest governance body	296	
	2-19 Remuneration policies	304	
	2-20 Process to determine remuneration	304 ACGR 2024	
	2-21 Annual total compensation ratio		This content is not presented for confidentiality reasons.
	2-22 Statement on sustainable development strategy	80-97	
	2-23 Policy commitments	51, 136, 307-308, 310-314	
	2-24 Embedding policy commitments	306, 314	
	2-25 Processes to remediate negative impacts	308-314	
	2-26 Mechanisms for seeking advice and raising concerns	299-300, 308-314	
	2-27 Compliance with laws and regulations	There have been no significant instances of non-compliance with laws and regulations and no fines have been paid during the reporting period.	
	2-28 Membership associations	275-280	
	2-29 Approach to stakeholder engagement	38-40, 54-57	
	2-30 Collective bargaining agreements	247-248	

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	38-48	
	3-2 List of material topics	44-45, 380-381	
ENVIRONMENT			
1. Adaptation to climate change			
GRI 3: Material Topics 2021	3-3 Management of material topics	80-97	
GRI 201: Economics Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	61-64, 73, 79	
2. Climate change mitigation (own activities)			
GRI 3: Material Topics 2021	3-3 Management of material topics	136-164, 169-185	
GRI 302: Energy 2016 / EPRA	302-1 Energy consumption within the organization	169-170, 328-330, 356-364, 372, 376-378	
	302-3 Energy intensity	175-177, 328, 356-364	
	302-4 Reduction of energy consumption	169-174	
	EPRA - Elec-Abs Total energy consumption	328, 330, 356-357	
	EPRA - Elec-LfL Like-for-like energy consumption	356-357	
	EPRA - DH&C-Abs Total heating and cooling consumption	328, 356-357	
	EPRA - DH&C-LfL Like-for-like heating and cooling consumption	330, 356-357	
	EPRA - Fuels-Abs Total fuel consumption	328, 330, 358-359	
	EPRA - Fuels-LfL Like-for-like fuel consumption	358-359	
	CRE1 building energy intensity/ EPRA – Energy-Int	328-330, 358-359	
GRI 305: Emissions 2016/ EPRA	305-1 Direct (Scope 1) GHG emissions / EPRA-GHG-Dir-Abs	328, 330, 360-361	
	305-2 Energy indirect (Scope 2) GHG emissions / EPRA - GHG-Indir-Abs	328, 330, 360-361	
	305-4 GHG emissions intensity	181-185, 328-330, 360-361	
	305-5 Reduction of GHG emissions	179-185	

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
GRI 305: Emissions 2016/ EPRA	CRE3 Greenhouse gas emissions intensity from buildings/ EPRA – GHG - Int	181-185, 328-330, 360-361	
	CRE8 Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment / EPRA – Cert-Tot	219-223, 364	
3. Decarbonization of the value chain			
GRI 3: Material Topics 2021	3-3 Management of material topics	136-168, 159-164, 184-185	
GRI 302: Energy 2016 / EPRA	302-2 Energy consumption outside of the organization	169-170, 328-330, 356-364, 372, 376-378	
	302-5 Reductions in energy requirements of products and services	172-174	
GRI 305: Emissions 2016 / EPRA	305-3 Other indirect (Scope 3) GHG emissions	184-185, 328-330, 360-361	
4. Circular Economy			
GRI 3: Material Topics 2021	3-3 Management of material topics	202-204, 208-210	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	209-210 Includes materials for new constructions, large and small renovations, and the maintenance of common areas. Materials purchased by tenants are not included because the organization has no control over them.	Incomplete information: In the case of France, this information is not available, as the purchase of materials is carried out by a third party.
	301-2 Recycled input materials used	209 Includes materials for new constructions, large and small renovations, and the maintenance of common areas. Materials purchased by tenants are not included because the organization has no control over them.	
GRI 306: Waste 2020 / EPRA	306-1 Waste generation and significant waste-related impacts	202-203	Incomplete information: Waste generated in new construction works, refurbishments, minor corrective actions and waste generated both by maintenance activities and in the common areas of buildings, except for buildings in France, for which waste generated in new construction works or comprehensive refurbishments is not included, but only waste generated in the buildings that are operational is included.
	306-2 Management of significant waste-related impacts/ EPRA Waste-Abs	202-203, 332, 364	
	306-3 Waste generated	204, 332-333, 364	
	306-4 Waste diverted from disposal	332-333, 364	
	306-5 Waste directed to disposal	332-333, 364	
	EPRA Waste-LfL	333, 364	

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
5. Water management			
GRI 3: Material Topics 2021	3-3 Management of material topics	186-192	
GRI 303: Water and Effluents 2018 / EPRA	303-1 Interactions with water as a shared resource	186-192	
	303-2 Management of water discharge-related impacts	This is not relevant for Colonial, as the water is used for sanitary purposes and is discharged into the sewage system in compliance with the established discharge parameters. The discharged wastewater is subsequently treated in Urban Wastewater Treatment Plants.	
	303-3 Water withdrawal	Colonial's water withdrawal is entirely fresh water from the urban network.	
	303-4 Water discharge	All the water collected and consumed by Colonial is discharged into the public sewer, except for the water used to support biodiversity, which is directed through natural drainage systems.	
	303-5 Water consumption/ EPRA - Water-Abs	186, 188, 331, 332, 356-364	
	EPRA - Water-LfL Like-for-like Water consumption	331, 332, 362-363	Properties considered like-for-like Sustainable.
	CRE2 Building water intensity/ EPRA - Water-Int	331, 362-363	
6. Biodiversity and ecosystems			
GRI 3: Material Topics 2021	3-3 Management of material topics	193-201	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	As Colonial's assets are located in consolidated urban areas, there are no operations near protected areas or areas considered to be of high biodiversity value. However, the Group sees biophilia as an opportunity to reconnect with nature through the architecture of buildings, thus promoting the protection of biodiversity in urban spaces.	
	304-2 Significant impacts of activities, products and services on biodiversity	193-196 Colonial's activities do not generate significant impacts on biodiversity. However, the Group seeks to promote biodiversity in urban areas in its projects.	
	304-3 Habitats protected or restored	193-201	
SOCIAL			
7. Customer relations, well-being and satisfaction			
GRI 3: Material Topics 2021	3-3 Management of material topics	264-274	
GRI 416: Customer Health and Safety 2016 /EPRA	416-1 Assessment of the health and safety impacts of product and service categories/ EPRA-H&S-Asset	273-274, 365	Incomplete information. It only includes assets over which Colonial has operational control.

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
GRI 416: Customer Health and Safety 2016 /EPRA	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services/ EPRA H&S-Comp	366 There have been no incidents of non-compliance.	
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	There have been no incidents of non-compliance.	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints were received.	
8. Contribution to urban development and cultural heritage			
GRI 3: Material Topics 2021	3-3 Management of material topics	275-280	
GRI 413: Local Communities 2016 / EPRA	413-1 Operations with local community engagement, impact assessments, and development programs/ EPRA-Comty-Eng	169, 366 30% of the buildings. It should also be noted that Colonial has made contributions, sponsorships and donations amounting to €223,490.	
	413-2 Operations with significant actual and potential negative impacts on local communities	145-146, 275-280 No significant negative impacts on local communities.	
9. Human Capital			
GRI 3: Material Topics 2021	3-3 Management of material topics	46, 78, 230-263	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Paragraph A IAR 2024	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	251	
	202-2 Proportion of senior management hired from the local community	15% of directors are foreigners.	
GRI 401: Employment 2016 / EPRA	401-1 New employee hires and employee turnover/ EPRA-Emp-Turnover	233-235	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	249-251	
	401-3 Parental leave	In 2024, 9 employees took parental leave in the organization—5 women and 4 men. All of them returned to their workplace after their leave (5 women and 4 men) and remained with the company at the end of 2024. Additionally, 12 months after returning to work, 10 employees (5 women and 5 men) were still with the company.	

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Colonial follows the notice periods established in labour legislation or those included, where applicable, in the agreements applicable to each business, and no minimum notice periods have been defined at corporate level.	
GRI 403: Occupational Health and Safety 2018 / EPRA	403-1 Occupational health and safety management system	261-262	
	403-2 Hazard identification, risk assessment, and incident investigation	261-262	
	403-3 Occupational health services	262-263	
	403-4 Worker participation, consultation, and communication on occupational health and safety	261-262	
	403-5 Worker training on occupational health and safety	In compliance with the law, all employees are trained in job-related risks and preventive measures.	
	403-6 Promotion of worker health	261-262	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	262-263	
	403-8 Workers covered by an occupational health and safety management system	100% of employees.	Incomplete information: Only the coverage of the management system regarding company employees is reported.
	403-9 Work-related injuries/ EPRA-H&S-Emp	262-263, 365	Incomplete information: Only the coverage of the management system regarding company employees is reported.
	403-10 Work-related ill health/ EPRA-H&S-Emp	262-263, 365	Incomplete information: Only the coverage of the management system regarding company employees is reported.
GRI 404: Training and Education 2016 / EPRA	404-1 Average hours of training per year per employee/ EPRA-Emp Training	56, 243-248, 365	
	404-2 Programs for upgrading employee skills and transition assistance programs	238-251	

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
GRI 404: Training and Education 2016 / EPRA	404-3 Percentage of employees receiving regular performance and career development reviews/ EPRA Emp-Dev	365 Reference is made in section *7.1.2. Development of human capital and talent.*	
GRI 405: Diversity and Equal Opportunity 2016 / EPRA	405-1 Diversity of governance bodies and employees/ EPRA-Diversity Emp	232-235, 253, 255, 289, 293, 365	
	405-2 Ratio of basic salary and remuneration of women to men/EPRA- Diversity-Pay	250, 365	Incomplete information: This information is not available for Utopicus and SFL.
GRI 406: Nondiscrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There have been no incidents of discrimination in the Colonial Group.	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	In the Group's own operations and those of its suppliers, the proximity criterion is applied, with the activity being located in Spain and France, so the risk in this area is minimal.	
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments		Not applicable: Compliance with current legislation is monitored in all the Group's operations. The operations take place in Spain and France, where the risk regarding human rights is minimal.
	412-2 Employee training on human rights policies or procedures	Considering the nature of the Group's activities, the locations where they are carried out (Spain and France), and the fact that the vast majority of suppliers are local, the periodic compliance training, which includes training on the Code of Ethics and Whistleblowing Channel, covers relevant human rights aspects.	
10. Workers in the Value Chain			
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	206-208 II. ESG criteria questionnaire for suppliers.	
GRI 408: Child Labor 2016	408-1: Operations and suppliers at risk for child labor		Not applicable: The proximity criterion is applied in the Group's own operations and those of its suppliers. The activity is located in Spain and France, so the risk in this area is minimal.
GRI 409: Forced or Compulsory Labor 2016	409-1: Operations and suppliers at risk for forced or compulsory labor		Not applicable: The proximity criterion is applied in the Group's own operations and those of its suppliers. The activity is located in Spain and France, so the risk in this area is minimal.

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		Not applicable: The proximity criterion is applied in the Group's own operations and those of its suppliers. The activity is located in Spain and France, so the risk in this area is minimal.
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions take	206-208 II. ESG criteria questionnaire for suppliers.	
GOVERNANCE			
11. Corporate culture and conduct			
GRI 3: Material Topics 2021	3-3 Management of material topics	80-81,125-127, 297-298, 305-316	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	57	
	201-4 Financial assistance received from government	No significant aid of this nature has been received.	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	9-10,18-21	
	203-2 Significant indirect economic impacts	No significant indirect economic impacts have been identified.	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	127-128	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	312 There are no legal actions for anticompetitive behaviour.	
GRI 207: Tax 2019	207-1 Approach to tax	125-130	
	207-2 Tax governance, control, and risk management	125-126, 299	
	207-3 Stakeholder engagement and management of concerns related to tax	54-56, 125-126	
	207-4 Country-by-country reporting	100, 127-130	
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	No significant fines or penalties have been received, including significant fines or penalties for noncompliance.	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	206-208 II. ESG criteria questionnaire for suppliers.	

GRI STANDARD	DISCLOSURE	LOCATION/RESPONSE	OMISSION
GRI 412: Human Rights Assessment 2016	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	In any investment agreement or contract, the Group monitors compliance with applicable laws and regulations. All agreements and contracts take place in Spain or France, where the human rights risk is minimal.	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	206-208 II. ESG criteria questionnaire for suppliers.	
GRI 415: Public Policy 2016	415-1 Political contributions	305 No contributions have been made to political parties.	
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	No significant fines or penalties were received.	
12. Corruption and bribery			
GRI 3: Material Topics 2021	3-3 Management of material topics	80-81, 125-127, 297-298, 305-316	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	312	
	205-2 Communication and training about anti-corruption policies and procedures	310-313	
	205-3 Confirmed incidents of corruption and actions taken	There is no record of incidents of corruption.	

9.3.2. Environment

EPRA Tables Environment Portfolio

EPRA Sustainability Performance Measures (Environment)

ESG	Impact Area	EPRA Code	Unites of measure	Indicator	Category
Environment	Energy	*Elec-Abs, Elec-LfL*	MWh	Electricity	for landlord shared services
					(sub)metered exclusively to tenants
					Total landlord-obtained electricity
					Total tenant-obtained electricity
					Total electricity
					Total electricity like-for-like
					Proportion of landlord obtained electricity from renewable sources
					Quantity of landlord obtained electricity from renewable sources
			%	Proportion of landlord obtained electricity by source	Renewable
					Nuclear
					Fossile
			MWh	Quantity of landlord obtained electricity by source	Renewable
					Nuclear
					Fossile
		DH&C-Abs, DH&C-LFL	MWh	District heating and cooling	for landlord shared services
					(sub)metered exclusively to tenants
					Total landlord-obtained district heating and cooling
					Total tenant-obtained district heating and cooling
					Total heating and cooling
					Total heating and cooling like-for-like
					Proportion of landlord obtained district heating and cooling from renewable sources
					Quantity of landlord obtained district heating and cooling from renewable sources
			%	Proportion of landlord obtained heating and cooling by source	Renewable
					Nuclear
					Fossile
			MWh	Quantity of landlord obtained heating and cooling by source	Renewable (including waste energy recovery)
					Nuclear
					Fossile

	Group			Headquarter(s)		
	2023	2024	% change	2023	2024	% change
	40,855	40,113	–2%	185	174	–6%
	20,197	20,733	3%	n. a.	n. a.	n. a.
	61,052	60,846	0%	185	174	–6%
	58,596	52,354	–11%	n. a.	n. a.	n. a.
	119,648	113,200	–5%	185	174	–6%
	103,920	104,239	0%	185	174	–6%
	91%	84%	–7%	69%	46%	
	55,303	51,007	–8%	128	80	
	90.58%	83.83%	–7%	69%	46%	
	7.27%	14.67%	102%	17%	40%	
	2.15%	1.50%	–30%	5%	4%	
	55,303	51,007	–8%	128	80	
	4,437	8,929	101%	31	69	
	1,312	911	–31%	9	7	
	18,086	17,780	–2%			n. a.
	2,094	2,597	24%			
	20,180	20,376	1%			n. a.
	1,257	1,018	–19%			
	21,437	21,395	0%			n. a.
	18,445	17,934	–3%			n. a.
	83%	82%	0%			n. a.
	16,668	16,790	1%			
	82.6%	82.4%	0%			
	0.0%	0.0%	–			
	17.4%	17.6%	1%	0%	0%	
	16,668	16,790	1%			
	0	0	–			
	3,512	3,587	2%			

EPRA Tables Environment Portfolio (continuation)

ESG	Impact Area	EPRA Sustainability Performance Measures (Environment)			
		EPRA Code	Unites of measure	Indicator	Category
Environment	Energy	*Fuels-Abs, Fuels-LfL*	MWh	Fuels	for landlord shared services
					(sub)metered exclusively to tenants
					Total landlord-obtained fuels
					Total tenant-obtained fuels
					Total fuel
					Total fuel like-for-like
					Proportion of landlord-obtained fuels from renewable sources
			%	Proportion of landlord obtained fuel by source	Natural gas
					Coal
					Oil
					Bioenergy: Wood pellets
					Bioenergy: Biopropane
			MWh	Quantities of landlord obtained fuels by source	Natural Gas
					Coal
					Oil
					Bioenergy: Wood pellets
					Bioenergy: Biopropane
		No. applicable properties			Total energy coverage
		sqm of applicable properties			
		%			Proportion of total energy estimated
		Energy-Int	kWh/sqm/ year	Energy Intensity	Landlord and tenant-obtained energy
			kWh/ net revenue (€)/ year		

Group			Headquarter(s)		
2023	2024	% change	2023	2024	% change
7,428	7,338	–1%	70	95	36%
0	0	–			n. a.
7,428	7,338	–1%	70	95	36%
5,799	2,323	–60%			n. a.
13,227	9,661	–27%	70	95	36%
8,652	9,384	8%	70	95	36%
0	0	–	0	0	
100.0%	106.5%	6%	100%	100%	
0.0%	0.0%	–	0%	0%	
0.0%	0.0%	–	0%	0%	
0.0%	0.0%	–	0%	0%	
0.0%	0.0%	–	0%	0%	
7,428	7,338	–1%	70	95	
0	0	–	0	0	
0	0	–	0	0	
0	0	–	0	0	
0	0	–	0	0	
74	72	–3%	3	3	
1,016,644	1,024,551	1%	5,654	5,654	
15%	19%	32%	0%	0%	
152	141	–7%	94	99	
0.468	0.394	–16%	n. a.	n. a.	

EPRA Tables Environment Portfolio (continuation)

EPRA Sustainability Performance Measures (Environment)

ESG	Impact Area	EPRA Code	Unites of measure	Indicator	Category	
Environment	Greenhouse Gas	*GHG-Dir-Abs*	tCO_2e	Direct	Total Direct Scope 1	
					Natural Gas	
					Coal	
					Oil	
					Bioenergy: Wood pellets	
					Bioenergy: Biopropane	
					Refrigerant gas leaks	
		GHG-Indir-Abs		Indirect Scope 2)	Total Indirect Scope 2 Market-based	
					Total Indirect Scope 2 Location-based	
					Scope 2 Electricity Market-based	
					Scope 2 Electricity Location-based	
					Scope 2 Local District Heating & Cooling	
		GHG-Indir-Abs		Indirect (Scope 3)	Total Scope 3 Market-based (cat 13 GHG Protocol only)	
					Total Scope 3 Location-based (cat 13 GHG Protocol only)	
		Total		Scope 1 + Scope 2 (Market-based)		
				Scope 1 + Scope 2 (Location-based)		
				Scope 1 + Scope 2+ Scope 3 (Market-based)		
				Scope 1 + Scope 2 + Scope 3 (Location-based)		
		GHG-Int	$kgCO_2e$/ sqm/ year	GHG emission intensity	Scope 1 and 2 emissions (Market-based)	
			$kgCO_2e$/net revenue/year			
			$kgCO_2e$/ sqm/ year		Scope 1 and 2 emissions (Location-based)	
			$kgCO_2e$/net revenue/ year			
		No. applicable properties			GHG disclosure coverage	
		sqm of applicable properties				

	Group			Headquarter(s)		
	2023	2024	% change	2023	2024	% change
	1,803	1,882	4%	12	16	
	1,285	1,281	0%	12	16	
	0	0	–	0	0	
	0	0	–	0	0	
	0	0	–	0	0	
	0	0	–	0	0	
	518	601	16%	0	0	
	2,167	1,682	–22%	5	3	
	6,192	4,960	–20%	15	11	
	918	499	–46%	5	3	
	4,943	3,777	–24%	15	11	
	1,249	1,182	–5%	0	0	
	8,711	5,017	–42%	n. a.	n. a.	
	9,356	6,225	–33%	n. a.	n. a.	
	3,970	3,563	–10%	17	20	
	7,995	6,842	–14%	27	27	
	12,681	8,581	–32%	n. a.	n. a.	
	17,351	13,066	–25%	n. a.	n. a.	
	4	3	–11%	3	3	
	0.01	0.01	–19%	n. a.	n. a.	
	8	7	–15%	5	5	
	0.02	0.02	–23%	n. a.	n. a.	
	74	72	–3%	3	3	0%
	1,016,644	1,024,551	1%	5,654	5,654	0%

EPRA Tables Environment Portfolio (continuation)

ESG	Impact Area	EPRA Sustainability Performance Measures (Environment)				
		EPRA Code	Unites of measure	Indicator	Category	
Environment	Water	*Water-Abs Water-LfL*	m^3/year	Water	Total landlord-obtained water	
					Total tenant-obtained water	
					Total water	
					Total water like-for-like	
			m^3/year	Total volume of water withdrawn by source	Surface water, sourced from wetlands, rivers, lakes, and oceans	
					Ground Water	
					Rainwater collected directly and stored by the reporting organisation	
					Waste water from another organisation	
					Municipal water supplies or other public or private utilities	
		Water-Int	m^3/ net revenue/ year	Water intensity	Landlord and tenant-obtained water	
			m^3/ sqm/ year			
		No. applicable properties			Water disclosure coverage	
		sqm of applicable properties				
		%			Proportion of water estimated	

Group			Headquarter(s)		
2023	2024	% change	2023	2024	% change
333,086	295,596	–11%	1,867	3,302	77%
30,055	32,701	9%	n. a.	n. a.	
363,141	328,296	–10%	1,867	3,302	77%
288,529	302,749	5%	1,867	3,302	77%
0	0	–	–	–	
0	0	–	–	–	
3,923	1,565	–60%	–	–	
336	58	–83%	–	–	
358,882	326,673	–9%	1,867	3,302	
1.10	0.90	–19%	n. a.	n. a.	
361	331	–8%	330	584	
73	70	–4%	3	3	0%
1,006,500	991,735	–1%	5,654	5,654	0%
17%	18%	2%	0%	0%	

EPRA Tables Environment Portfolio (continuation)

Indicator	EPRA Code	Unit of measurement	2023	Coverage	2024	Coverage	Variance
Total weight of waste per disposal method	Waste-Abs	Tonnes	5,555	95%	8,595	85%	55%
		% reused	3.29%		3.81%		0.5 pp
		% recycled	66.94%		79.97%		13 pp
		% composted	0.65%		0.62%		0 pp
		% energy recovery	17.67%		13.70%		–4 pp
		% sent to incineration	0.00%		0.10%		0.1 pp
		% other - landfill	8.79%		1.32%		–7.5 pp
		% other	2.65%		0.48%		–2.2 pp
Weight of waste (Like-for-Like) per disposal method	Waste-LFL	Tonnes	1,958	92%	4,810	97%	146%
		% reused	0.42%		3.04%		2.6 pp
		% recycled	35.46%		72.23%		36.8 pp
		% composted	1.62%		1.11%		–0.5 pp
		% energy recovery	38.29%		20.28%		–18 pp
		% sent to incineration	0.00%		0.18%		0.2 pp
		% other - landfill	23.55%		2.35%		–21.2 pp
		% other	0.65%		0.82%		0.2 pp
Total weight of waste per disposal method	Waste-Abs	Tonnes	179	100%	71	100%	–60%
		% recycled	20.54%		95.54%		365%
		% sent to incineration	0.00%		0.00%		0%
		% other	79.46%		4.37%		–94%
Weight of waste (Like-for-Like) per disposal method	Waste-LFL	Tonnes	65.75	100%	29.02	100%	–56%
		% recycled	54.35%		89.20%		64%
		% sent to incineration	0.00%		0.00%		0%
		% other	45.65%		10.68%		–77%
Type and number of certified properties (Like-for-Like)	Cert-LfL	% of certified LfL portfolio	100%		100%		0%
Type and number of certified properties (total)	Cert-Tot	% of certified portfolio	100%		99%		–0.9%

9.3.3. Social and governance

Social and governance EPRA Table

Indicator	EPRA Code	Scope	Unit of measurement			2023	2024
Gender diversity	*Diversity-Emp*	Corporate operations	% employees	Board	M	64%	54%
					F	36%	46%
				Management Committee	M	50%	50%
					F	50%	50%
				General and Area Managers	M	49%	57%
					F	51%	43%
				Technical graduates and middle managers	M	48%	47%
					F	52%	53%
				Admin.	M	33%	35%
					F	67%	65%
Remuneration by gender	*Diversity-Pay*	Corporate operations	Ratio	Management		–45%	–16%
				Responsables		25%	32%
				Admin.		9%	9%
Training and development	*Emp-Training*	Corporate operations	Average hours			42.2	36.0
			Average hours women			45.0	31.7
			Average hours men			37.8	42.5
			General Managers			28.0	25.1
			Technical graduates and middle managers			31.5	29.8
			Admin.			50.2	40.9
Performance evaluations	*Emp-Dev*	Corporate operations	% of total staff			99%	100%
New hires	*Emp-Turnover*	Corporate operations	Total number			27	30
		Corporate operations	Ratio			11.3%	13.3%
Turnover		Corporate operations	Total number			42	44
		Corporate operations	Ratio			17.5%	19.0%
Frequency rate	*H&S-Emp*	Corporate operations	Per 200,000 hours worked			0.00	8.01
Rate of lost days		Corporate operations	Per 200,000 hours worked			0.00	0.00
Absentee rate		Corporate operations	Ratio			4.7%	3.7%
Number of fatal accidents		Corporate operations	Total number			0	0
Health and safety impact assessments	*H&S-Asset*	Office portfolio	% properties			100%	0
		Residential portfolio				n. a.	n. a.

Social and governance EPRA Table (continuation)

Indicator	EPRA Code	Scope	Unit of measurement	2023	2024
Number of defaults	*H&S-Comp*	Office portfolio	Total number	0	0
		Residential portfolio		n. a.	n. a.
Programmes with the community	*Comty-Eng*	Office portfolio	% of properties	5.56%	30%
		Residential portfolio		n. a.	n. a.
Composition of the Board of Directors	*Gov-Board*	Corporate	Total number of executive directors	1	1
			Total number of independent directors	5	4
			Average service	6.5	5.8
			Independent/non-executive members of governing bodies with competences related to social or environmental issues	4	4
Board of Directors nomination and selection process	*Gov-Select*	Corporate	Description	Section 6.5.4, 6.5.5 and 6.5.6 of IAI	Section 8.4.4 and 8.5.5
Conflicts of interests	*Gov-Col*	Corporate	Description	Section 6.5.10	Section 8.4.9

Number of employees by type of contract, job category, age, gender and country as of 31 December

	2024		2023		Variance	
Contract type	Permanent contract	Temporary contract	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Professional category						
CEO, General and Area Managers	14	0	16	0	–13%	0%
Technical graduates and middle managers	75	4	76	3	–1%	33%
Administrative and other	132	1	137	6	–4%	–83%
Age						
Under 30	28	4	34	5	–18%	–20%
30-50	131	1	129	2	2%	–50%
Over 50	62	0	66	2	–6%	–100%
Gender						
Female	132	3	138	6	–4%	–50%
Male	89	2	91	3	–2%	–33%
Country						
Spain	157	1	161	2	–2%	–50%
France	64	4	68	7	–6%	–43%
Total	**221**	**5**	**229**	**9**	**–3%**	**–44%**

Number of employees by type of workday, job category, age, gender and country as of 31 December

	2024		2023		Variance	
Type of workday	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Professional category						
CEO, General and Area Managers	14	0	16	0	–13%	0%
Technical graduates and middle managers	78	1	78	1	0%	0%
Administrative and other	130	3	140	3	–7%	0%
Age						
Under 30	32	0	39	0	–18%	0%
30-50	131	1	130	1	1%	0%
Over 50	59	3	65	3	–9%	0%
Gender						
Female	132	3	141	3	–6%	0%
Male	90	1	93	1	–3%	0%
Country						
Spain	157	1	162	1	–3%	0%
France	65	3	72	3	–10%	0%
Total	**222**	**4**	**234**	**4**	**–5%**	**0%**

Average number of employees by type of contract, job category, age, gender and country

Contract type	2024 Permanent contract	2024 Temporary contract	2023 Permanent contract	2023 Temporary contract	Variation Permanent contract	Variation Temporary contract
Professional category						
CEO, General and Area Managers	14.8	0.0	16.3	0.0	–9%	0%
Technical graduates and middle managers	78.4	3.8	83.0	3.4	–5%	12%
Administrative and other	130.8	3.4	137.3	7.6	–5%	–55%
Age						
Under 30	26.2	5.0	33.0	4.8	–21%	4%
30-50	131.0	1.2	134.9	3.7	–3%	–68%
Over 50	66.7	1.1	68.7	2.5	–3%	–56%
Gender						
Female	135.9	4.7	145.3	6.6	–6%	–29%
Male	87.9	2.5	91.3	4.4	–4%	–43%
Country						
Spain	156.0	2.6	160.5	3.3	–3%	–21%
France	67.9	4.6	76.1	7.7	–11%	–40%
Total	**223.9**	**7.2**	**236.6**	**11.0**	**–5%**	**–35%**

Average number of employees by type of workday, job category, age, gender and country

Type of workday	2024 Full-time	2024 Part-time	2023 Full-time	2023 Part-time	Variation Full-time	Variation Part-time
Professional category						
CEO, General and Area Managers	14.8	0.0	16.3	0.0	–9%	0%
Technical graduates and middle managers	79.7	2.5	85.8	0.6	–7%	317%
Administrative and other	130.9	3.3	83.8	3.4	56%	–3%
Age						
Under 30	30.1	1.0	37.7	0.1	–20%	900%
30–50	131.2	1.0	138.1	0.5	–5%	100%
Over 50	64.1	3.7	67.8	3.4	–5%	9%
Gender						
Female	136.0	4.7	148.9	3.0	–9%	57%
Male	89.4	1.0	94.7	1.0	–6%	0%
Country						
Spain	157.3	1.3	162.8	1.0	–3%	30%
France	68.1	4.5	80.8	3.0	–16%	50%
Total	**225.4**	**5.7**	**243.6**	**4.0**	**–7%**	**43%**

9.4. Other appendices

I. Sustainable certifications per building

The environmental certifications for the Group's properties are detailed below.

Environmental certifications of the Group's properties (EPRA Cert-Tot)

	Name of the building	BREEAM In-Use PART 1	BREEAM In-Use PART 2	ISO 50001	ISO 14001	LEED BD + C	BREEAM New Construction
Barcelona							
1	Av. Diagonal, 409	Very Good	Excellent			Gold	
2	Travessera de Gràcia, 11	Very Good	Outstanding			Gold	
3	Amigó, 11-17	Very Good	Outstanding			Gold	
4	P.º de los Tilos, 2-6	Very Good				Gold	
5	Av. Diagonal, 609-615	Very Good	Excellent				
6	Av. Diagonal, 682	Very Good	Outstanding				
7	Vía Augusta, 21-23	Very Good	Excellent				
8	Illacuna	Very Good	Outstanding				
9	Torre BCN	Very Good	Outstanding				
10	Torre Marenostrum	Very Good	Outstanding(*)				
11	Sant Cugat	Excellent	Outstanding				
12	Diagonal - Glòries	Very Good	Excellent				
13	Travessera de Gràcia, 47-49	Very Good	Excellent				
14	Parc Glòries	Excellent	Outstanding			Platinum	
15	Gal·la Placídia	Very Good					
16	Av. Diagonal, 525	Excellent				Gold	
17	Buenos Aires, 21	Very Good				Gold	
18	Plaza Europa, 34					Gold	
19	WittyWood	Excellent				Platinum	
20	Av. Diagonal, 532	Very Good	Excellent	✓	✓		

(*) Certification level corresponding to the Portaaviones building of Torre Marenostrum.

Environmental certifications of the Group's properties (EPRA Cert-Tot) (continuation)

	Name of the building	BREEAM In-Us PART 1	BREEAM In-Us PART 2	ISO 50001	ISO 14001	LEED BD + C	BREEAM New Construction
Madrid							
1	P.º Castellana, 43	Very Good				Gold	
2	Estébanez Calderón, 3-5	Excellent	Excellent			Platinum	
3	Príncipe de Vergara, 112-114	Very Good	Outstanding			Gold	
4	Alfonso XII, 62	Very Good	Outstanding				
5	P.º Castellana, 52	Very Good	Excellent	✓	✓		
6	P.º Recoletos, 37-41	Very Good	Outstanding				
7	Francisco Silvela, 42	Very Good	Outstanding				
8	López de Hoyos, 35	Very Good	Excellent				
9	Poeta Joan Maragall, 53	Very Good	Excellent				
10	José Ortega y Gasset, 100	Excellent	Excellent				
11	Génova, 17	Very Good	Excellent				
12	Santa Engracia, 120	Very Good	Excellent				
13	José Abascal, 45	Very Good	Outstanding				
14	Serrano, 73	Very Good					
15	P.º Castellana, 163	Very Good	Outstanding				
16	Manuel de Falla, 7	Very Good	Very Good			Gold	
17	Velázquez, 86d	Excellent	Excellent			Platinum	
18	Miguel Ángel, 23						Excellent
19	Don Ramón de la Cruz, 84	Excellent	Very Good			Platinum	
20	Egeo Building	Very Good	Excellent				
21	Francisca Delgado, 11	Very Good	Very Good				
22	Ramírez de Arellano, 37	Very Good					
23	Martínez Villergas, 49	Excellent	Outstanding				
24	Arturo Soria, 336	Very Good	Excellent				
25	Ribera del Loira, 28	Very Good	Very Good				
26	Tucumán	Excellent					
27	Josefa Valcárcel, 40 bis	Very Good				Platinum	
28	Puerto de Somport, 8	Very Good					

Environmental certifications of the Group's properties (EPRA Cert-Tot) (continuation)

	Name of the building	HQE	BREEAM In-Us PART 1	BREEAM In-Us PART 2	ISO 50001	ISO 14001	LEED BD + C	BREEAM New Construction
Paris								
1	92 Champs-Élysées	✓	Very Good					
2	103 Grenelle	✓	Very Good	Excellent				
3	131 Wagram		Very Good					
4	176 Charles de Gaulle		Very Good					
5	Edouard VII		Very Good					
6	Galerie des Champs-Élysées		Very Good					
7	Washington Plaza		Very Good					
8	Condorcet		Very Good					
9	90 Champs-Élysées		Very Good					Good
10	#Cloud.paris	Exceptional	Very Good				Gold	Excellent
11	83 Marceau	Exceptional	Excellent				Gold	Excellent
12	Biome	Exceptional	Excellent					Excellent
13	Pasteur	Exceptional						Very Good
14	Cézanne Saint-Honoré		Very Good					Very Good

II. Coverage and Methodology applied

I. Coverage and Methodology applied

During 2024, the Colonial Group calculates the energy consumption of all its assets, leaving only those assets that are projects and that do not yet generate operating energy consumption out of its scope.

In this sense, if we consider the offices assets in operation, in 2024 the Colonial Group is covering 100% of the energy consumption, carbon emissions (scopes 1 and 2) and water consumption of its portfolio in its reporting coverage.

Coverage of consumption of the portfolio of office assets in operation in value terms

	2024		
	Energy	Scope 1 & 2	Water
Spain	100%	100%	100%
France	100%	100%	100%
Total	100%	100%	100%

In **Barcelona**, information on the consumption of **23 assets** is reported in 2024, corresponding to 100% of the value of the Barcelona portfolio in operation. In the **Madrid** portfolio, information on the consumption of **32 assets** is reported in 2024, corresponding to 100% of the value of the Madrid portfolio in operation.

In **Paris**, information on energy consumption and GHG emissions is reported on **17 assets** in 2024, corresponding to 100% of the value of the Paris portfolio in operation.

II. Method applied: carbon footprint

The reporting of greenhouse gas (GHG) emissions has been developed in accordance with the calculation methods of the Greenhouse Gas Protocol (GHG Protocol) and the World Resources Institute (WRI).

GHG emissions have been broken down into three scopes:

- **Scope 1**. These are the **direct GHG emissions** that belong to or are controlled by the Group, which are released directly into the atmosphere.
  - Fuel consumption.
  - Fugitive emissions of refrigerant gases.
- **Scope 2**. These are the **indirect GHG emissions** derived from electricity consumption and heat generation off-site consumed by Colonial.
  - Purchase of electricity for communal areas and shared services.
  - Cold and heat from district heating and cooling systems.
- **Scope 3. Other indirect GHG emissions** caused by Group activities but controlled by other organisations.

GHG emissions have been reported in tonnes of carbon dioxide equivalent (tCO_2e). KPIs are also included that consider area adjusted for occupancy to measure the impact of each individual asset and collectively with the aim of reducing GHG emissions.

Scope 1 and 2 GHG emissions data have been obtained from energy consumption bill data and refrigerant gas recharges.

To calculate our carbon footprint and Scope 2 in particular, the market-based and location-based calculation methods have been used. The **market-based** method includes the emission factors of the electricity traders (or the residual mix emission factors when the electricity company information is not available). Following the best international practices, Colonial prioritises the market-based method in monitoring consumption over the location-based method as, even though it is more sophisticated, it more accurately reflects carbon reduction performance by taking into account the specific characteristics of the company's asset portfolio and shows the continuous efforts being made to reduce the carbon footprint and environmental impact, in this case through the purchase of green energy.

The **location-based** method calculates emissions taking into account the emission factors of the national electricity mix without reflecting the specific situations of Colonial's eco-efficiency policy, in particular in the procurement of green energy.

In the case of scope 3, the categories covered, the methodology and the data source is the following:

Scope 3 Category	Applicability	Methodology or justification for exclusion	Activity data source	Emission factor(s) source
1. Purchased Goods and Services	Yes	Spend-based method: upstream emissions for goods and services are estimated by collecting the economic value of OPEX internal categories and multiplying them by relevant secondary emission factors. Fees and taxes are excluded.	OPEX and corporate expenses data from Colonial Group.	■ Spain: DEFRA. ■ France: Base carbone ADEME.
2. Capital Goods	Yes	**Hybrid method:** **In Spain:** 1. Average-product method (when LCA has been performed): for new construction and major renovations in Spain, Colonial Group develops LCAs (Life Cycle Assessment) with One-Click software. Although emissions are calculated for all building phases, only embodied carbon is included in this category. Emissions are distributed across the years the project last based on actual executed Budget. 2. Average spend-based method (when LCA data is not available): € of CAPEX invested in renovation, refurbishments and construction works (excluding company fees) multiplied by the relevant secondary emission factors. **In France:** 1. Method based on the type of renovations and refurbishments made developed with a specific consultancy firm. Emissions are distributed across the years the project last based on actual executed Budget. a. The type of renovations and its associated carbon impacts are differentiated based on the main type of materials used (concrete, low-carbon concrete, wood…). Each material used is associated to a specific area and then multiplied by an emission factor in $kgCO_2e/sqm$ based on the associated constructive mode. b. For the refurbishments, once again the types of works made have been differentiated based on the technical lots (roofing, facades, floor covering, plumbing...) for each operation. These lots are then associated to specific emission factors.	LCA results, technical data and CAPEX data from Colonial Group (when LCA is not performed).	■ Spain: database of Colonial España based on the benchmark of all conducted LCAs (Life Cycle Assessments). If no specific category exists in the proprietary database, DEFRA would be used. ■ France: Base carbone ADEME and Carbone 4 consultancy.
3 Fuel- and Energy-related activities	Yes	**Hybrid method:** Average-data method (fuels, electricity and district heating): emissions are estimated by using secondary emission factors for upstream emissions per unit of consumption.	Primary energy-related data (fuels, district cooling and heating, electricity…) from Colonial Group.	■ Spain: DEFRA/IEA (electricidad); Base carbone ADEME (gas natural); DEFRA (district heating and cooling). ■ France: Base carbone ADEME.

Scope 3 Category	Applicability	Methodology or justification for exclusion	Activity data source	Emission factor(s) source
4. Upstream Transportation and Distribution	Yes	Upstream transport-related emissions are considered in the emission factors used for scope 3 categories 1 and 2.	LCA results and technical and CAPEX data of the Colonial Group (when no LCA is performed).	▪ Spain: values obtained from the averages resulting from the LCA conducted.
5. Waste Generated in Operations	Yes	Waste-related emissions of new construction and major renovations in Spain and France are included under categories 1 and 2. GHG emissions resulting from waste generated in operations are calculated through quantities and types of treatment on the buildings on which the data is available. On a few buildings, the waste is directly handled by city services, without access to quantity and types of treatment. On these buildings, the emissions have been estimated by extrapolation.	LCA results and technical and CAPEX data of the Colonial Group (when no LCA is performed).	▪ Spain: values obtained from the averages resulting from the LCA conducted. ▪ France: Base carbone ADEME.
6. Business Travel	Yes	**Transport**: distance-based method: based on travel agency data. **Hotel**: hotel-related emissions are calculated by using a standard emission factor in Spain and by travel agency data in France. **Taxis and other on-demand transportation**: based on travel agency data in Spain and on invoices in France using a standard emission factor.	Travel agency data.	▪ Spain: primary supplier data (transport) and DEFRA (hotels). ▪ France: primary supplier data (transport and hotels) and Base carbone (taxis).
7. Employee Commuting	Yes	Distance-based method: emissions are estimated by multiplying data from employees on commuting patterns (distance travelled and mode used for commuting) by appropriate emission factors for the modes used.	Commuting surveys results.	▪ Spain: DEFRA, excluding electric scooter which is based on a typical manufacturer. ▪ France: Base carbone ADEME.
8. Upstream Leased Assets	No	Colonial Group owns all buildings where the Group operates, so there are no emissions to report under this category.	n. a.	n. a.
9. Downstream Transportation and Distribution	No	Colonial Group develops and manages property assets, so there are no emissions to report under this category.	n. a.	n. a.
10. Processing of Sold Products	No	Colonial Group develops and manages property assets, so there are no emissions to report under this category.	n. a.	n. a.
11. Use of Sold Products	Yes, but only when newly developed assets are sold	Colonial Group has not sold any assets that were newly developed in 2024, so Colonial considers there are no emissions to report under this category this year according to sectoral approaches.	n. a.	n. a.
12. End-of-Life Treatment of Sold Products	Yes, but only when newly developed assets are sold	Colonial Group has not sold any assets that were newly developed in 2024, so Colonial considers there are no emissions to report under this category this year according to sectoral approaches.	n. a.	n. a.

Scope 3 Category	Applicability	Methodology or justification for exclusion	Activity data source	Emission factor(s) source
13. Downstream Leased Assets	Yes	Equivalent to scope 1 and 2 calculations with both location and market-based approaches for electricity.	Primary energy related data from private/tenant areas.	**Fuels:** ■ Spain: MITECO. ■ France: Base carbone ADEME. **District cooling and heating:** ■ Spain: Districlima (district heating and cooling supplier in Barcelona). ■ France: Base carbone ADEME (in case it's required in the future). **Electricity:** ■ Spain: AIB (market based without guarantee of origin) / CNMC (location-based & market-based with guarantee of origin). ■ France: Tenants' energy providers or AIB (market based) / Base carbone ADEME (location-based).
14. Franchises	No	Colonial Group does not have franchises, so there are no emissions to report under this category.	n. a.	n. a.
15. Investments	No	Colonial Group does not make any investments in addition to the investment in our own property portfolio (already reported under categories 1 & 2), so there are no emissions to report under this category.	n. a.	n. a.

Breakdown of consumption monitoring by property

		Electricity	Fuels	District clima	Water	GHG emissions	Like-for-like
Barcelona							
1	P.º de los Tilos, 2-6	✓			✓	✓	✓
2	Av. Diagonal, 682	✓	NG		✓	✓	✓
3	Av. Diagonal, 609-615 (Dau/Prisma)	✓			✓	✓	✓
4	Travessera de Gràcia, 11/Amigó, 11-17	✓			✓	✓	✓
5	Av. Diagonal, 532	✓	NG		✓	✓	✓
6	Av. Diagonal, 409	✓			✓	✓	✓
7	Vía Augusta, 21-23	✓	NG		✓	✓	✓
8	Sant Cugat Nord	✓	NG		✓	✓	✓
9	Torre Marenostrum	✓			✓	✓	✓
10	Av. Diagonal, 220-240 - Glòries	✓			✓	✓	✓
11	Illacuna	✓		✓	✓	✓	✓
12	Torre BCN, 130	✓	NG		✓	✓	✓
13	Parc Glòries	✓		✓	✓	✓	✓
14	Travessera de Gràcia, 47-49	✓	NG		✓	✓	✓
15	Plaza Europa, 34	✓			✓	✓	
16	Gal·la Placídia	✓			✓	✓	✓
17	Av. Diagonal, 523-525	✓	NG		✓	✓	✓
18	Parc Glòries II	✓			✓	✓	
19	WittyWood	✓		✓	✓	✓	
20	Buenos Aires	✓			✓	✓	✓
21	Av. Diagonal, 197	✓		✓	✓	✓	
22	Llull, 331	✓		✓	✓	✓	
23	Dau retail	✓	NG		✓	✓	✓

NG: natural gas used at the building.

Breakdown of consumption monitoring by property (continuation)

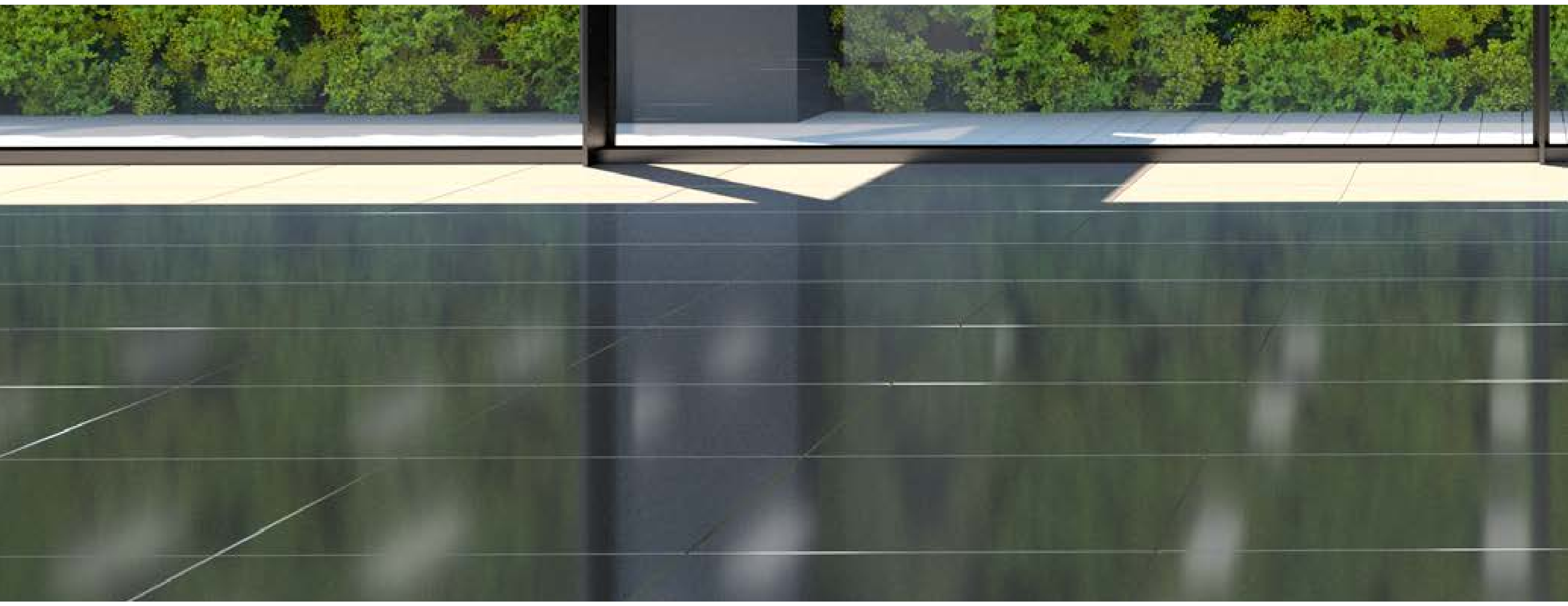
		Electricity	Fuels	District clima	Water	GHG emissions	Like-for-like
Madrid							
1	P.º Recoletos, 37-41	✓			✓	✓	✓
2	Génova, 17	✓	NG		✓	✓	✓
3	P.º Castellana, 52	✓	NG		✓	✓	✓
4	P.º Castellana 43	✓	NG		✓	✓	✓
5	Santa Engracia, 120	✓	NG		✓	✓	✓
6	Poeta Joan Maragall, 53	✓	NG		✓	✓	✓
7	Discovery Building	✓	NG		✓	✓	✓
8	López de Hoyos, 35	✓	NG		✓	✓	✓
9	The Window	✓			✓	✓	✓
10	Francisco Silvela, 42	✓			✓	✓	✓
11	Ortega y Gasset, 100	✓			✓	✓	✓
12	Ramíez Arellano, 37	✓			✓	✓	✓
13	Martínez Villergas, 49	✓			✓	✓	✓
14	Alfonso XII, 62	✓			✓	✓	✓
15	José Abascal, 45	✓			✓	✓	✓
16	Serrano,73	✓	NG		✓	✓	✓
17	Santa Hortensia, 26-28	✓	NG		✓	✓	
18	P.º Castellana, 163	✓	NG		✓	✓	✓
19	Arturo Soria, 336	✓	NG		✓	✓	✓
20	Manuel de Falla 7	✓	NG		✓	✓	✓
21	Sagasta, 31-33	✓			✓	✓	
22	Miguel Ángel, 23	✓			✓	✓	✓
23	Velázquez, 86d	✓	NG		✓	✓	✓
24	Don Ramón de la Cruz, 84	✓			✓	✓	✓
25	Francisca Delgado, 11	✓	NG		✓	✓	✓
26	Puerto de Somport, 8	✓	NG		✓	✓	✓
27	Ribera de Loira, 28	✓	NG		✓	✓	✓
28	Tucumán	✓			✓	✓	✓
29	Egeo Building	✓	NG		✓	✓	✓
30	Josefa Valcárcel, 40 bis	✓	NG		✓	✓	✓
31	J.I. Luca de Tena	✓			✓	✓	
32	Visionary Building	✓			✓	✓	

NG: natural gas used at the building.

Breakdown of consumption monitoring by property (continuation)

		Electricity	Fuels	District clima	Water	GHG emissions	Like-for-like
Paris							
1	Louvre Saint-Honoré	✓		✓	✓	✓	
2	Washington Plaza	✓			✓	✓	✓
3	Galerie des Champs-Élysées	✓		✓	✓	✓	✓
4	90 Champs-Élysées	✓		✓	✓	✓	✓
5	Ozone	✓		✓	✓	✓	✓
6	Cézanne Saint-Honoré	✓		✓	✓	✓	✓
7	Edouard VII	✓		✓	✓	✓	✓
8	176 Charles de Gaulle	✓	NG		✓	✓	✓
9	96 Iéna	✓		✓	✓	✓	✓
10	131 Wagram	✓			✓	✓	✓
11	103 Grenelle	✓		✓	✓	✓	✓
12	104-110 Haussmann Saint-Agustin	✓		✓	✓	✓	
13	#Cloud.paris	✓		✓	✓	✓	✓
14	Pasteur	✓		✓	✓	✓	✓
15	Condorcet	✓	NG		✓	✓	✓
16	Biome	✓		✓	✓	✓	✓
17	Rives de Seine	✓				✓	

NG: natural gas used at the building.



9.5. About the Report

Colonial's *Integrated Annual Report 2024* represents the integration of the contents of its business strategy, corporate governance, current performance, and future projections, as well as the organisation's tenth publication on ESG.

Characteristics of the Report

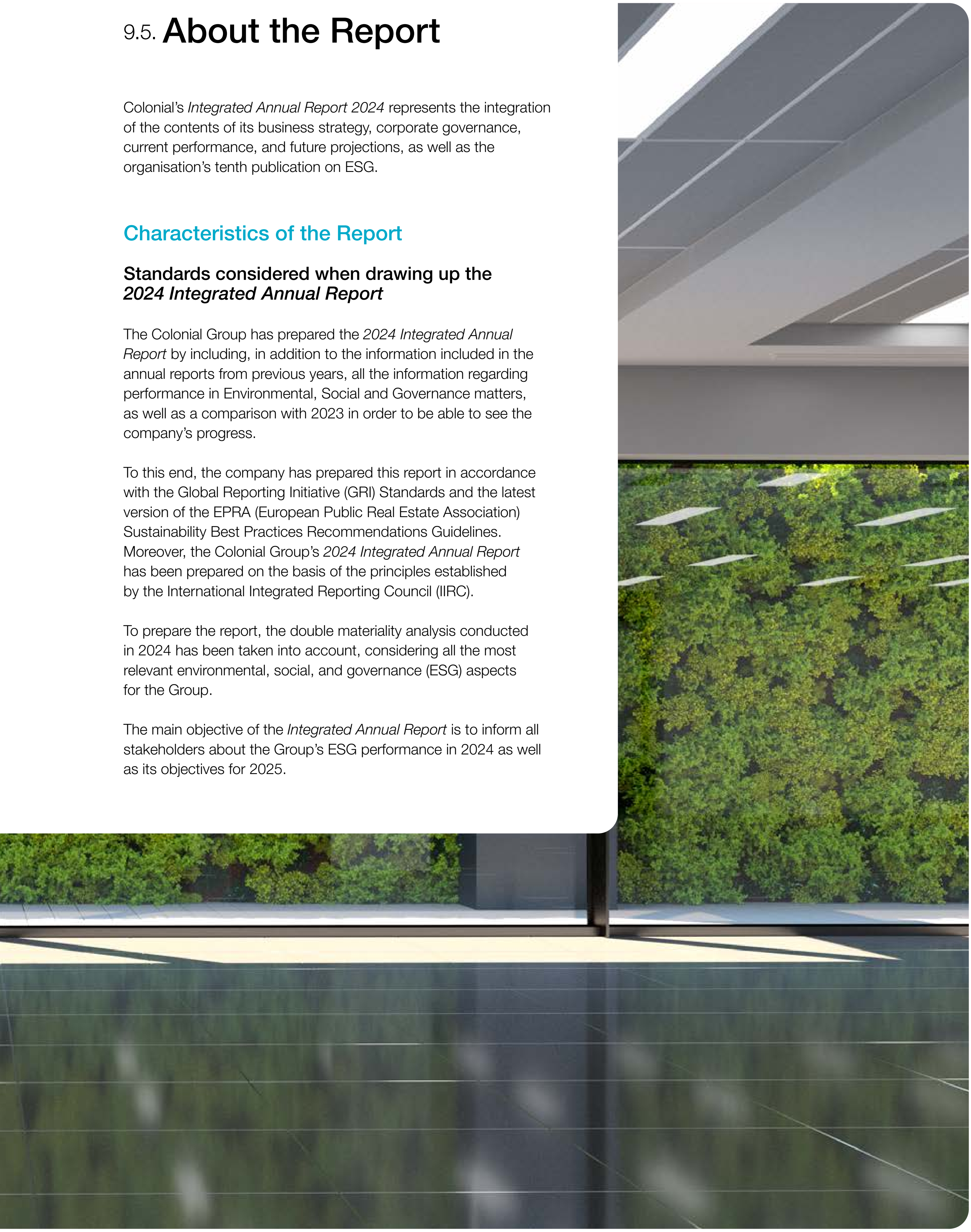
Standards considered when drawing up the *2024 Integrated Annual Report*

The Colonial Group has prepared the *2024 Integrated Annual Report* by including, in addition to the information included in the annual reports from previous years, all the information regarding performance in Environmental, Social and Governance matters, as well as a comparison with 2023 in order to be able to see the company's progress.

To this end, the company has prepared this report in accordance with the Global Reporting Initiative (GRI) Standards and the latest version of the EPRA (European Public Real Estate Association) Sustainability Best Practices Recommendations Guidelines. Moreover, the Colonial Group's *2024 Integrated Annual Report* has been prepared on the basis of the principles established by the International Integrated Reporting Council (IIRC).

To prepare the report, the double materiality analysis conducted in 2024 has been taken into account, considering all the most relevant environmental, social, and governance (ESG) aspects for the Group.

The main objective of the *Integrated Annual Report* is to inform all stakeholders about the Group's ESG performance in 2024 as well as its objectives for 2025.



Material aspect	Stakeholder	GRI Indicators	EPRA sBPR	Scope	Chapter
Environment					
1. Climate Change adaptation	Shareholders and Investors	GRI 201-2		Internal and External	6.2. Results in ecoefficiency 6.4. Green financing and sustainable investment
2. Climate Change Mitigation (own operations)	Shareholders and Investors Clients Society	GRI 302-1 GRI 302-3 GRI 302-4 CRE1 GRI 305-1 GRI 305-2 GRI 305-4 GRI 305-5 CRE3 CRE8	Elec-Abs Elec-LfL DH&C-Abs DH&C-LfL Fuels-Abs Fuels-LfL Energy-Int GHG-Dir-Abs GHG-Indir-Abs GHG-Int Cert-Tot	Internal and External	6.2. Results in ecoefficiency 6.3. Environmental certifications
3. Value chain decarbonisation	Shareholders and Investors Clients Society Suppliers	GRI 302-2 GRI 302-5 GRI 305-3		Internal and External	6.2. Results in ecoefficiency
4. Circular economy	Shareholders and Investors Clients Employees Society Suppliers	GRI 301-1 GRI 301-2 GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5	Waste-Abs Waste-LFL	Internal and External	6.2. Results in ecoefficiency
5. Water management	Shareholders and Investors Clients Employees Society	GRI 303-1 GRI 303-2 GRI 303-3 GRI 303-4 GRI 303-5 CRE2	Water-Abs Water-LfL Water-Int	Internal and External	6.2. Results in ecoefficiency
6. Biodiversity and ecosystems	Society	GRI 304-1 GRI 304-2 GRI 304-3		Internal and External	6.2. Results in ecoefficiency
Social					
7. Tenants relations, well-being and satisfaction	Clients	GRI 416-1 GRI 416-2 GRI 417-3 GRI 418-1	H&S-Asset H&S-Comp	Internal and External	7.2. Clients
8. Contribution to urban development and cultural heritage	Society	GRI 413-1 GRI 413-2	Comty-Eng	Internal and External	7.3. Social contribution

Material aspect	Stakeholder	GRI Indicators	EPRA sBPR	Scope	Chapter
Social (continuation)					
9. Human capital	Own employees	GRI 201-3 GRI 202-1 GRI 202-2 GRI 401-1 GRI 401-2 GRI 401-3 GRI 402-1 GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9 GRI 403-10 GRI 404-1 GRI 404-2 GRI 404-3 GRI 405-1 GRI 405-2 GRI 406-1 GRI 407-1 GRI 412-1 GRI 412-2	H&S-Emp Diversity-Emp Diversity-Pay Emp-training Emp-Dev Emp-turnover	Internal	7.1. Team of professionals
10. Workers in the value chain	Value chain workers Suppliers	GRI 308-2 GRI 408-1 GRI 409-1 GRI 410-1 GRI 414-2		Internal and External	6.2. Results in ecoefficiency
Governance					
11. Corporate culture & Business conduct	Shareholders and Investors Clients Society Employees	GRI 201-1 GRI 201-4 GRI 203-1 GRI 203-2 GRI 204-1 GRI 206-1 GRI 207-1 GRI 207-2 GRI 207-3 GRI 207-4 GRI 307-1 GRI 308-1 GRI 412-3 GRI 414-1 GRI 415-1 GRI 419-1	Gov-Board Gov-Select Gov-CoI	Internal and External	8. Corporate governance
12. Bribery and corruption	Shareholders and Investors Clients Society Employees	GRI 205-1 GRI 205-2 GRI 205-3		Internal and External	8. Corporate governance

9.6. Glossary & alternative performance measures

Glossary

Earnings per share (EPS): Profit from the year attributable to the shareholders divided by the basic number of shares.

BD: Business District.

Market capitalization: The Company's capital value is derived from its stock market value, calculated by multiplying the market price of its shares by the number of shares in circulation.

CBD: Central Business District (prime business area). Includes the 22@ market in Barcelona.

Property company: A company with rental property assets.

Portfolio (surface area) in operation: Property/surfaces with the capacity to generate rents at the closing date of the report.

EBIT: Calculated as the operating profit plus a variance in fair value of property assets as well as a variance in fair value of other assets and provisions.

EBITDA: Operating result before net revaluations, disposals of assets, depreciations, provisions, interests, taxes and exceptional items.

EPRA: European Public Real Estate Association: Association of listed European property companies that sets best market practices for the sector.

Free float: The part of share capital that is freely traded on the stock market and not controlled in any stable way by shareholders.

GAV excl. Transfer costs: Gross Asset Value of the portfolio according to external appraisers of the Group, after deducting transfer costs.

GAV incl. Transfer costs: Gross Asset Value of the portfolio according to external appraisers of the Group, before deducting transfer costs.

GAV Parent Company: Gross Asset Value of directly held assets + Value JV Plaza Europa + NAV of 98.3% stake in SFL + Value of treasury shares.

Holding: A company whose portfolio contains shares from a certain number of corporate subsidiaries.

IFRS: International Financial Reporting Standards, which correspond to the *Normas Internacionales de Información Financiera (NIIF).*

JV: Joint Venture (association between two or more companies).

Like-for-like valuation: Data that can be compared between one period and another (excluding investments and disposals).

LTV: Loan to Value (Net financial debt/GAV of the business).

EPRA Like-for-like rents: Data that can be compared between one period and another, excluding the following: 1) investments and disposals, 2) changes in the project pipeline and renovation program, and 3) other extraordinary items, for example, indemnities from tenants in case of anticipated leave. Calculation based on EPRA Best Practices guidelines.

EPRA NTA: EPRA Net Tangible Assets (EPRA NTA) is a proportionally consolidated measure, representing the IFRS net assets excluding the mark-to-market on derivatives and related debt adjustments, the mark-to-market on the convertible bonds, the carrying value of intangibles as well as deferred taxation on property and derivative valuations. It includes the valuation surplus on trading properties and is adjusted for the dilutive impact of share options.

EPRA NDV: EPRA Net Disposal Value (EPRA NDV) represents NAV under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

EPRA Cost Ratio: Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.

Physical Occupancy: Percentage: occupied square meters of the portfolio at the closing date of the report/surfaces in operation of the portfolio.

Financial Occupancy: Financial occupancy according to the calculation recommended by the EPRA (occupied surface areas multiplied by the market rental prices/surfaces in operation at market rental prices).

EPRA Vacancy: Vacant surface multiplied by the market rental prices/surfaces in operation at market rental prices. Calculation based on EPRA Best Practices guidelines.

Reversionary potential: This is the result of comparing the rental revenues from current contracts (contracts with current occupancy and current rents in place) with the rental revenues that would result from 100% occupancy at market prices, estimated by independent appraisers. Projects and renovations are excluded.

Projects underway: Property under development at the closing date of the report.

RICS: Royal Institution of Chartered Surveyors.

SFL: Société Foncière Lyonnaise.

Take-up*:* Materialized demand in the rental market, defined as new contracts signed.

Valuation Yield*:* Capitalization rate applied by the independent appraisers in the valuation.

Yield on cost*:* Market rent 100% occupied/Market value at the start of the project net of impairment of value + invested capital expenditure.

Yield occupancy 100%: Passing rents + vacant spaces rented at the market prices/market value.

EPRA net initial yield (NIY): Annualised rental income based on passing rents as at the balance sheet date, reduced by the non-recoverable expenses, divided by the market value, including transfer costs.

EPRA Topped-Up Net Initial Yield: EPRA Net Initial Yield, eliminating the negative impact of the lower rental income.

Gross Yield: Gross rents/market value excluding transfer costs.

Net Yield: Net rents/market value including transfer costs.

€m: In millions of euros.

Alternative performance measures

Alternative performance measure	Method of calculation	Definition/Relevance
EBITDA (Analytic P&L) (Earnings Before Interest, Taxes, Depreciation and Amortization)	Calculated as the "Operating profit" adjusted for "Net turnover - Inventory", "Cost of sales - Inventory", "Depreciation", "Net profit from asset sales", "Net change in provisions", "Reversal of early break-up provisions", "Changes in the value of investment properties", and "Result from changes in the value of assets and impairments", as well as extraordinary structural expenses and those incurred in "Depreciation" and "Financial result" derived from the application of "IFRS 16 on financial leases", associated with the flexible business (co-working).	Indicates the Group's capacity to generate profits only taking into account its economic activity, eliminating allocations to depreciation/amortization, and the effect of debt and taxes.
EBITDA rents	Calculated as the analytical EBITDA adjusted by the "general" and "extraordinary" expenses, unrelated to the "operation" of the properties.	Indicates the Group's capacity to generate profits only taking into account its leasing activity, before allocations to amortization, provisions and the effects of debt and taxes.
Other analytical income	Calculated as the item "Other income" from the Consolidated income statement, adjusted by "Other business income", "Net equity", "Personnel costs" and "Other operating expenses related to the flexible business, eliminated in the consolidation process", "Net equity related to the flexible business, eliminated in the consolidation process", "Amortization from the registration of IFRS 16 on financial leases" and the "Financial result from the registration of IFRS 16 on financial leases".	Relevant figure for analysing the results of the Group.
Analytical structural costs	Calculated as the total of the items "Other income", "Personnel costs" and "Other operating expenses" on the Consolidated income statement and adjusted by "Net analytical operating costs", "Personnel costs" and "Other operating expenses related to income generation from the flexible business", "Personnel costs" and "Other extraordinary operating expenses not related to the flexible business", "Variation in net provisions", "Other operating expenses related to the flexible business, eliminated in the consolidation process", and "Other income related to the letting business".	Relevant figure for analysing the results of the Group.
Analytical extraordinary items	Calculated as the total of the items "Personnel costs" and "Other operating expenses" on the Consolidated income statement and adjusted by "Net analytical operating costs", "Personnel costs", and "Other operating business expenses" "Personnel costs" and "Other operating expenses related to income generation from the flexible business". "Other operating expenses related to the flexible business, eliminated in the consolidation process" and "Net variation in provisions".	Relevant figure for analysing the results of the Group.
Revaluations and sales margins of analytical properties	Calculated as the total of the items "Net profit for asset disposals" and "Value variations in real estate investments" on the Consolidated income statement.	Relevant figure for analysing the results of the Group.

Alternative performance measure	Method of calculation	Definition/Relevance
Analytical Amortizations and Provisions	Calculated as the total of the items "Amortizations" and "Result for variations in asset value or impairments" from the consolidated summary income statement for the six-month period ended June 30, 2023, and adjusted for "Depreciation derived from the application of IFRS 16 on financial leases", "Net change in provisions", and "Reversal of early exit provisions".	Relevant figure for analysing the results of the Group.
EPRA Earnings and EPRA Net Profit	Calculated in accordance with EPRA recommendations by adjusting certain items in the financial year net result attributable to the parent company.	Standard analysis ratio in the real estate sector and recommended by EPRA.
Analytical financial result	Calculated as the total of all items under "Financial income" and "Financial expenses" of the consolidated income statement and adjusted for the "Financial result" deriving from the registration of IFRS16 on financial leases.	Relevant figure for analysing the results of the Group.
Recurring analytical financial result	Calculated as the adjusted "Analytical financial result" excluding extraordinary financial results	Relevant figure for analysing the results of the Group.
Gross financial debt	Calculated as the total of all items under "Bank borrowings and other and other financial liabilities" and "Issues of debentures and similar securities", excluding "Interest" (accrued), "Origination fees" and "Other financial liabilities" from the consolidated statement of financial position.	Relevant figure for analysing the financial situation of the Group.
Net financial debt	Calculated adjusting the item "Cash and equivalent means" in the Gross financial debt.	Relevant figure for analysing the financial situation of the Group.
EPRA(1) NTA (EPRA Net Tangible Asset)	Calculated based on the Company's capital and reserves, adjusting certain items in accordance with EPRA recommendations.	Standard analysis ratio in the real estate sector and recommended by EPRA.
EPRA(1) NDV (EPRA Net Disposal Value)	Calculated adjusting the following items in the EPRA NTA: the market value of financial instruments, the market value of financial debt, the taxes that would be accrued with the sale of the assets at their market value, applying the tax credit recognized in the balance sheet, considering a going concern assumption.	Standard analysis ratio in the real estate sector recommended by EPRA.
Market value excluding transaction costs or Gross Asset Value (GAV) excluding Transfer costs	Measurement of the totality of the Group's asset portfolio carried out by independent appraisers of the Group, less transaction or transfer costs.	Standard analysis ratio in the real estate sector.
Market value including transaction costs or GAV including Transfer costs	Measurement of the totality of the Group's asset portfolio carried out by external appraisers of the Group, before deducting the transaction or transfer costs.	Standard analysis ratio in the real estate sector.

(1) EPRA (European Public Real Estate Association) or European Association of listed property companies which recommend the standards of best practices to be followed in the real estate sector. The method of calculation of these APMs is carried out following the indications established by EPRA.

Alternative performance measure	Method of calculation	Definition/Relevance
Like-for-like rental income	Amount of the rental income included in the item “Revenues” comparable between two periods. To obtain the calculation, the income from investments or disposals carried out in both periods are excluded, as well as the income deriving from assets included in the projects and refurbishments portfolio and other atypical adjustments (for example, penalties for early termination of rental contracts).	It enables a homogeneous comparison of the evolution of rental income of an asset or group of assets.
Like-for-like measurement	Amount of the ERV excluding the transaction costs or of the ERV including the transaction costs comparable between two periods. To obtain the calculation, the income from investments or disposals carried out in both periods are excluded.	It enables a homogeneous comparison of the evolution of the ERV of the portfolio.
Loan to Value, Group or LTV Group	Calculated as the result of dividing the gross financial debt (reduced by the amount in the item “Cash and cash equivalents”) by the market valuation including the transaction costs of the Group’s asset portfolio plus the treasury shares of the Parent Company at EPRA NAV.	It enables the analysis of the ratio between the net financial debt and the valuation of the Group’s asset portfolio.
LTV Holding or LTV Colonial	Calculated as the result of dividing the gross financial debt (less the amount in the item “Cash and cash equivalents”) of the Parent Company and 100% owned subsidiary companies by the market valuation, including transaction costs, of the parent company’s asset portfolio and the EPRA NAV of all financial stakes in subsidiary companies.	It enables the analysis of the ratio between the net financial debt and the valuation of the parent company’s asset portfolio.
Analytical rental income	Calculated as the “Net turnover - Investment properties” adjusted for “Flexible business income”, “Net turnover eliminated in the consolidation process associated with the flexible businesses”, and “Reversal of early break-up provisions”.	Relevant figure for analysing the results of the Group.
Analytical net operating expenses	Calculated as the total of “Personnel expenses” and “Other operating expenses” adjusted for “Personnel expenses and Other operating expenses not associated with the corporate segment”, “Personnel expenses and Other operating expenses not associated with the flexible business”, “Extraordinary Personnel expenses and Other operating expenses”, “Other operating expenses eliminated in the consolidation process associated with the flexible business”, and “Change in provisions”.	Relevant figure for analysing the results of the Group.

9.7. PwC independent limited assurance Report

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent limited assurance report on the ESG indicators

To the management of Inmobiliaria Colonial, SOCIMI, S.A.

We have undertaken a limited assurance engagement on the Environmental, Social and Governance indicators contained in the 'Table of contents GRI, EPRA BPR'S' of the 2024 Integrated Annual Report (hereinafter 'ESG indicators') of Inmobiliaria Colonial, SOCIMI, S.A. (the Parent company) and its subsidiaries (hereinafter, Inmobiliaria Colonial or the Group) for the year ended 31 December 2024, prepared in accordance with the content proposed in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter, 'GRI Standards') and the Construction and Real Estate Sector Disclosures of the GRI G4 Guidelines (hereinafter, 'Construction and Real Estate Sector Disclosures').

Responsibility of the management of Inmobiliaria Colonial, SOCIMI, S.A.

The management of Inmobiliaria Colonial, SOCIMI, S.A. is responsible for the preparation, content and presentation of the Integrated Annual Report, in accordance with the GRI Standards and the Construction and Real Estate Sector Disclosures. Management's responsibility includes establishing, implementing and maintaining the internal control required to ensure that the ESG indicators are free from material misstatement due to fraud or error.

The management of Inmobiliaria Colonial, SOCIMI, S.A. is also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the ESG indicators, is obtained.

Our Independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es

R. M. Madrid, Hoja M-63.988, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

Inmobiliaria Colonial, SOCIMI, S.A. and its subsidiaries

Our responsibility

Our responsibility is to issue a limited assurance report based on the procedures that we have carried out and the evidence obtained. Our limited assurance engagement was done in accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The scope of a limited assurance engagement is substantially less extensive than the scope of a reasonable assurance engagement and thus, less security is provided.

The procedures that we have carried out are based on our professional judgment and have included consultations, observation of processes, document inspection, analytical procedures and random sampling tests. The general procedures employed are described below:

- Meetings with Inmobiliaria Colonial’s personnel from various units who have been involved in the preparation of the 2024 Integrated Annual Report.

- Analysis of the procedures used for obtaining and validating the data presented in the ESG indicators.

- Analysis of the Inmobiliaria Colonial’s ESG indicators adaptation to the requirements established by the GRI Standards for the preparation of sustainability reports and to the Construction and Real Estate Sector Disclosures.

- Verification, through random sampling tests revisions and substantive tests procedures, on the quantitative and qualitative information used to determine Inmobiliaria Colonial’s ESG indicators. We have also verified whether they have been appropriately compiled from the data provided by the Group’s sources of information.

- Obtainment of a management representation letter from the Parent company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Inmobiliaria Colonial’s ESG indicators have been prepared, in all material respects, in accordance with the GRI Standards and the Construction and Real Estate Sector Disclosure.

pwc

Inmobiliaria Colonial, SOCIMI, S.A. and its subsidiaries

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG indicators of Inmobiliaria Colonial, SOCIMI, S.A. and subsidiaries for the year ended 31 December 2024, have not been prepared, in all material respects, in accordance with the GRI Standards and the Construction and Real Estate Sector Disclosure.

Restriction on distribution and use

This report, including the conclusion, has been prepared solely for the management of Inmobiliaria Colonial, SOCIMI, S.A. as a body, to assist them in reporting on the Group's ESG indicators. We permit the disclosure of this report within the 2024 Integrated Annual Report, to enable the management to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the 2024 Integrated Annual Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management as a body and Inmobiliaria Colonial, SOCIMI, S.A. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Margarita de Rosselló Carril

31 March 2025

Corporate Publications

This report forms part of the transparency exercise undertaken by the Colonial Group and is made available along with five other reports published by Colonial providing information on the initiatives undertaken in 2024.

2024 Colonial Group Corporate Governance Report

http://www.inmocolonial.com/

2024 Annual Results

http://www.inmocolonial.com/

Résultats Annuels 2024

http://www.fonciere-lyonnaise.com/

2024 Non-Financial Information SFL

http://www.fonciere-lyonnaise.com/

Colonial Group Contacts

Inmobiliaria Colonial

Castellana Av. 52, 28046 Madrid
Phone: 91 782 08 80

Diagonal Av. 532, 08006 Barcelona
Phone: 93 404 79 00
Website: www.inmocolonial.com

Investor Relations:
inversores@inmocolonial.com

Shareholders:
accionistas@inmocolonial.com

Rentals:
patrimoni@inmocolonial.com

Human Resources:
rrhh@inmocolonial.com

SFL Société Foncière Lyonnaise

42, rue Washington, 75008 Paris
Phone: +33 (0)1 42 97 27 00
Fax: +33 (0)1 42 97 27 26
Website: www.fonciere-lyonnaise.com

Design: www.artfactory.es
Edition, layout and printing: www.cegeglobal.com

MIX
Paper | Supporting responsible forestry
FSC® C015618

Contact details

Investor Relations
Tel. +34 93 404 78 98
inversores@inmocolonial.com

Shareholders Office
Tel. +34 93 404 79 10
accionistas@inmocolonial.com

Web
www.inmocolonial.com

Capital Market registry data
Stock market
Bloomberg: COL.SM
Código ISIN: ES0139140042
Indices: MSCI, EPRA (FTSE EPRA/NAREIT Developed Europe and FTSE EPRA/NAREIT Developed Eurozone), IBEX35, Global Property Index 250 (GPR 250 Index) & EUROSTOXX 600

About Colonial
Inmobiliaria Colonial, SOCIMI, S.A.

Madrid office
Castellana Av. 52
28046 Madrid

Barcelona office
Diagonal Av. 532
08006 Barcelona

Paris office
42 rue Washington
75008 Paris

Colonial

Castellana Av. 52
28046 Madrid
Tel. +34 91 782 08 80

Diagonal Av. 532
08006 Barcelona
Tel. +34 93 404 79 00

42 rue Washington
75008 Paris

inmocolonial.com