

**Inmobiliaria Colonial, SOCIMI, S.A.  
and its subsidiaries**

Independent limited assurance report  
on the 'Green Financing Report'  
31 December 2023



## Independent limited assurance report on the 'Green Financing Report'

To the management of Inmobiliaria Colonial, SOCIMI, S.A.

We have undertaken a limited assurance engagement in respect of the accompanying 'Green Financing Report' of Inmobiliaria Colonial, SOCIMI, S.A. (the Parent company) and its subsidiaries (hereinafter, 'Colonial' or 'the Group') as of 31 December 2023, in regards with the bonds issued by Inmobiliaria Colonial, SOCIMI, S.A. (and that specifically, according to their corresponding ISIN / Issuance Date, are the following: XS1509942923 / 10/28/2016; XS1516312581 / 11/10/2016; XS1725677543 / 11/28/2017; ES0239140025 / 06/22/2021; XS1808395930 / 4/17/2018; ES0239140017 / 10/14/2020; XS1725678194 / 11/28/2017) and the bonds issued by Société Foncière Lyonnaise (and that specifically, according to their corresponding ISIN / Issuance Date, are the following: FR0013335767 / 05/29/2018; FR0013515871 / 06/05/2020; FR00140060E7 / 10/14/2021) (hereinafter 'the green bonds portfolio'), prepared in accordance with the criteria described in the 'Green Financing Framework' (hereinafter, 'Green Financing Framework' or 'the Framework'), included in section '2. Green Financing Framework Reminder' of the 'Green Financing Report'.

Specifically, the sections of the 'Green Financing Report' subject of our engagement have been the following:

- The portfolio allocation of the green bonds proceeds in accordance with the eligibility criteria, defined by Colonial in the 'Green Financing Framework' and detailed in section '2. Green Financing Framework Reminder' of the 'Green Financing Report'.
- Green bonds portfolio indicators (Total Gross Asset Value (hereinafter 'GAV') of the eligible assets portfolio allocated to the green bonds), included in section '3. Allocation report' of the 'Green Financing Report'.

### Responsibility of the management

The management of Inmobiliaria Colonial, SOCIMI, S.A. is responsible for the preparation, content and presentation of the 'Green Financing Report' in accordance with the criteria established by the Group, and the definition of these criteria according to the 'Green Financing Framework'. This responsibility also includes the design, implementation and maintenance of the internal control required to ensure the information included in the 'Green Financing Report' is free from material misstatement, whether 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 'Green Financing Report', is obtained.



### Our responsibility

Our responsibility is to issue a limited assurance report based on the procedures 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 Colonial's personnel from various units who have been involved in the preparation of the 'Green Financing Report', to understand the use of proceeds of the green bonds portfolio, the existing internal procedures and management systems, the information gathering process and the control environment.
- Analysis of the procedures used for obtaining and validating the information presented in the sections of the 'Green Financing Report'.
- Verification that the portfolio allocation of the green bonds proceeds meets the eligibility criteria, defined by Colonial in the 'Green Financing Framework'.
- Verification that the Colonial's green bonds portfolio indicators (total GAV of the eligible assets portfolio allocated to the green bonds), included in the 'Green Financing Report', have been prepared in accordance with the criteria described in section '2. Green Financing Framework Reminder' of the 'Green Financing Report', defined by the Group in accordance with the 'Green Financing Framework'.
- Verification, through random sample testing, internal control tests and substantive tests on the quantitative and qualitative information included in the sections of the 'Green Financing Report' subject of our engagement. We have also verified whether these quantitative and qualitative information have been appropriately compiled from the data provided by the Group's sources of information.
- Obtainment of a representation letter from the management of 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 Colonial's green bonds portfolio as of 31 December 2023 has been prepared, in all material respects, in accordance with the 'Green Financing Framework'.



### Our independence and quality management

We have complied with the independence requirements 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.

### Limited assurance conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

- the portfolio allocation of the green bonds proceeds is not in accordance with the eligibility criteria, defined by Colonial in the 'Green Financing Framework' described in section '2. Green Financing Framework Reminder' of the 'Green Financing Report',
- the green bonds portfolio indicators (total GAV of the eligible assets portfolio allocated to the green bonds), included in section '3. Allocation report' of the 'Green Financing Report', contain significant errors or have not been prepared, in all their significant matters, in accordance with the criteria described in section '2. Green Financing Framework Reminder' of the 'Green Financing Report', defined by Colonial in accordance with the 'Green Financing Framework'.

### Restriction on distribution and use

This report, including the conclusion, has been prepared solely for the management of Inmobiliaria Colonial, SOCIMI, S.A., to assist them in reporting on the information related to the green bonds portfolio of Colonial. We permit the disclosure of this report within the 'Green Financing Report', to enable the management to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the information related to the green bonds portfolio. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than 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.

A handwritten signature in blue ink, appearing to read 'MdeR', with a long horizontal stroke extending to the right.

Margarita de Rosselló Carril

5 February 2024



# Green Financing Report

February 5<sup>th</sup>, 2024

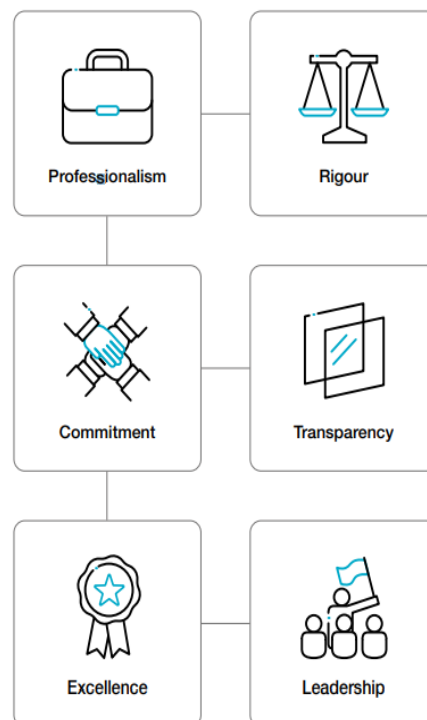
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## 1. Introduction

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. The Colonial Group’s **Mission**  
To create long-term value for shareholders, investors, employees and all stakeholders through investments and the management of office buildings that enable our clients to realise their full potential.
  
- II. The Colonial Group’s **Vision**  
To be leaders in the European office market, recognised for our experience and professionalism, for our strength and profitability, while providing excellent, sustainable real estate solutions tailored to our clients’ needs.
  
- III. **Values**  
To achieve its purpose, Colonial prioritises six values that guide the behaviour of all its team members.



## ESG policy and Strategic Plan

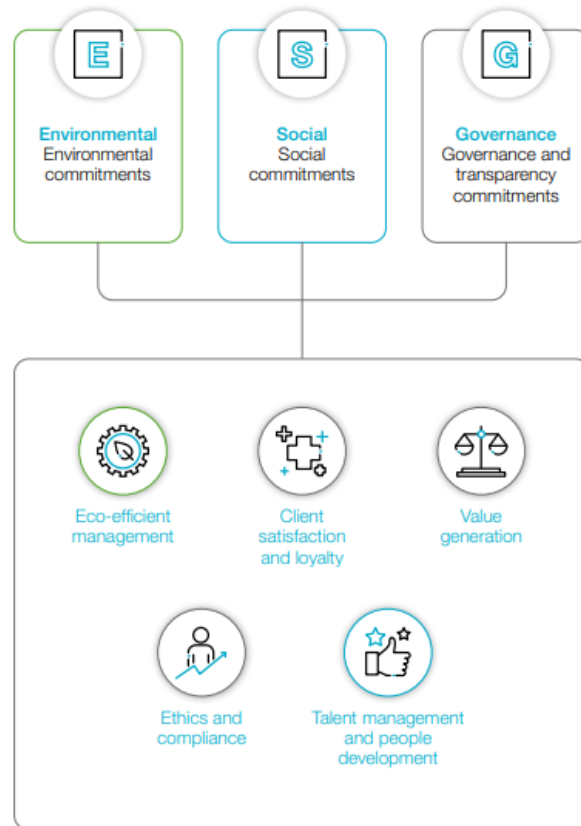
A core element of the Colonial Group’s corporate strategy is its commitment to excellence and leadership in ESG, as this is the basis for ensuring sustainable long-term returns for the Company, i.e., for the Group’s shareholders and all stakeholders.

The 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 improving 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.



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 17 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.





At Colonial we focus on creating value for our stakeholders in the development of our activity in the long term and in a sustainable way.

### Decarbonisation and sustainability strategic plan at the heart of the Colonial Group’s 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 is based on a firm commitment to three aspects: the decarbonisation of its portfolio, a progressive reduction of its consumption and a responsible and efficient use of resources by resolutely promoting the circular economy throughout the entire real estate value chain.

The Colonial Group has drawn up a decarbonisation plan as an integral part of the strategic plan for the asset portfolio, while establishing the main financial and non-financial KPIs for each of the assets, analysed year by year.

The strategic decarbonisation plan is based on detailed knowledge of all segments of the real estate value chain by working through the best technical teams in the Paris, Madrid and Barcelona markets. This is achieved by the efficient management of resource and energy consumption through more sustainable suppliers, thereby ensuring that the various activities are carried out in the best and most sustainable way.

During 2023, the Colonial Group 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 put in place to monitor reductions in consumption (in particular energy and carbon footprint) and to chart a path towards carbon neutrality.

In particular, this ambitious strategic decarbonisation plan responds to the Colonial Group's commitment to achieve carbon neutrality by 2030, accelerating the previous neutrality target of 2050 by 20 years. This decarbonisation plan is much more ambitious than the previous one, 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).

In addition, the Company has established an internal carbon price as a key element to prioritise and determine the most efficient actions in decarbonisation. Each tonne of CO<sub>2</sub> 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. The internal carbon price is €100/tCO<sub>2</sub>e, which is a very ambitious price approved by the Sustainability Committee and applied to all new investments.



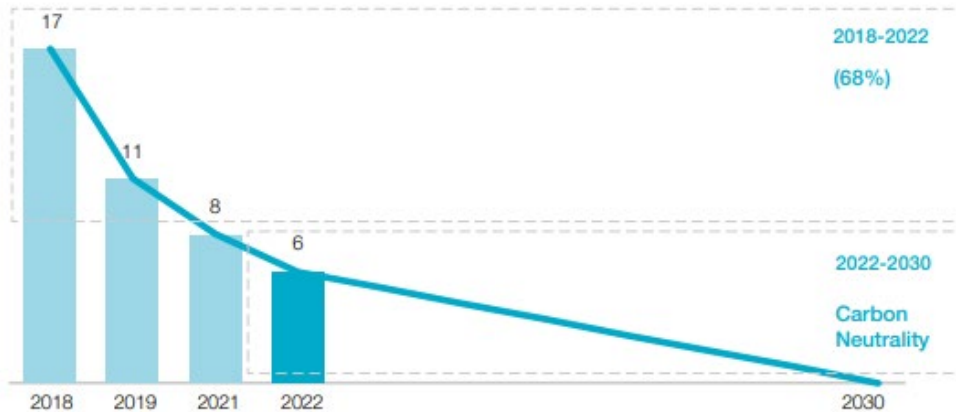
## Objectives of the Decarbonisation Plan 2018-2030

The approved decarbonisation plan sets forth the road map to make the Colonial Group's entire office portfolio carbon neutral by 2030 and, therefore, to be able 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. The Colonial Group aspires to achieve this carbon neutrality based on the specific actions indicated above.

In terms of the carbon intensity KPI Scopes 1 and 2 (KPI that allows comparison with other companies in the sector), the Colonial Group achieved a substantial reduction in carbon intensity reaching a level of 6 kgCO<sub>2</sub>e/sqm, one of the lowest ratios in the sector (equivalent to a 68% reduction since the new base year of 2018).

The long-term goal is to reach full carbon neutrality.

▼ Intensity Scopes 1 & 2 (kgCO<sub>2</sub>e/sqm)



The Colonial Group is fully aware of the important role that the real estate sector plays both in the transition to 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 field of energy efficiency and carbon emissions but goes beyond the specific objectives of the decarbonisation plan. Consequently, the Colonial Group has a strategic environmental sustainability plan with other important metrics analysed, which optimises the sustainable management of all our activity.

In this regard, the **2018-2030 Business Sustainability Plan** has established a set of targets with specific focus on the following objectives:

1. **Carbon neutrality in 2030.**
2. **Reduction of energy intensity by more than 10% from the base year.**
3. **Energy certificates for 100% of the offices portfolio in operation.**
4. **Life Cycle Analysis for projects**
5. **Supply of more than 70% of green energy in the portfolio.**
6. **Monitoring of energy KPIs for the entire portfolio of offices in operation.**
7. **Waste management and the circular economy: optimization of waste management and implementation of a circular economy model**
8. **Suppliers: ESG clauses in all contracts with significant suppliers.**
9. **Clients: “Green Clauses” for all new clients.**
10. **Enhance the biodiversity of the Group’s portfolio environment.**

## External Recognition

- > Colonial has obtained the **EPRA Gold sBPR rating for the 8<sup>th</sup> consecutive year**, which certifies the highest reporting standards in ESG.
- > Colonial obtained a **rating of 94 out of 100 in the GRESB index 2023 in the Standing Investments Benchmark report and 98/100 in the Development Benchmark Report**, placing the Group at high-end of its sector. This 5-star rating is above the average of its peers and has led to an impressive increase of scoring of +34 points from 2017 to 2022.
- > The Group has obtained **a rating of A from CDP 2022**, confirming its leadership in decarbonization. This rating far exceeds the European regional average as well as the financial services sector average. Only 6 real estate companies have reached that level in Europe. In Spain, only 19, and Colonial is the only one in the office real estate sector.
- > **Sustainalytics has given Colonial a rating of 6.2 in ESG risk**, an improvement of 36% vs previous rating of 9.7, placing it in the top 5 of the 443 REIT companies covered. The agency highlights the good management of ESG policies in accordance with all the international standards.

*For more information regarding our ESG Policy & Strategy visit the following presentation:*

[https://www.inmocolonial.com/sites/default/files/uploaded-files/2023-05/COLONIAL\\_2022\\_ENG\\_web.pdf](https://www.inmocolonial.com/sites/default/files/uploaded-files/2023-05/COLONIAL_2022_ENG_web.pdf)

## 2. Green Financing Framework Reminder

Colonial's Green financing framework is accessible [at this link](#)

The creation of a Green Financing Framework (the "**Framework**") is a consistent and tangible step to further align the Group's financing strategy with its corporate mission, objectives, and sustainability targets. It will support Colonial's strategy and is a valuable tool that the Group will use for the implementation of its development within an integrated sustainability approach.

The Framework serves as the reference document for green bond issues by Inmobiliaria Colonial, Socimi, S.A. and by Société Foncière Lyonnaise ("**SFL**").

The Framework has been developed in alignment with the four pillars of the Green Bond Principles 2021 ("**GBP**") of the International Capital Markets Association ("**ICMA**").

**Use of Proceeds**

The eligible criteria include Green certifications and GHG emissions (detailed below) Every asset whether in use, under construction or renovation can be eligible if it meets the criteria set by The Green Financing Framework

**Evaluation and selection process**

The ESG Committee will verify the compliance of the selected pool of Eligible Assets with the eligibility criteria

**Management proceeds**

An amount equivalent to all Colonial's Group outstanding Green Bonds is allocated to Group portfolio of eligible assets

**Reporting**

The report on allocation will contain the following information:

- The total amount of green bonds outstanding per Issuing Entity
- The Key impact indicators of the asset's portfolio
- Publicly available on the Group's website



Second Party Opinion: Vigeo Eiris has provided a "positive" SPO of the Green Financing Framework (available on our website)



An external auditor issues an annual independent limited assurance report on funds allocation according with the Green Financing Framework.

The emissions thresholds presented below as Eligibility Criteria are to be read as GHG emissions intensity factors, expressed in kgCO<sub>2</sub> per sq. m. per year, covering landlord-controlled scope 1 and 2, according to the market-based methodology of the GHG Protocol.

Eligible green assets

Eligibility criteria

**Green buildings**

**Buildings that have received at least one (or more) of the following certificates:**

- > LEED "Gold" or higher
- > BREEAM in use "Very good" or higher
- > HQE "Excelente" or higher

Or:

**Buildings that do not exceed the following emission thresholds**

- > 2020-2023 < or = 20 Kg CO<sub>2</sub>/sqm per year
- > 2024-2025 < or = 15 Kg CO<sub>2</sub>/sqm per year
- > 2025 and onwards < or = 10 Kg CO<sub>2</sub>/sqm per year



### 3. Allocation report

#### List of Group outstanding bonds<sup>1</sup>

Issuer	ISIN	Issuance date	O/S Amount (EUR)	Coupon	Maturity
COLONIAL	XS1509942923	10/28/2016	187.200.000	1,45%	10/28/2024
	XS1725677543	11/28/2017	500.000.000	1,63%	11/28/2025
	XS1808395930	04/17/2018	650.000.000	2,00%	04/17/2026
	XS1516312581	11/10/2016	50.000.000	1,88%	11/10/2026
	ES0239140017	10/14/2020	500.000.000	1,35%	10/14/2028
	XS1725678194	11/28/2017	370.000.000	2,50%	11/28/2029
	ES0239140025	06/22/2021	625.000.000	0,75%	06/20/2029
<b>Total Spain</b>			<b>2.882.200.000</b>		
SFL	FR0013335767	05/29/2018	500.000.000	1,50%	05/29/2025
	FR0013515871	06/05/2020	599.000.000	1,50%	06/05/2027
	FR00140060E7	10/14/2021	599.000.000	0,50%	04/21/2028
	<b>Total France</b>			<b>1.698.000.000</b>	

The eligible assets have been defined made up of Inmobiliaria Colonial and SFL assets for which it has been analyzed that they meet the eligibility criteria described in the Green Financing Framework and that, as of June 30, 2023, consists of:

Total GAV of the eligible assets' portfolio to be allocated to the green bonds <sup>2</sup>	<b>4,720 M€</b>
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These eligible assets portfolio will be tested every year to evaluate that the total amount, in terms of GAV, of the eligible assets portfolio that meet the criteria defined in the Green Financing Framework is, at least, equivalent to the nominal amount of the bonds issued. The situation as of June 30, 2023, is the following:

Total GAV of the eligible assets' portfolio to be allocated to the green bonds <sup>2</sup>	<b>4,720 M€</b>
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Total amount of the bonds issued to be converted to green bonds	<b>4,580 M€</b>
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Difference	<b>139.7 M€</b>
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<sup>1</sup> Outstanding amount as of December 31, 2023.

<sup>2</sup> The GAV of the eligible assets' portfolio corresponds to the last published values available in the market, which are as of June 30, 2023.