

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

Independent limited assurance report
on the 'Green Financing Report'
31 December 2022



Independent limited assurance report on the 'Green Financing Report'

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

We have carried out our work to provide limited assurance on the accompanying 'Green Financing Report' of Inmobiliaria Colonial, SOCIMI, S.A. and subsidiaries (hereinafter, 'Colonial' or 'the Group') as of 31 December 2022, 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; XS1725678194 / 11/28/2017; XS1808395930 / 4/17/2018; ES0239140017 / 10/14/2020; ES0239140025 / 06/22/2021) 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), 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' under our review 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 Colonial 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'. Management's responsibility also includes the design, implementation and maintenance of the internal control necessary to allow the information included in the 'Green Financing Report' to be free from any material misstatement due to fraud or error.

The management of Colonial 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 independence and quality control

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 Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to issue a limited assurance report based on the work carried out and the evidence obtained. Our limited assurance engagement has been carried out in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) (Reviewed), '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).

In a limited assurance engagement, the procedures performed vary in terms of their nature and timing of execution, and are less extensive than those carried out in a reasonable assurance engagement. Accordingly, the assurance obtained is substantially lower.

Our work has consisted of posing questions to management and several Colonial's units that were involved in the preparation of the 'Green Financing Report', in the review of the processes for compiling and validating the information presented in the 'Green Financing Report', and in the application of certain analytical procedures and review sampling tests, as 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 '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'.
- Review 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 Colonial in accordance with the 'Green Financing Framework'.



- Verification, through random sample testing and substantive tests on the quantitative and qualitative information included in the 'Green Financing Report' under our review. We have also verified whether this quantitative and qualitative information have been appropriately compiled from the data provided by Colonial's sources of information.
- Obtainment of a representation letter from the management of Colonial.

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'.

Use and distribution

Our report is only issued to the management of Colonial, in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Colonial's management.

PricewaterhouseCoopers Auditores, S.L.

A handwritten signature in blue ink, appearing to read 'M. de Rosselló Carril', written over a light blue horizontal line.

Margarita de Rosselló Carril

3 February 2023



Green Financing Report

February 3rd, 2023

Contents

1. Introduction & ESG Policy Strategy 3

2. Green Financing Framework Reminder 7

3. Allocation report 9

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**

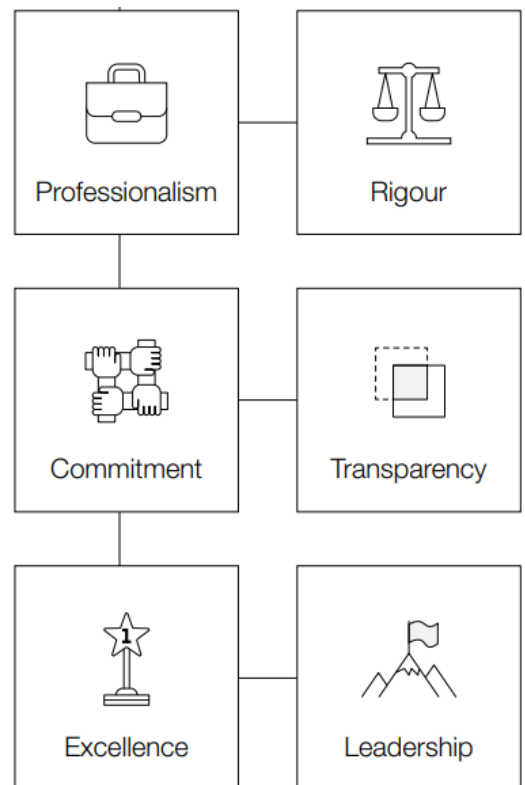
To create long-term value for shareholders, investors, employees and all stakeholders through investments and the management of office buildings that enable our clients to realise their full potential.

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

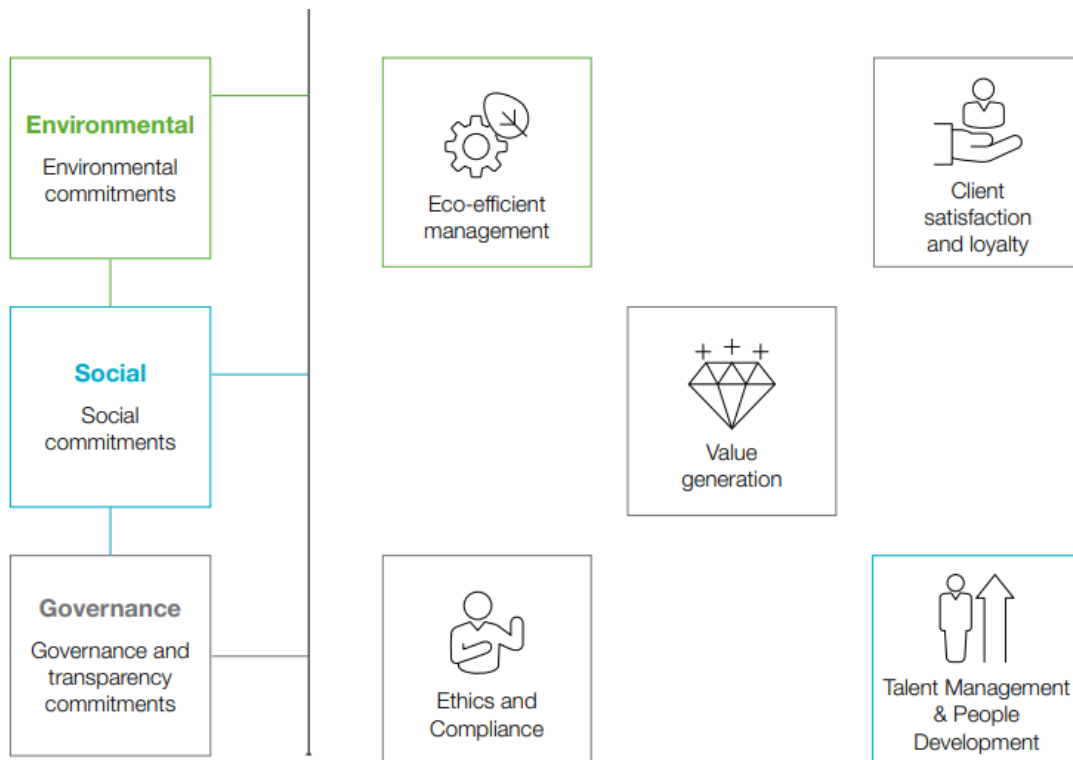
A fundamental element of the Colonial Group’s corporate strategy is its commitment to excellence and leadership in ESG, as this is the basis for ensuring sustainable long-term returns for the company, i.e., for the Group’s shareholders and all stakeholders.

The Colonial Group considers the ESG area and its corporate strategy to be an integrated approach that seeks to achieve maximum levels in each of the three dimensions (1) E for Environmental, that is, sustainable management of the entire real estate value chain, (2) S for “Social”, by maximizing the contribution of employees and the Company, and (3) G for “Governance”, by committing to the highest standards of corporate governance and transparency.

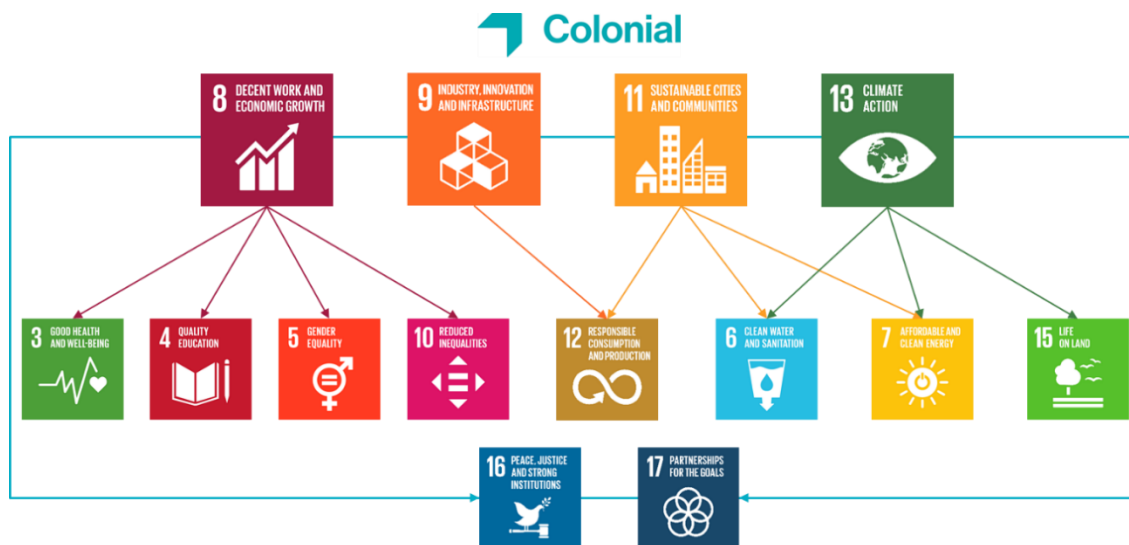
We believe that this integrated approach will bring sustainable returns in the long term for both the company in general and for our shareholders.

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 the Sustainable Development Goals or SDGs). Thus, the Colonial Group has carried out an analysis of its contribution to achieving the SDGs and all the actions included in its ESG strategic plan have been analysed 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 list the Group’s specific contribution to each goal through the monitoring of key indicators:



As stated before, Colonial’s strategy is committed to excellence and leadership in ESG since it is the fundamental basis for guaranteeing long-term sustainable returns for all its shareholders.

Decarbonisation and sustainability strategic plan at the heart of the Colonial Group’s strategy

The Colonial Group aspires to clear leadership in sustainability, which is a fundamental 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 three aspects: 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 entire real estate value chain.

Given the significant progress made in decarbonisation, the Colonial Group has developed a new Business Plan for decarbonisation 2018-2030, approved by the Board of Directors and setting 2018 as the baseline year to monitor reductions in consumption (in particular energy and carbon footprint), with the aim of charting a path towards carbon neutrality. In particular, this ambitious strategic decarbonisation plan responds to the Colonial Group’s commitment to carbon neutrality by 2030, pre-empting the 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 the scope of assets. The two main KPIs are carbon intensity (total carbon footprint of the portfolio in terms of ratio per sqm) as well as energy intensity (Kwh/sqm).

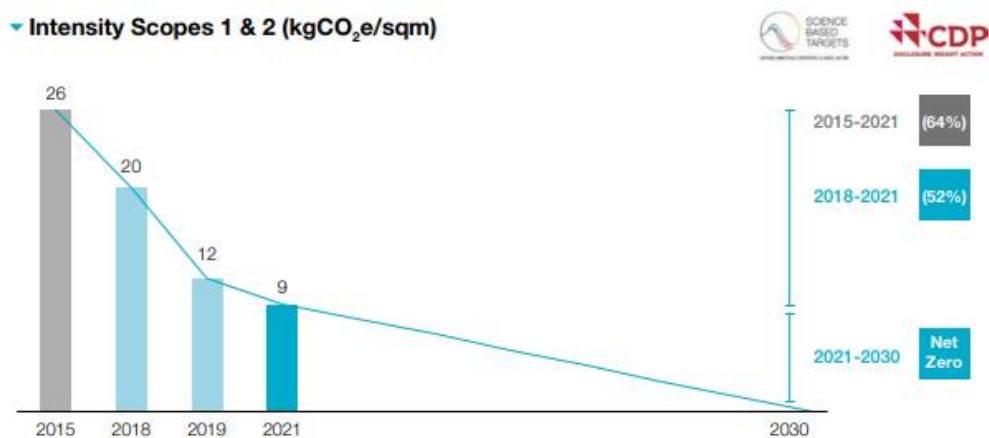
In addition, the company has established an internal carbon price as a key element to prioritise and determine the most efficient actions in decarbonisation. With this internal carbon price, each tonne of CO2 would have an associated price which would be passed on to the activity and serve to be aware of and manage activities from the point of view of the most efficient energy production and consumption possible.

Thus, the company has set a very ambitious internal carbon price of €100/tCO₂ e, approved by the Sustainability Committee, and applied to all new investments to be carried out.

To strengthen the Group’s commitment to the Paris Agreement, Colonial has committed to the Science Based Target 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.



Net zero carbon trajectory by 2030



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. **Supply of more than 70% of green energy in the portfolio.**
5. **Monitoring of energy KPIs for the entire portfolio of offices in operation.**
6. **Waste management and the circular economy: optimization of waste management and implementation of a circular economy model.**
7. **Suppliers: ESG clauses in all contracts with significant suppliers.**
8. **Clients: “Green Clauses” for all new clients.**
9. **Enhance the biodiversity of the Group’s portfolio environment.**

External Recognition

- > Colonial has obtained the **EPRA Gold sBPR rating for the 7th consecutive year**, which certifies the highest reporting standards in ESG.
- > Colonial obtained a **rating of 90 out of 100 in the GRESB index 2022 in the Standing Investments Benchmark report and 96/100 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 +30 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.
- > Colonial has obtained a **rating at the high end of the sector from Moody's ESG Solutions**, placed in the top 3% of the 4,902 rated companies (3rd of 97 within financial services – Real Estate). This rating exceeds the average of the sector in all performance and risk management KPIs, with a major year-on-year boost.
- > **Sustainalytics has given Colonial a rating of 9.7 in ESG risk**, placing it in the top 31 of the 459 listed real estate companies analysed. 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 presentations:

https://www.inmocolonial.com/sites/default/files/uploaded-files/2022-06/COLONIAL_2021_ENG_WEB_1.pdf

<https://www.inmocolonial.com/sites/default/files/uploaded-files/2022-07/4.%20ESG%20%26%20Decarbonization%20Strategy.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: <ul style="list-style-type: none"> - 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 to the Green Financing Framework (available on our website)



An **external auditor** issues an annual report on fund allocations and its compliance with Green Financing Framework and the Green Bond Principles. For FY 2021 reporting audit was performed by PwC

The emissions thresholds presented below as Eligibility Criteria are to be read as GHG emissions intensity factors, expressed in kgCO2 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: <ul style="list-style-type: none"> > 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 <ul style="list-style-type: none"> > 2020-2023 < or = 20 Kg CO₂/sqm per year > 2024-2025 < or = 15 Kg CO₂/sqm per year > 2025 and onwards < or = 10 Kg CO₂/sqm per year



3. Allocation report

List of Group outstanding bonds¹

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	300.000.000	2,50%	11/28/2029
	ES0239140025	06/22/2021	625.000.000	0,75%	06/22/2029
	Total Spain		2.812.200.000		
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
		Total France		1.698.000.000	

¹ Outstanding amount as of December 31, 2022

The eligible assets portfolio as of December 31, 2022, has been defined made up of Colonial and SFL assets that meet the eligibility criteria described in the Green Financing Framework and that consists of:

Total GAV of the eligible assets portfolio allocated to the green bonds ²	4,820 M€
--	-----------------

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 is the following:

Total GAV of the eligible assets portfolio allocated to the green bonds ²	4,820 M€
--	-----------------

Total amount of the bonds issued converted to green bonds	4,510 M€
---	-----------------

Difference	309.5 M€
------------	-----------------

² The GAV of the eligible assets portfolio corresponds to the last published values available in the market, which are as of June 30, 2022