



Sustainability Report

2021

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⁽¹⁾ This Sustainability Report was prepared in accordance with the Global Reporting Initiative ("GRI") Standards and the guidelines in the EPRA Sustainability Best Practice Recommendations ("EPRA sBPR").

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Letter from the Vice-Chairman and Chief Executive Officer



Ismael Clemente

in 2021, we continued to improve the environmental and energy performance of our assets by implementing a series of energy efficiency measures and reinforcing our commitment to renewable energy.

Dear Shareholders:

In a context where we are still feeling the repercussions of the pandemic, 2021 was a year in which we had the chance to demonstrate our strength as a company, supported by our commitment to long-term profitability and sustainability, which is always at the heart of our decisions.

MERLIN ended the year with solid numbers, thanks to the excellence of our assets and our people.

It is my pleasure to present the 2021 **Sustainability Report** (hereinafter, the “Report”) of **MERLIN Properties Socimi, S.A.** (hereinafter, “MERLIN”, “MERLIN Properties” or the “Company”), which contains the information our stakeholders need on environmental, social and corporate governance issues for the 2021 fiscal year and our plans for the future.

Our sustainability performance in 2021 was marked by two major milestones. First, the creation of the Sustainability, Ethics and Innovation Commission which reports to the Board of Directors. This Committee is tasked with promoting responsible and sustainable business practices by integrating ESG aspects, fostering innovation and digitalization, and monitoring compliance with the Company’s Code of Ethics. We also approved our Sustainability Policy which focuses on three pillars staking out our roadmap in this area:

active management of climate change, ensuring the well-being of end users of our assets and generating positive impacts in the cities where we operate.

Worth noting on the topic of climate change are our efforts to contribute to the decarbonization of cities in line with European strategies and the Paris Accords. In 2021, for instance, we have been working on our Pathway to Net Zero, having assumed the commitment to take meaningful steps toward decarbonizing our asset portfolio in order to reach carbon neutrality by 2030, in line with the Science Based Targets (SBTi) and fully committed to the United Nations Sustainable Development Goals (SDGs). In 2021, our first step in that direction was to calculate our carbon footprint, including all relevant emissions on our value chain, on the understanding that the collaboration of our tenants and suppliers will be key to achieving our ambitious goals.

Also in 2021, we continued to improve the environmental and energy performance of our assets by implementing a series of energy efficiency measures and reinforcing our commitment to renewable energy by installing photovoltaic panels as part of Project Sun. The market's leading sustainable construction certifications, LEED and BREEAM, continue to play a prominent role in the sustainable development and operation of our assets. It has been six years since we launched our ambitious LEED and BREEAM certification plan and this year we are proud to say that 91% of our assets are certified. **MERLIN** has also earned ISO 14001 and 50001 environmental quality certifications for 1.3 million square meters, or 81% of the portfolio eligible for certification.

The second pillar of our Sustainability Policy is the wellbeing of our users and stakeholders. We have continued to invest in improving the quality of our users' daily lives, focusing on indoor air quality, lighting and connectivity, and offering a series of complementary services to our users. **MERLIN HUB** is our most representative initiative in this regard. We also encourage sustainable mobility as it relates to our

assets and work to ensure that they are accessible to all users. Among other initiatives, we continued to install charging points for electric vehicles, and we've added to the number of AIS certified assets, the benchmark for accessibility certification, which now includes 61 of the assets in our portfolio.

MERLIN continues to lead the way in industry trends by offering innovative solutions to hybrid work models through our flexible LOOM spaces. With a comprehensive range of products that is unparalleled in the market, our clients can take advantage of office space in the form of meters per year, posts per month or even posts per hour, with the possibility of designing solution that are specially tailored to users' needs. We continue to integrate the most innovative initiatives and solutions into our assets to maximize the user's experience. Worthy of note here are projects such as the ones focused on sensorizing our assets. This provides us with real time information on how the assets are being used and allows the "brains" of the building, the BMS, to predict the best maintenance or climate control and lighting conditions for our tenants' comfort and well-being.

The third pillar of our Sustainability Policy hinges on the impact we have on the communities in and around the places where our assets are located from an environmental, social and even an aesthetic perspective. In 2021, we began to measure our contribution to society using the LBG model after joining the London Benchmarking Group (LBG) in Spain. The monetary value of our contribution is €720,030 spread across various initiatives, particularly in the field of social well-being and education.

Efforts continued to bring **MERLIN** in line with the best market practices in good governance and business ethics in all our areas of activity. Accordingly, following a review of our Corporate Governance System, the Company has approved a new policy for reporting financial, non-financial and corporate information that strengthens transparency with stakeholders. **MERLIN's**



Torre Chamartín Garden | Madrid



Anti-Corruption, Bribery and Fraud Policy was updated to implement preventive actions and take a proactive stance in the fight against corruption, bribery and fraud in all areas of our activity.

The Company's efforts and the effectiveness of the measures implemented are reflected in the sustainability ratings, where **MERLIN's** scores increased in all cases compared to 2020. Also worth noting is the fact that **MERLIN Properties** has joined the prestigious DJSI Europe index.

None of this would have been possible without the involvement and commitment of **MERLIN's** team. Our professionals are our most valuable asset. It is thanks to them that our ESG performance was accompanied by a better economic performance than expected at the beginning of the year, with solid results in all key financial and operating metrics leading to a 23% increase in value per share and a total shareholder return of 7.1%. I would like to end by thanking the **MERLIN** team for their hard work and professionalism. It is thanks to them that **MERLIN Properties** continues to be a reference in the sector, respected for its professionalism, transparency, rigor and commitment to sustainability.

02. The leading commercial real estate company in the Iberian Peninsula

AFTER SEVEN YEARS OF INTENSE ACTIVITY, **MERLIN PROPERTIES** HAS POSITIONED ITSELF AS THE LEADING REIT IN SPAIN AND ONE OF THE TOP TEN IN EUROPE. FOCUSED ON THE ACQUISITION AND MANAGEMENT OF ASSETS IN THE OFFICE, RETAIL AND LOGISTICS MARKETS. **MERLIN** HAS A STRONG AND DIVERSIFIED PORTFOLIO OF HIGH-QUALITY ASSETS IN KEY LOCATIONS IN SPAIN AND PORTUGAL.

2021 Performance Highlights

As part of its commitment to transparency and accountability to stakeholders, **MERLIN** continues to report on its sustainability performance in three fundamental areas: economic, social and environmental⁽¹⁾.

On the heels of the financial fallout from the pandemic, this year **MERLIN** had the opportunity to demonstrate its strength as a company. In 2021, **MERLIN's** key financial and operating metrics began to recover, with year-on-year growth in all of them. Examples of this include occupancy (94.5% +21 bps vs 2020), LfL rents (+0.2% vs 2020) and cash flow generation (€273M FFO, +4.1% vs 2020).

Economic performance

FFO

273 M€
(+4.1% vs 2020)



EPRA NTA

7,567 M€
(+4.2% vs 2020)



LOAN TO VALUE

39.2 %
(-0.7 p.p. vs 2020)



Social performance

EMPLOYEES

239
(+8.6% vs 2020)

VALUE DISTRIBUTED TO STAKEHOLDERS⁽²⁾

529.3 M€
(+38.6% vs 2020)

CUSTOMER SATISFACTION⁽³⁾

3.40 de 4



⁽¹⁾ For additional information on the methodology followed to prepare this Sustainability Report, please refer to Section 9, "About the Report".

⁽²⁾ This item includes salary payments, payments to suppliers, payments to governments, community investments and operating costs. Relates to the 201-1 indicator included in GRI Standards Guidelines.

⁽³⁾ Level of satisfaction in multi-tenant offices, single-tenant offices and shopping centers.

Environmental performance



Inclusion in Dow Jones Sustainability Index

WITH SUSTAINABLE
BUILDING
CERTIFICATION⁽¹⁾

151 ASSETS
(+2.0% vs 2020) ↑

GREENHOUSE GAS EMISSIONS
SCOPES 1 & 2 LOCATION-
BASED INTENSITY IN LIKE FOR
LIKE MANAGED ASSETS⁽²⁾

0,014 t CO₂eq/sqm
(-2.4% vs 2020) ↓

ENERGY CONSUMPTION IN
LIKE FOR LIKE MANAGED
ASSETS⁽²⁾

280,140 GJ
(+6.7% vs 2020) ↑

WATER CONSUMPTION IN
LIKE FOR LIKE MANAGED
ASSETS⁽²⁾

419,534 m³
(+17.7% vs 2020) ↑

WASTE GENERATED IN
LIKE FOR LIKE
ASSETS⁽²⁾

4.513 t
(+11.0% vs 2020) ↑

MERLIN Properties' Portfolios

MERLIN currently has a diversified portfolio of more than 3 million sqm of lettable area, particularly in the office, logistics, shopping center and net leases⁽³⁾ markets.

Global portfolio

GROSS ASSET VALUE
(GAV)

13,041 M€
(+1.8% vs 2020) ↑

EPRA NTA

7,263 M€
(+2.8% vs 2020) ↑

GROSS LETTABLE AREA
(GLA)

3.38 Msqm
(+2.2% vs 2020) ↑

GROSS RENTAL INCOME

505 M€
(+0.4% vs 2020) ↑

WAULT

5.4 years ◀
(0% vs 2020) =

OCCUPANCY RATE

94.5 %
(+0.8% p.p. 2020) ↑

⁽¹⁾ Sustainable building certifications include LEED and BREEAM. The certified assets of Barcelona-Zal Port are not included.

⁽²⁾ The term Like for Like groups assets that have been in operation in the MERLIN portfolio over the last three years (from January 1, 2019 through December 31, 2021) without any relevant changes.

⁽³⁾ On April 1, 2022, BBVA informed MERLIN that it will exercise its right to purchase Tree, transaction that is expected to close during the month of June 2022.

Core business lines



Main access Puerta de las Naciones | Madrid

OFFICES

6,416 M€ GAV
123 ASSETS
1,326 m sqm GLA
241M€ GROSS RENTAL INCOME⁽¹⁾



Central lobby Saler shopping center | Valencia

SHOPPING CENTERS

2,200 M€ GAV
14 ASSETS
462 m sqm GLA
114 M€ GROSS RENTAL INCOME⁽¹⁾

TRES AGUAS (50%)

1 ASSET
68m sqm
 GLA
8M€
 GROSS RENTAL INCOME⁽¹⁾



A2-Cabanillas Park I A

LOGISTICS

1,324 M€ GAV
52 ASSETS
1,368 m sqm GLA
65 M€ GROSS RENTAL INCOME⁽¹⁾

WIP
195 M€ GAV
7 PROJECTS
722 m sqm
 GLA
34 M€
 GROSS RENTAL
 INCOME⁽¹⁾

ZAL PORT
 (48.5%)
52 ASSETS
736 m sqm
 GLA
63 M€
 GROSS RENTAL
 INCOME⁽¹⁾



BBVA Branch | Madrid

NET LEASES⁽²⁾

1,775 M€ GAV
663 ASSETS
287 m sqm GLA
79 M€ GROSS RENTAL INCOME⁽¹⁾

⁽¹⁾ GRI based on passing rent.

⁽²⁾ On April 1, 2022, BBVA informed Merlin that it will exercise its right to purchase Tree, transaction that is expected to close during the month of June 2022.

03. MERLIN Properties' Strategy

Torre Chamartín Roof Top Terrace | Madrid

MERLIN'S STRATEGY AIMS TO GENERATE SUSTAINABLE SHAREHOLDER RETURNS THROUGH THE ACQUISITION, FOCUSED MANAGEMENT AND SELECTIVE ROTATION OF REAL ESTATE ASSETS, PRIMARILY IN SPAIN AND, TO A LESSER EXTENT IN PORTUGAL, WHILE ADVANCING OUR COMMITMENT TO SOCIETY AND THE ENVIRONMENT IN WHICH WE OPERATE.



Central Office | Lisbon

To that end and in keeping with sector best practice, **the Company focuses on three key areas**

1.

Internal portfolio management:

MERLIN is committed to internalizing the management of its properties by a team of seasoned professionals with extensive experience in the real estate sector. In doing so, the Company is able to maximize the operational efficiency and profitability of each asset in all stages of the lifecycle.

2.

Profitability through asset

refurbishment: MERLIN strives to realize the full potential of each asset through refurbishment, maximizing the value of the portfolio and generating higher returns for shareholders.

3.

Sustainability, a key aspect of the

assets: MERLIN continues to aspire to the highest levels of sustainability and efficiency in its portfolio. It does so by integrating sustainability into the entire lifecycle of the asset and supporting this commitment by obtaining sustainability certifications.

A clearly defined strategy inspired by the best REIT practices

OFFICES

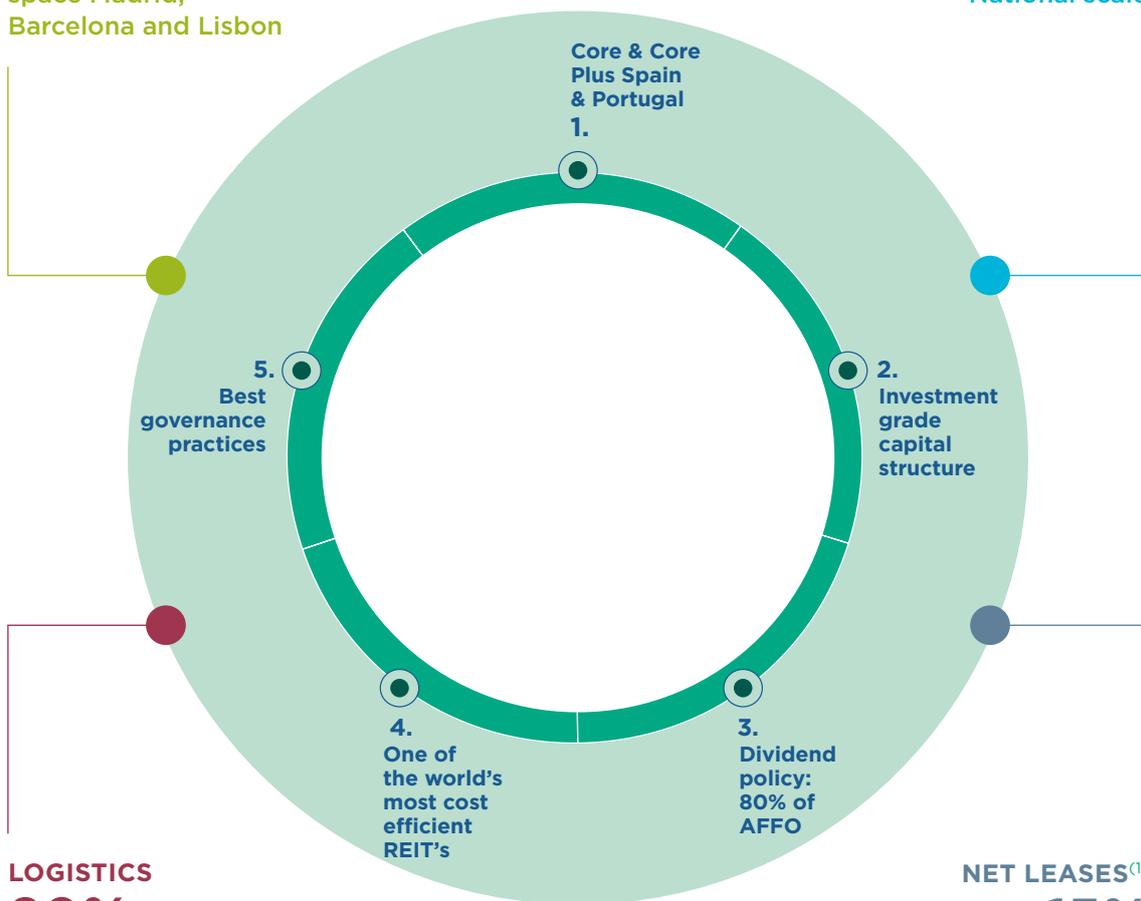
50%

Breadth of prime space Madrid, Barcelona and Lisbon

SHOPPING CENTERS

15%

Urban or Dominant National scale



LOGISTICS

20%

National footprint "One-stop shop" solution for 3PL

NET LEASES⁽¹⁾

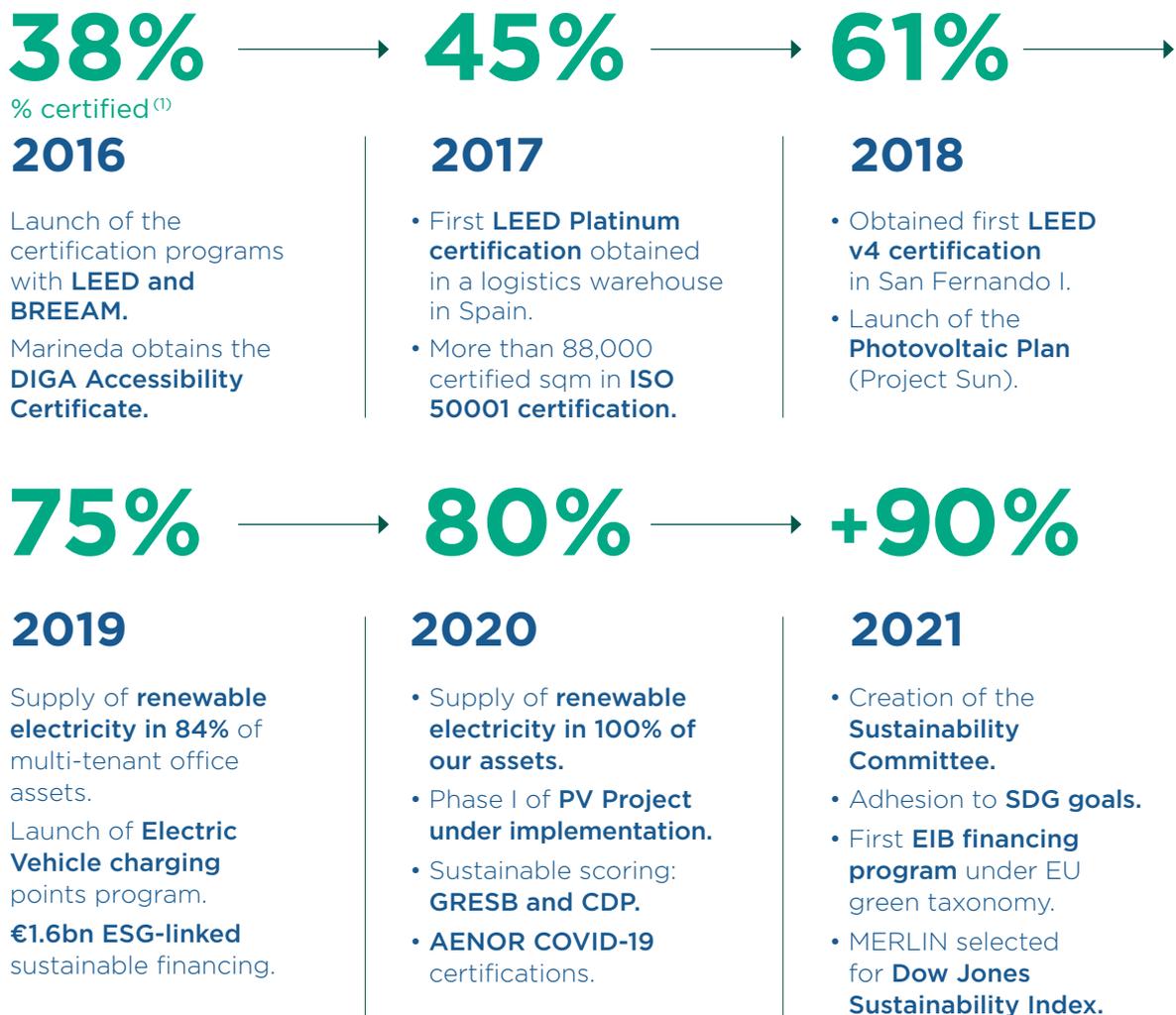
15%

High triple net cash flow Inflation multiplier

⁽¹⁾ On April 1, 2022, BBVA informed MERLIN that it will exercise its right to purchase Tree, transaction that is expected to close during the month of June 2022.

MERLIN's sustainability roadmap

From the outset, **MERLIN** understood the need to incorporate sustainability into its decision-making and operations. To lend further credibility to its commitment, **MERLIN** has obtained external validations which demonstrate that the Company has indeed integrated social and environmental sustainability into its operations and its assets.



2021 was an important year in terms of sustainability. The Company took stock of the progress made, arranged its priorities and gave a name to its sustainability pillars, all of which resulted in the achievement of several key milestones and the formalization and communication of two essential elements which will mark the Company's path in the years to come: Sustainability Policy and Pathway to Net Zero Carbon⁽²⁾.

⁽¹⁾ % of Portfolio GAV with LEED or BREEAM certification.

⁽²⁾ More information on MERLIN's Pathway to Net Zero Carbon can be found in Section 8 "Climate change management and operational efficiency".

Sustainability policy

The progress made in recent years in the area of sustainability, as well as the new context within which **MERLIN** is operating have highlighted the need to review the Company's original commitment in order to continue decisively promoting social and environmental issues.

In 2021, **MERLIN** conducted such a review, which led to the approval of a **new Sustainability Policy focused on the three key areas**, marking out the Company's sustainability roadmap.

1 Active management of climate change

2 Wellbeing of end users

3 Positive impact in cities



Garden LOOM Tapices | Madrid

04. Main milestones for the year

- 4.1. Introduction
- 4.2. Offices
- 4.3. Logistics Assets
- 4.4. Shopping Centers

Urban garden - Adequa | Madrid

MERLIN PROPERTIES REINFORCED ITS POSITION IN THE SPANISH REAL ESTATE MARKET, DEMONSTRATING THE COMPANY'S **STRENGTH** AND THE **EFFECTIVENESS** OF THE MEASURES PUT IN PLACE TO MINIMIZE THE IMPACT OF THE PANDEMIC, WITH FINANCIAL AND OPERATING RESULTS COMING IN ABOVE EXPECTATIONS.

4.1 INTRODUCTION

MERLIN experienced a gradual recovery in 2021, with better-than-expected results in key financial and operating metrics. The REIT's gross asset value at the year-end was 13,041 M€ (+1.8% vs 2020). Like-for-like rental income (+0.2% vs. 2020) and funds from operations (FFO) continued their upward trend, reaching €0.58 per share (+4.1% vs. 2020) and reinforcing the Company's cash position.

MERLIN continues to strengthen its position in the Spanish and European markets with a diversified portfolio. The Company is committed to the integration of differential solutions that provide added value to the users of its assets, with sustainability and innovation as two of its main pillars.

Value Creation Plans Execution

MERLIN made significant progress in the value creation plans for its portfolios in 2021. Under the Landmark I Plan (offices), the Company completed the refurbishment of Castellana 85 and Monumental and continued with the refurbishment of Plaza Ruiz Picasso, which is expected to be delivered by the end of 2023. The Company also completed the Flagship Plan (shopping centers) with the delivery of Saler and Porto Pi. Lastly, progress was made on the Best II and Best III Plan of the logistics portfolio.

| | 2019 | 2020 | 2021 | 2022 and thereafter |
|---|--|--|---|--|
| Landmark I Plan (in progress) | <ul style="list-style-type: none"> • Torre Chamartín (Phase II) • Torre Glòries (Phase II) | <ul style="list-style-type: none"> • Marqués de Pombal • Diagonal 605 | <ul style="list-style-type: none"> • Castellana 85 • Monumental | <ul style="list-style-type: none"> • Plaza Ruiz Picasso |
| Flagship Plan | <ul style="list-style-type: none"> • Larios • Arturo Soria • X-Madrid • Tres Aguas | | <ul style="list-style-type: none"> • Saler • Porto Pi | |
| Best II Plan (in progress) | <ul style="list-style-type: none"> • A4-Pinto II B • A2-Cabanillas III • A4-Seseña | <ul style="list-style-type: none"> • A2-Cabanillas Park I F • A2-San Fernando II | <ul style="list-style-type: none"> • A2-Cabanillas Park I G, H • A2-Azuqueca II | <ul style="list-style-type: none"> • A2-Cabanillas Park I J • A2-Cabanillas Park II • A2-Azuqueca III |
| Best III Plan (in progress) | <ul style="list-style-type: none"> • Valencia Ribarroja • Sevilla ZAL WIP (2019/2021) | <ul style="list-style-type: none"> • Zaragoza Plaza II | <ul style="list-style-type: none"> • Lisboa Park (2021/-) | <ul style="list-style-type: none"> • Lisboa Park (2021/-) • Madrid-S. Fernando III • Valencia- Bétera |

Corporate bond issues

In May 2021, **MERLIN** announced the issue of unsubordinated ordinary bonds in the Euromarket for an aggregate principal amount of €500 million. The notes were issued with a 9-year maturity for an issue price of 99.196% of nominal value with an annual coupon of 1.375%. This was **MERLIN's** lowest cost bond issue to date. This issue will strengthen **MERLIN's** financial position through debt management.

Non-strategic asset rotation

MERLIN entered into an agreement with Realty Income in 2021 for the sale of a portfolio of 30 supermarkets for a price of €110 million. It was the largest transaction of its kind in Spain in 2021. The portfolio of supermarkets leased to Caprabo and located in Catalonia has 55,388 sqm of gross leasable area. The Company also sold other non-strategic assets in 2021, including four logistics assets and one office building. Divestments in 2021 totaled €230 million with an average premium of 5.4% over the appraised value.

Entry in the data center segment

In 2021, **MERLIN** partnered with Edged Energy, a subsidiary of Endeavour dedicated to net zero digital infrastructure, to develop a new tipology of asset class, driven by the exponential increase in demand for data centers and the Iberian Peninsula's position as a future data center base for continental Europe and Africa. While **MERLIN** will own the assets once built, they will be operated in a partnership with Edged Energy, which will bring its expertise in this field to offer the most innovative technology and a competitive edge in sustainability with these "Triple Net Zero" centers.

Partnership with EIB to boost portfolio efficiency

MERLIN has secured a €45.2 million green loan from the European Investment Bank to accelerate its sustainability strategy and boost the efficiency of its assets in Spain and Portugal through improvements to façades, insulation, air conditioning equipment, and ventilation systems and the installation of LED lighting and solar panels for self-consumption.

MERLIN has entered the Data Centers segment

4.2 OFFICES

Once again, **MERLIN** strengthened its **leadership position in the office market**, improving its already positive results in key financial and operating indicators, as reflected in the portfolio's release spread and occupancy rate, which beats the guidance given of 90%.

GAV

6,416 M€

ASSETS

123

GLA

1,326 m sqm

GROSS RENTAL INCOME

241 M€

OCCUPANCY RATE

90.1 %

RELEASE SPREAD

+4.3 %



Garden 22@ | Barcelona



2021 MILESTONES

- **Landmark I Plan progress**
 - Castellana 85 was finished in the first half of 2021. This asset, located in Madrid's Prime CBD zone, has a gross leasable area of 16,474 sqm and houses the headquarters of Accenture, Elecnor and Teka.
 - The Monumental asset located in Lisbon's Prime CBD area was refurbished in early 2021. This asset has a gross leasable area (GLA) of 25,358 sqm and houses the headquarters of Banco Português de Investimento (BPI).
- **Expansion and adaptation of new LOOM spaces**
 - In 2021 LOOM expanded its network with the opening of 1,300 sqm in LOOM Ática.
 - New floors were also added to the Torre Chamartín asset in Madrid and Torre Glòries in Barcelona in 2021.
- **Launch of the Renazca Project**

As part of the launch of the Renazca Project, an international Ideas competition was launched in 2021 for the selection of the best plans, with more than 30 top studios participating, including 6 Pritzker prize winners. A team of three firms - Diller Scofidio + Renfro; Gustafson Bowman + Porter; and b720 Fermín Vázquez Arquitectos - was selected to transform the Azca financial center.
- **Launch of the MERLIN Art Program**

With the aim of promoting local art and artists, **MERLIN** has launched the MERLIN Art Program. In the coming years, some of the Company's most important office assets will be decorated with original works by emerging artists created on an ad-hoc basis in order to showcase their work and increase their visibility.



FUTURE OBJECTIVES

- **Completion of Landmark I Plan**

In 2022, **MERLIN** will continue the refurbishment work on the Plaza Ruiz Picasso asset included in the Landmark I Plan, which is slated for completion in 2023. The comprehensive refurbishment of Plaza Pablo Ruiz Picasso is notable in that it includes in the construction process low CO2 emissions impacts, both embodied and operational carbon. The project also includes the refurbishment of the public spaces adjacent to the asset.
- **Expansion and adaptation of new LOOM spaces**
 - **MERLIN** will continue to expand its portfolio of assets with new LOOM spaces focused on hybrid working model, expanding its presence in key Spanish cities.
 - LOOM Ferretería 22@ (217 workstations) and Plaza de Cataluña 9 (250 workstations), both located in Barcelona, and Castellana 85 (196 workstations) in Madrid are slated for opening in 2022.
 - In addition, there are plans to extend Castellana 93 (70 workstations), Ática (147 workstations) and Torre Glòries (87 workstations) next year.



Bikes parking LOOM Tapices | Madrid

4.3 LOGISTICS ASSETS

MERLIN is the leading REIT in the logistics market on the Spanish mainland. The high-quality assets in the portfolio and the company's rapid response to clients' new requirements have enabled it to achieve a good release spread of 4% and comparable income growth of 1.6%.

GAV

1,324 M€

ASSETS

52

GLA

1,368 m sqm

GROSS RENTAL INCOME

65 M€

OCCUPANCY RATE

97.1 %

RELEASE SPREAD

+4.0 %



A2-Cabanillas Park I F



2021 MILESTONES

• Significant Progress of Best II & III Plans

- In 2021 the Company delivered Azuqueca II with 98,757 sqm to Carrefour under the Best II Plan. This logistic asset is the first one in Europe to obtain LEED Platinum certification. The A-2 Cabanillas Park I G logistic asset, built to the highest quality and sustainability standards that merited LEED Silver certification, was delivered to 4PX. The delivery of the Cabanillas Park I H and J logistics assets will be completed in 2022.
- As for the Best III Plan, deliveries in 2021 included Sevilla ZAL, which is leased to Airbus, UPS, Amazon, XPO Logistics and Servicios Empresariales Ader; and Lisboa Park, whose tenants include the logistics and shipping companies Rangel, Olicargo and DB Schenker.

• Entry in the Data Center Segment

- In 2021 **MERLIN** partnered with Edged Energy for the construction and operation of a network of data centers that will include the most innovative technology on the market, together with a clear competitive advantage in terms of sustainability. The project will begin with the construction of four centers in Madrid, Bilbao, Barcelona and Lisbon on land owned by **MERLIN**, with a maximum capacity of 236 MW under the Digital Infrastructure Plan (Mega).
- These will be triple net zero centers, reducing energy consumption by 75% compared to the global average (1.15 PUE vs. 1.59 PUE), with zero water consumption thanks to a recirculation system for cooling and onsite solar power for tenants.



FUTURE OBJECTIVES

• Advancing in the Data Center Segment

Phase I of the Digital Infrastructure Plan (Mega) is scheduled for deployment over the next few years, with a power of 70MW.

• Continuation of the Best II and Best III Plans

- Under the Best II Plan, the delivery of the A2-Cabanillas Park II A and A-2 Cabanillas Park I H-J assets is scheduled for 2022. The A2-Cabanillas Park II and A2-Azuqueca III assets continue to be held as land reserves.
- Scheduled deliveries under the Best III Plan includes the delivery of Sevilla ZAL. The next phases of Lisboa Park, as well as A2-San Fernando III and Valencia continue as landbank.

• Development of Last Mile Logistics Solutions

- **MERLIN** continues to analyze the feasibility of different last-mile solutions in order to reduce the logistics operators' costs and improve mobility in urban hubs, rethinking how the spaces of its assets can be used more efficiently by harnessing the synergies of its various portfolios.

4.4 SHOPPING CENTERS

MERLIN's shopping centers **continue to be a benchmark in the Spanish and Portuguese real estate sector**, strategically located in urban centers and areas with the highest per capita GDP. This will enable the Company to continue making progress in its gradual return to pre-pandemic metrics.

GAV

2,200 M€

ASSETS

14

GLA

461.5 m sqm

GROSS RENTAL INCOME

114 M€

OCCUPANCY RATE

94.2 %

RELEASE SPREAD

+5.8 %



X-Madrid shopping center | Madrid



2021 MILESTONES

- **Completion of Flagship Plan**
MERLIN completed the Flagship Plan in 2021 with the refurbishment of the Saler shopping center in Valencia and the Porto Pi shopping center in Palma de Mallorca. Both of these projects included work on interior spaces and entrances to generate value for both operators and visitors, positioning them as a social meeting point of reference in their respective cities.
- **Consolidation and Expansion of the Prominent Operators**
MERLIN continues to position itself as a highly desirable owner for the principal operators. Of particular note is Inditex's commitment to maintain its leases, despite the company's planned shop closure plan in 2021, the inauguration of a new On-Gravity location in the Marineda shopping center, following its success with X-Madrid, and the opening of a new Ducati Madrid Sur dealership in X-Madrid.



FUTURE OBJECTIVES

- **Refurbishment of Callao 5**
As part of the Callao 5 refurbishment project, which was affected by the pandemic, **MERLIN** plans to open three street level retail shops in the coming years, as well as a restaurant area on the upper floors with a food court and terraces. Located in one of Europe's busiest city squares, **MERLIN's** goal is to turn Callao 5 into a leisure and tourism hub in the city.
- **Development of New Digitalization Initiatives**
In the coming years **MERLIN** plans to implement a project using big data analytical tools. By doing so, MERLIN will be able to obtain more detailed information about the people who visit its shopping centers. This in turn will give tenants a better understanding of their customers.

The commercial policy launched in response to the pandemic remained in place in the first half of 2021, which also meant extending maturities and protecting asset occupancy, while contributing to customer loyalty.

4.5 NET LEASES ⁽¹⁾

MERLIN sold the Caprabo shops portfolio in 2021, leaving the Net Leases portfolio with 663 branches leased to BBVA.

GAV

1,775 M€

ASSETS

663

GLA

287 m sqm

GROSS RENTAL INCOME

79 M€

OCCUPANCY RATE

100 %



2021 MILESTONES

- **Sale of the Caprabo Supermarket Portfolio**

In 2021, **MERLIN** sold its portfolio of Caprabo supermarkets to Realty Income for €110 million. It was the largest transaction of its kind in Spain in 2021. The portfolio consisted of 30 supermarkets located in Catalonia, with a GLA of 55,388 sqm.



FUTURE OBJECTIVES

- **Divestment of Non-Strategic Assets**

In 2022, the Company plans to sell the assets leased to BBVA in order to reduce the Company's leverage and promote the value creation plans for the logistics portfolio and the Digital Infrastructure Plan (Mega).

MERLIN plans to sell the BBVA portfolio in order to reduce the Company's leverage and fund the value creation plans for the logistics portfolio and the data centers.

⁽¹⁾ On April 1, 2022, BBVA informed MERLIN that it will exercise its right to purchase Tree, transaction that is expected to close during the month of June 2022.



BBVA Branch | La Coruña

05. MERLIN Properties' business principles

- 5.1. Responsible Governance
- 5.2. Ethical Behavior
- 5.3. Risk management
- 5.4. Transparency with Stakeholders
- 5.5. Independent External Validation of Commitments

Urban garden - Adequa | Madrid

MERLIN HAS A ROBUST CORPORATE GOVERNANCE SYSTEM IN LINE WITH ITS COMMITMENT TO ETHICS, COMPLIANCE AND TRANSPARENCY, A COMMITMENT THAT IS BACKED BY INDEPENDENT THIRD-PARTY VALIDATION.



2021 MILESTONES

- **Creation of a Sustainability, Ethics and Innovation Committee.**
- **Approval of the Sustainability Policy.**
- **Approval of a General financial, non-financial and corporate information communication policy.**
- **Extension of the Group's Crime Prevention Model** to include all Portuguese companies and reinforce the model by obtaining ISO 37001 and UNE 19601 certification.
- **Update of the Risk Map** to include emerging non-financial risks (e.g., climate change).
- **Approval of the Equal Pay Plan.**
- **Update of the Code of Ethics and the Communication Procedure.**



FUTURE OBJECTIVES

- **Promote sustainability and innovation training** for the Board of Directors.
- **Develop and apply the European Union taxonomy:** Capex and Income.
- **Approve a 2022-2024 Long-term Incentive Plan,** including sustainability criteria.
- Design and implement a **new Compensation Policy** including sustainability criteria.
- **Implement an Internal Control System for Non-Financial Information.**
- **Approve the Sustainability Strategy (Pathway to Net Zero).**
- **Prepare climate change scenarios** according to TCFD methodology.

**Ethics,
transparency and
accountability
are fundamental
for MERLIN**



KEY INDICATORS FOR THE YEAR

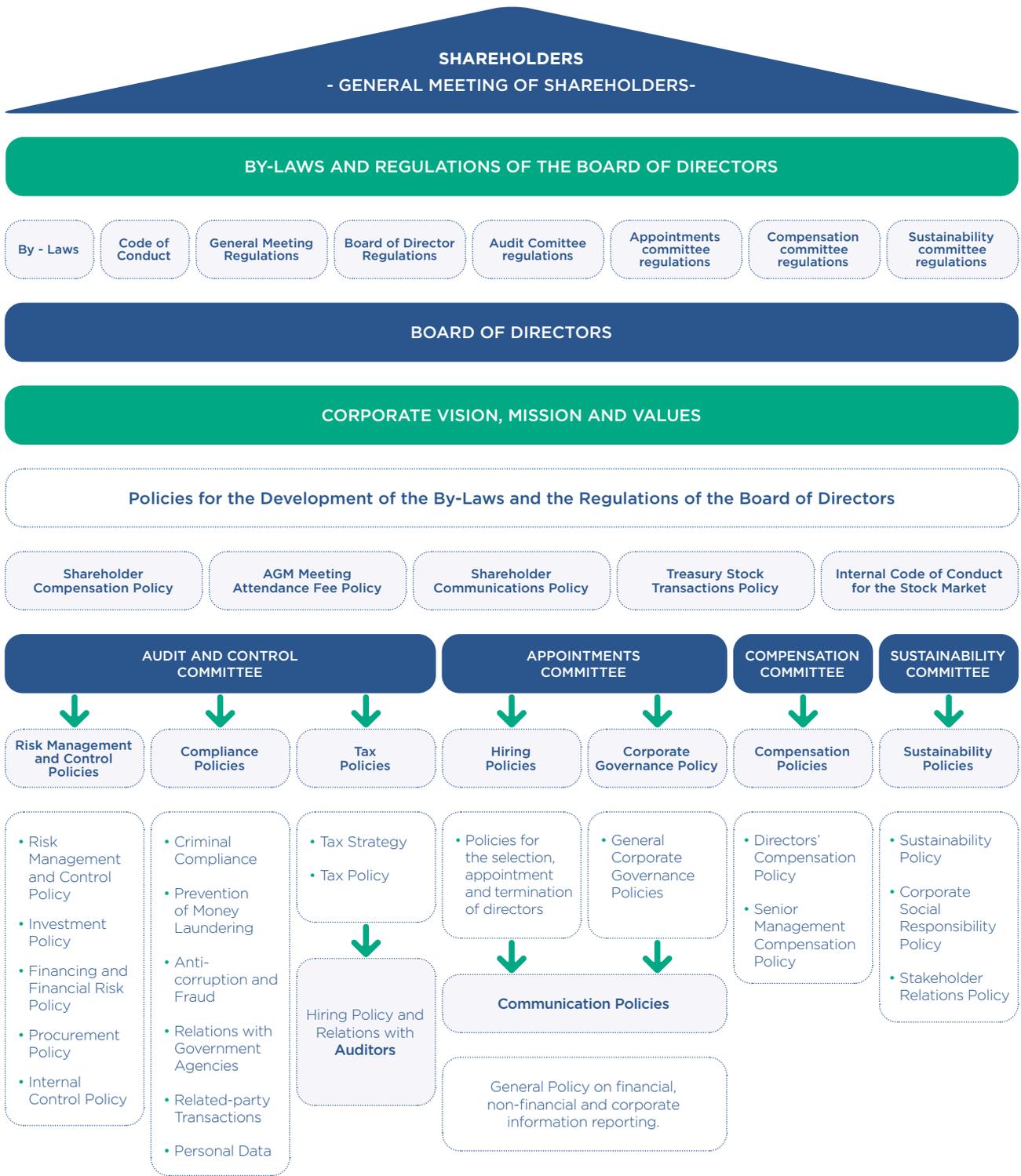
| | 2021 | EVOLUTION 2020-2021 |
|---|------|------------------------|
| INDEPENDENT DIRECTORS | 7/13 | -3.3 percentage points |
| WOMEN ON THE BOARD OF DIRECTORS | 5/13 | -2.7 percentage points |
| NON-EXECUTIVE DIRECTORS WITH INDUSTRY EXPERIENCE | 6/11 | +0.5 percentage points |
| INDEPENDENT DIRECTORS WITH FOUR OR FEWER TERMS OF OFFICE | 6/7 | -1.8 percentage points |
| SCOPE OF ETHICS AND COMPLIANCE TRAINING (TRAINED EMPLOYEES) | 95 % | +84 percentage points |

5.1 RESPONSIBLE GOVERNANCE

Over the last few years, **MERLIN** has developed a strong Corporate Governance System that lays out the principles that should guide the member companies of the **MERLIN Group** and their professionals.

MERLIN takes the CNMV's "Good Governance Code for Listed Companies" as a reference, as well as the good governance recommendations generally recognized and accepted by the markets. Hence, the system reflects best practices for good governance, business ethics and corporate social responsibility in all areas of the Company's activities.

In 2021, the Board of Directors agreed to review the Corporate Governance System. As a result of that review, a new General financial, non-financial and corporate information communication policy was added to replace the previous policy on communication and contacts with shareholders and investors. The status of **MERLIN's** Corporate Governance System at the year-end is depicted graphically below.



Composition of the Board of Directors



Javier García Carranza
Non-executive Chairman



Ismael Clemente
CEO & Executive Vice-Chairman



Miguel Ollero
Executive Director (COO)



Juan María Aguirre
Independent Director



María Luisa Jordá
Independent Director



Ana García Fau
Independent Director



Fernando Ortiz
Independent Director



Pilar Cavero
Independent Director



Emilio Novela
Independent Director
Lead Independent Director



Donald Johnston III
Independent Director



Francisca Ortega
Proprietary Director



Ana Forner
Proprietary Director



Ignacio Gil-Casares
Proprietary Director



13
Members
in the the
Board of Directors

58
average age
50 - 73 years old

38.4%
Women
in the the
Board of Directors

5
years
of average tenure

53.8%
Independent
in the the
Board of Directors

97.2 %
Attendance
16 meetings

- Audit and Control Commission
- Nomination and Compensation Commission

- Sustainability, Ethics and Innovation Commission
- Planning and Coordination Committee

More information on the composition, selection, evaluation and compensation of the Board of Directors can be found in the Annual Corporate Governance Report, available on the corporate website (<https://www.merlinproperties.com/en/corporate-governance/annual-reports/>), and on the website of the Comisión Nacional del Mercado de Valores (www.cnmv.es). The bios of all members of MERLIN's Board of Directors, including information on their education, work and management experience and Board tenure, can also be consulted on the corporate website (<https://www.merlinproperties.com/en/corporate-governance/members-of-the-board-of-directors/>).

Selection, evaluation and compensation of Board members

The guidelines for selecting members of the Board of Directors are contained in the **Director Selection Policy**, which ensures that proposals for the appointment of Directors, which are made individually, are based on objective criteria and focused on the candidate's professional qualities, favoring diversity of gender, experience, age and knowledge.

The Commission shall choose candidates to fill these positions who are honorable, reputable, competent, experienced, qualified and committed to the task and must also guarantee the right balance of the Board of Directors as a whole.

Adherence to these criteria is evaluated periodically and at least once a year, with the assistance of an independent external consultant from time to time, as indicated in the recommendations in the Good Governance Code of Listed Companies. In 2017 and 2020, the Company was assisted by such an external consultant, although in 2021 a self-assessment was considered sufficient.

The compensation of Board members and senior management is based on the principles of transparency, consistency, competitiveness, profitability, sustainability and the ability to attract the best professionals, as explained in the **Directors' Compensation Policy**.

The compensation of Board members is determined in accordance with these principles and taking into account factors such as the economic environment, the Company's earnings, the Group's strategy, legal requirements, good corporate governance recommendations and best market practices.

Each year, the Compensation Committee sets the quantitative, qualitative, financial and non-financial objectives that will determine the compensation for the year. Non-financial targets include the reduction of CO₂ emissions per square meter and **MERLIN's** position on the GRESB, CDP and S&P CSA ratings.

5.2 ETHICAL BEHAVIOR

Ethics and compliance

MERLIN is firmly committed to ethics, transparency and the creation of value for stakeholders through our operations.

MERLIN Properties’ vision and values

“Be the REIT of reference in the Iberian Peninsula for our commitment to long-term value creation and the generation of a sustainable, growing dividend for our shareholders within a context of transparency, ethics and responsibility in business and society.”

| | | |
|-------------------------------------|--------------------------|--|
| Ethics and corporate responsibility | Financial performance | Respect for the environment and balanced urban development |
| Objectivity & Integrity | Respect for Human Rights | Asset protection |

MERLIN’s Code of Conduct, updated in 2021, is the document that reflects the Company’s commitment to the principles of business ethics and transparency, establishing a set of principles and guidelines for conduct intended to guarantee ethical and responsible behavior on the part of the Group’s professionals in the performance of their functions.

All professionals receive annual training on the Code of Conduct and regular internal communications. All new hires must sign the Code of Conduct. In addition, **MERLIN’s** contracts with suppliers and tenants include clauses referencing both **MERLIN’s** compliance policies and its Code of Conduct.

As stated in the Code, **MERLIN** has an Ethics Channel (canal.etico@merlinprop.com) which is a confidential channel for reporting any violations of the law and/or the Code of Conduct, as well as potential financial, accounting or other irregularities. This channel is available to all professionals and can also be accessed by any third party who wishes to do so on the corporate website.

Four complaints were received in 2021 which were investigated following the established procedure, duly processed and reported to the Board of Directors. The conclusion was that there was no need to take action against any **MERLIN** professional.⁽¹⁾

⁽¹⁾ The nature of the complaints was as follows: two concerning employees’ interactions with Group suppliers; one concerning the incorrect use of corporate mail; and one concerning the conduct of certain Group suppliers.

Ethical and honest behavior is inextricably linked to strict compliance with the laws in force. Since its inception, **MERLIN** had bodies, policies and procedures in place to guarantee this integrity at all levels. For instance, the Company has an integrated, efficient internal control model, aligned with best practices, which ensures compliance with the requirements associated with the highest priority regulations. The tools that are available for this purpose are as follows:



THE CRIME PREVENTION MODEL (MPDD)

Which covers all activities and companies whose operations are controlled by **MERLIN**. The Model is UNE 19601 and ISO 37001 certified for the prevention of corruption and bribery.



MONEY LAUNDERING PREVENTION MECHANISMS

MERLIN has mechanisms in place to comply with the requirements of the money laundering prevention regulations, specifically, a Prevention Manual (updated in 2021), annual external audits on this subject, an OCI (Internal Control Body), a SEPBLAC liaison (national body for the prevention of money laundering), a Client Acceptance Policy and a Technical Unit for the Prevention of Money Laundering. All of these mechanisms have been adapted to cover the Company's operations in Portugal.



INTERNAL FINANCIAL REPORTING CONTROL SYSTEM (SCIIF)

MERLIN has an effective and reliable internal financial control model for identifying key risks and selecting relevant processes for financial reporting. The methodology and procedures are documented in the SCIIF Manual.



DATA PROTECTION MECHANISMS

The Company has mechanisms in place to ensure that personal data is processed correctly, including a DPO (Data Protection Officer) and the Personal Data Protection Policy.



MECHANISMS TO FIGHT CORRUPTION AND FRAUD

In 2021 **MERLIN** approved a new Anti-Corruption, Bribery and Fraud Policy, developed in line with ISO 37001 specifications. **MERLIN** also has a Government Relations Policy which establishes the guiding principles for the Group's relations with government agencies.

Also worthy of note in 2021 is the launch of compliance training for all of the Group's professionals, with a high level of participation (over 95%) by staff, management and members of the Board of Directors. Given the success of the Compliance training, in the future it will be included in the Welcome Pack for new employees. In 2022 the Company will consider the advisability of reinforcing some aspect of the training, depending on the conclusions of the criminal risk analysis carried out by the Criminal Compliance Body (CCB) annually.

5.3 RISK MANAGEMENT

As stated in the Risk Management Policy, **MERLIN** identifies and controls the risks associated with its business and manages the risks posed to the Company and its subsidiaries. This Policy was approved by the Board of Directors in 2015 and is reviewed periodically. It was last updated in 2020.

The Board of Directors received risk management assistance from the Audit and Control Commission, which monitors and reports on the suitability and effectiveness of the risk management and control system (including internal controls), checking for adequacy and integrity.

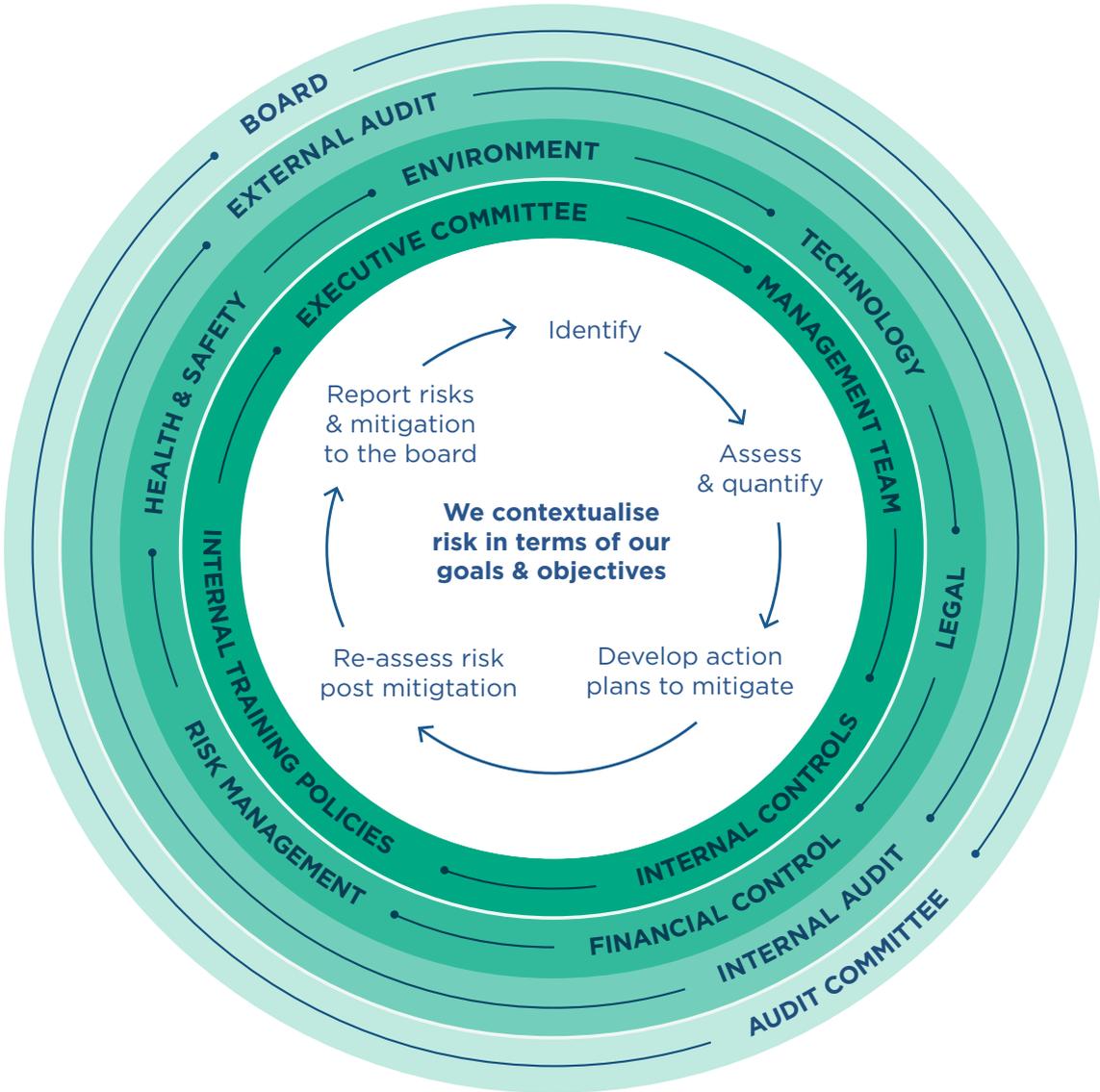
With the support of the Internal Audit area, the committee uses risk management methodologies to oversee the identification and assessment of the risks affecting each area's objectives. The committee assesses the adequacy and effectiveness of the controls implemented by the Company, issuing recommendations as needed.

MERLIN's Risk Management System is based on a comprehensive and systematic approach aligned with international standards of reference on risk management, such as the COSO ERM 2017 Framework ("Committee of Sponsoring Organizations of the Treadway Commission").



Torre Glòries | Barcelona

MERLIN's risk management model

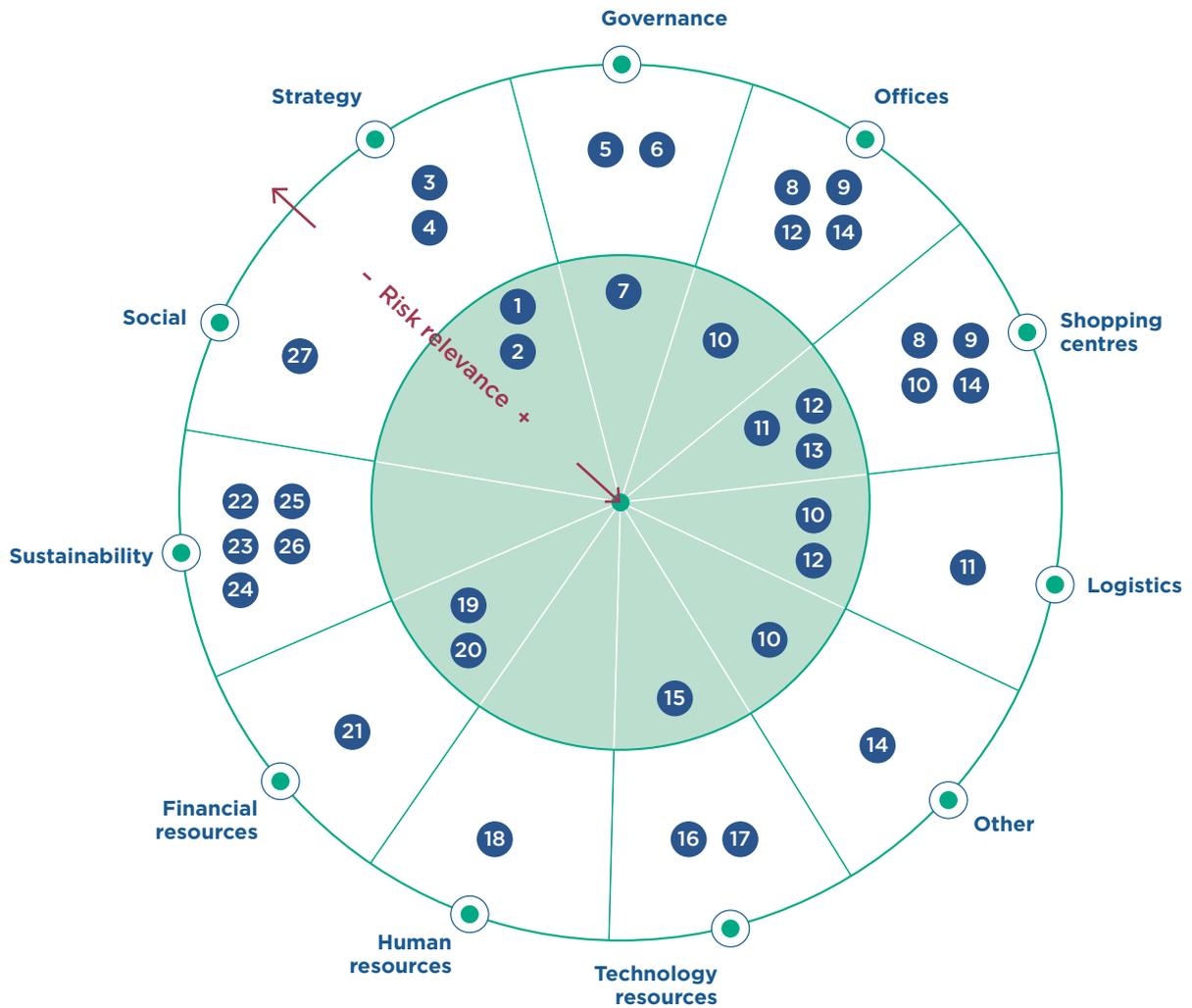


● 1st line of defence. ● 2nd line of defence. ● 3rd line of defence.

In 2021, MERLIN's Risk Map was updated periodically to reflect the perception of the Company's executives and governing bodies of the risks faced by **MERLIN**.

MERLIN's Risk Map has a total of 106 risks, 27 of which have been identified as key risks, as shown below:

Risks: 2022 Risk Map



| N° | Category / Risk description | S/ 2021 | Criticality | Probability | Impact |
|-----------------------|---|---------|-------------|-------------|--------|
| Estrategy | | | | | |
| 1 | Business model definition | ↔ | ● | ● | ● ● ● |
| 2 | Adaptation to a change in the real estate cycle | ↑ | ● | ● | ● ● ● |
| 3 | Delay in the divestments to raise funds | ↔ | ● | ● ● | ● ● |
| 4 | Communication and traceability of the strategy in long-term objectives | ↑ | ● | ● ● ● | ● |
| Governance | | | | | |
| 5 | Inadequate development of MERLIN's Corporate Governance System | ↑ | ● | ● ● | ● ● ● |
| 6 | Lack of leadership and IT strategy | ↑ | ● | ● ● ● | ● |
| 7 | Sucession plans of key staff (management and staff) | ↑ | ● | ● ● ● | ● ● |
| Business | | | | | |
| 8 | Loss of asset value | ↔ | ● ● ● ● | ● ● | ● ● |
| 9 | Occupancy rate | ↑ | ● ● ● ● | ● ● | ● |
| 10 | Delays and cost overruns in CAPEX | ↑ | ● ● ● ● | ● ● ● | ● ● |
| 11 | Impact of chargeable expences (services and supplies) | ↑ | ● ● ● ● | ● ● | ● ● |
| 12 | Diminution of tenant's operating margins | ↑ | ● ● ● ● | ● ● ● | ● ● |
| 13 | Difficulty in accessing financing for tenants | ↑ | ● ● ● ● | ● ● ● | ● |
| 14 | Excessive continuation of non-core assets in the portfolio | ↔ | ● ● ● ● | ● ● | ● |
| Resources | | | | | |
| 15 | Cibersecurity breaches | ↑ | ● | ● ● ● | ● ● |
| 16 | Lack of digitalization and automation of processes | ↔ | ● | ● ● ● | ● |
| 17 | Lack of IT politics and procedures formalization | ↔ | ● | ● ● ● | ● |
| 18 | Lack of attracting and retaining talent (loss of attractiveness) | ↑ | ● | ● ● ● | ● |
| 19 | Investment management/strategic divestments | ↑ | ● | ● ● ● | ● ● ● |
| 20 | Macroeconomic conditions in Spain and Portugal | ↑ | ● | ● ● ● | ● ● |
| 21 | Increase in the cost of financing the company | ↑ | ● | ● ● | ● ● |
| Sustainability | | | | | |
| 22 | (Preference) Shifts in clients expectations and requirements | ↑ | ● | ● ● | ● ● ● |
| 23 | (Costs) Increasing repair costs (extraordinary events) | ↑ | ● | ● ● ● | ● |
| 24 | Lack of environmental due diligence in investments | ↔ | ● | ● ● ● | ● |
| 25 | Increasing cost of commodities and raw materials due to sustainability criteria | ↑ | ● | ● ● ● | ● |
| 26 | Supply chain sustainability | ↑ | ● | ● ● ● | ● |
| Social | | | | | |
| 27 | Protecting the health of asset users | ↔ | ● | ● ● | ● |

Within **MERLIN's** Risk Management System, all risks have been assessed in terms of their impact and probability, obtaining a residual risk indicator for the current year. Key performance indicators (KPIs) and key risk indicators (KRIs) were identified, and reporting managers were assigned, along with the people responsible for implementing or developing the mitigating measures identified for each one.

All risks have been assessed in terms of the timeframe (short, medium and long term), speed, persistence and adaptability. Most notable among the short-term risks are those related to increases in construction costs, raw materials and energy supplies and their potential impact on planned CapEx projects and tenants' operating margins. Long-term risks include those related to changes in consumer behavior (teleworking, e-commerce, etc.), the failure to attract and retain talent, risks related to climate change (lack of third-party traction to reduce footprint, the inefficiency of energy efficiency investments and natural disasters), as well as those related to regulatory non-compliance (GDPR, H&S, etc.).

5.4 TRANSPARENCY WITH STAKEHOLDERS

It is a priority for **MERLIN** to provide complete, accurate and truthful information on the Company's performance and activities, and to keep the lines of communication with its stakeholders open, actively communicating with them and responding to their demands and expectations.

The company's relationship with stakeholders is regulated in the Stakeholder Relations Policy. One of the key principles of the policy is the transparency of the information shared with stakeholders, which must be complete, correct and truthful. In keeping with this principle and with the recommendations of the CNMV's Good Governance Code published in June 2020, aside from this policy **MERLIN** also has a General financial, non-financial and corporate information communication policy which serves as a framework for preparing and supervising the financial, non-financial and corporate information shared with stakeholders.

This policy is also intended to guide the Group in prioritizing and integrating the various stakeholders in the decision-making process by encouraging their active participation.

As a result of this prioritization exercise, **MERLIN** has identified investors, employees, tenants, end customers and the communities surrounding our assets as our main stakeholders. Other stakeholders have been identified, such as regulatory bodies, government agencies, analysts, suppliers and the media, with which the Company has an occasional or regular relationship.

To ensure a consistent and fluid relationship with stakeholders, **MERLIN** provides them with a series of different communication channels, some general, some specific but always based on the relevance of each stakeholder.

The table below shows the main stakeholder relations channels, as well as the concerns and expectations they convey to **MERLIN** through these channels:

Stakeholders and Main Areas of Interest in the Company

| Main stakeholders | Relevant aspects in the Company | COMMUNICATION CHANNELS | | | | | | | | | |
|---------------------------|---|------------------------|--|-------------------|--|----------------------|-------------------|-----------------|--------------------------------|-----------------------------|----------------------|
| | | Face-to-face meetings | Conferences, workshops, events and roadshows | Corporate website | Periodic reports and corporate presentations | Satisfaction surveys | Intranet platform | Web apps (apps) | Webpages of MERLIN initiatives | Telephone and email contact | Communication agency |
| Investors | <ul style="list-style-type: none"> Long-term dividend. Share value. | ● | ● | ● | ● | | | | | ● | ● |
| Analysts | <ul style="list-style-type: none"> Relevant information. Company's operations. Share price performance. | ● | ● | ● | ● | | | | ● | ● | |
| Employees | <ul style="list-style-type: none"> Labor uncertainty and stability. Working conditions. Working hours. Adaptation of working conditions due to COVID-19. (*) | ● | ● | ● | ● | ● | | | ● | ● | |
| Tenants and end customers | <ul style="list-style-type: none"> Personalized service. Portfolio flexibility. Services offered at assets. Action plans and measures to combat COVID-19. (*) | ● | ● | ● | | ● | ● | ● | ● | ● | |
| Suppliers | <ul style="list-style-type: none"> Maintenance, development and remodeling of the Company's assets. | ● | | | | | | | ● | ● | |
| Local communities | <ul style="list-style-type: none"> Economic and social impacts of assets on local communities. | ● | ● | ● | | | | ● | ● | ● | |
| Regulatory bodies | <ul style="list-style-type: none"> Relevant events of the Company. Compliance with legislation and periodic reporting requirements. | | | | ● | | | | ● | ● | |
| Public Administration | <ul style="list-style-type: none"> Compliance with legislation governing the Company's assets (permits, licenses...). Public/private collaboration. | ● | | | | | | | ● | ● | |
| Media | <ul style="list-style-type: none"> Relevant operations and events. | ● | ● | ● | ● | | | | ● | ● | ● |

Relevant aspects:

(*) Aspect associated with the pandemic situation of the financial year and dealt with through channels designed for this purpose.

Communication channels:

- Channel with activity during the year.
- Channel with activity during the year, adapted to the pandemic.
- Channel suspended due to the pandemic.

5.5 INDEPENDENT EXTERNAL VALIDATION OF COMMITMENTS

MERLIN's ESG commitments are endorsed through external validation, which guarantees that sustainability is effectively integrated into both internal management processes and assets. This lends credibility to the practical implementation of the commitments assumed by the company in the decisions it makes and the way it operates.

The external certifications that endorse **MERLIN's** sustainability commitments are referenced throughout this Report.



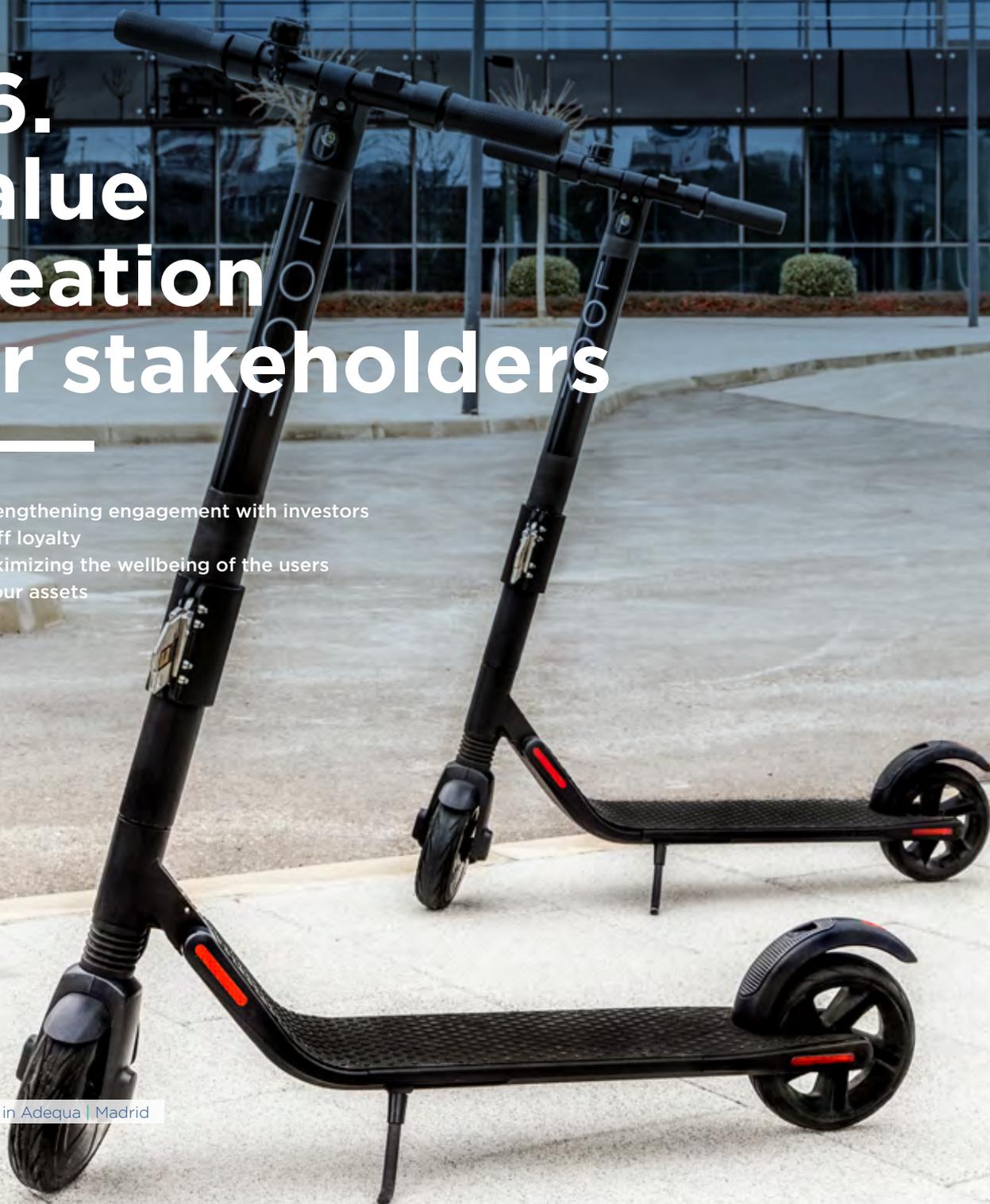
Main access - Saler shopping center | Valencia



06. Value creation for stakeholders

- 6.1. Strengthening engagement with investors
- 6.2. Staff loyalty
- 6.3. Maximizing the wellbeing of the users of our assets

Scooters in Adegua | Madrid



6.1 STRENGTHENING ENGAGEMENT WITH INVESTORS



2021 MILESTONES

- **Recovery of rental income levels** following the effects of the COVID-19 pandemic in 2020.
- **Development of the Sustainability Plan** and presentation in the 2021 results reporting.
- **€500M 9-year** bond issue.
- **Inclusion in DJSI Europe.**
- **EPRA Gold Award** for the Company's sustainability reporting for the fourth year in a row.
- **Consolidation in the GRESB index** with a score of 81 points.
- **B rating on the CDP index**, for the second year in a row.



FUTURE OBJECTIVES

- **Improved credit rating.**
- **Creation of the framework for issuing green/sustainable debt** and conversion of corporate debt.
- **Resumption of Capital Markets Day.**

MERLIN is part of the selective DJSI index



KEY INDICATORS FOR THE YEAR

| | 2021 | EVOLUTION 2020-2021 |
|---|------|---------------------|
| SHARE PRICE (€) | 9.57 | +23.0% |
| DISTRIBUTIONS TO SHAREHOLDERS (M€) | 210 | +206% |
| NUMBER OF ANALYSTS COVERING THE COMPANY | 23 | = |
| AVERAGE DAILY TRADING VOLUME (M€) | 15.8 | -39.7% |

DURING 2021 **MERLIN** HAS CONSOLIDATED ITS RECOVERY WITH SOLID RESULTS THAT HAVE LED TO A 23% GROWTH IN VALUE PER SHARE. A FFO OF €0.58 PER SHARE AND EPRA NTA OF €16.11 HAS BEEN ACHIEVED. IN THIS REGARD, DURING THE YEAR A TOTAL OF 210 MILLION EUROS OR 0.45 EUROS PER SHARE HAVE BEEN DISTRIBUTED TO SHAREHOLDERS. THE TOTAL RETURN TO THE SHAREHOLDER MEASURED AS A VARIATION OF THE EPRA NTA PER SHARE AND THE DIVIDENDS PER SHARE DISTRIBUTED IN THE YEAR WAS 7.1%, AS SHOWN IN THE FOLLOWING TABLE.

| | Per share (€) | € million |
|--|---------------|--------------|
| EPRA NTA 31/12/2020 | 15.46 | 7,263 |
| NTA growth in 2021 | 0.65 | 304 |
| EPRA NTA 31/12/2021 | 16.11 | 7,568 |
| DPS | 0.45 | 140 |
| NTA growth + DPS (Shareholder return) | 1.10 | 444 |
| Shareholder return rate | 7.1% | |

Communications with investors and analysts

MERLIN believes in transparency, truthfulness and immediacy as the basic principles for communicating with investors and as the foundation of long-term trusting relationships. To that end, the Company has enabled special communication channels that are managed by the Investor Relations Department.

Worth mentioning among these communication channels are the corporate reports and presentations published by the Company periodically with information on its operations and performance, as well as the Annual Shareholders' Meeting, which was again held entirely online in 2021. During the year, **MERLIN** attended the most important events and conferences in the sector and continued to offer virtual tours of assets to those investors who requested them.

6.2 STAFF LOYALTY

2021 MILESTONES

- Approval of the Company's **Equality Plan**.
- **Improvement of the Employee Portal** with functionalities that allow for greater communication and interaction among the staff.
- **Promotion of CSR actions** among employees.
- **Enhanced employee benefits** for employees.
- **Updated Human Resources Processes Handbook**.

FUTURE OBJECTIVES

- More precise monitoring of the **employee recruitment process** (number of people interviewed, hired, etc.).
- Introduction of **new functionalities in the payroll program** to analyze employee data.
- **Creation of a formal process for filling vacancies internally**.

KEY INDICATORS FOR THE YEAR

| | 2021 | EVOLUTION 2020-2021 |
|-------------------------------------|-------|------------------------|
| NUMBER OF EMPLOYEES | 239 | +8.6% |
| % WOMEN EMPLOYEES | 46.0% | +3.4% |
| % EMPLOYEES WITH PERMANENT CONTRACT | 97.9% | -1,2 percentage points |

In its relationship with employees **MERLIN** adheres to the strictest labor standards, complying with the principles in the ILO Declaration on Fundamental Principles and Rights at Work. Currently, the Human Resources Processes Handbook, which was updated in 2021, establishes the guiding principles for the Company's human resources management as well as the process for recruitments and leavings of employees.

MERLIN's distinctive aspects in relation to its employees

MERLIN's team, which is so critical to the Company's success, is composed of a group of highly qualified professionals with extensive experience in the sector.

MERLIN goes to great lengths to keep its employees motivated and committed and has a high talent retention rate.





24.4
AVERAGE YEARS
OF EXPERIENCE OF
THE MANAGEMENT
TEAM

Excellence

MERLIN's staff is made up of a team of top professionals with extensive knowledge of the real estate sector and vast experience, especially the management team.



54.6
M€
GAV/EMPLEADO

Productivity

Once again, **MERLIN** leads the GAV per employee ratio in Europe, 2.4 times higher than the European average, in line with its philosophy of growth and efficiency.



8.4%
VOLUNTARY
TURNOVER
RATE

Talent retention

MERLIN strives to offer professionals long-term development opportunities, ensuring their wellbeing as members of the Company and making all employees feel comfortable and identified with the Group's philosophy and objectives.



28.8%
OF EMPLOYEES
HAVE CHOSEN
TO RECEIVE
COMPANY SHARES
AS IN-KIND
COMPENSATION

Commitment

MERLIN's professionals are committed to the Company. Worth noting here is the percentage of employees who have chosen to receive part of their compensation in company shares.



92.5%
OF EMPLOYEES
HAVE RECEIVED
TRAINING

Independence

MERLIN has a proactive and responsible team of professionals who are equipped with the necessary skills and independence to guarantee good decision-making.

A strong and unique workforce

At the end of 2021, **MERLIN's** workforce consisted of 239 professionals divided into four categories, as follows:



EXECUTIVE DIRECTORS

Ismael Clemente (CEO) and Miguel Ollero (COO).



SENIOR MANAGEMENT

Composed of 8 employees (7 men and 1 woman) reporting directly to the CEO.



MIDDLE MANAGEMENT

67 employees (53 men and 14 women). A team of professionals who ensure that each area of the Company functions as efficiently as possible.



OTHER STAFF

Composed of 162 employees (67 men and 95 women). A team of highly qualified professionals committed to the Company and its corporate philosophy and values.

Composition of the workforce ⁽¹⁾

| Country | Professional category | Age range | 2021 | | 2020 | |
|--------------|-----------------------|---------------|------------|-------|------------|-------|
| | | | Men | Women | Men | Women |
| Spain | Executive Directors | >50 years old | 2 | - | 2 | - |
| | Senior Management | <30 | - | - | - | - |
| | | 30-50 | 4 | 1 | 4 | 1 |
| | | >50 | 3 | - | 5 | - |
| | Middle Management | <30 | 2 | 1 | 1 | - |
| | | 30-50 | 26 | 8 | 17 | 3 |
| | | >50 | 24 | 4 | 23 | 7 |
| | Other staff | <30 | 10 | 21 | 8 | 11 |
| | | 30-50 | 33 | 49 | 40 | 57 |
| | | >50 | 19 | 22 | 17 | 17 |
| Portugal | Middle Management | <30 | - | 1 | - | - |
| | | 30-50 | 1 | - | 1 | - |
| | Other staff | <30 | - | 1 | - | - |
| | | 30-50 | 4 | 2 | 4 | 2 |
| | | >50 | 1 | - | - | - |
| Total | | | 239 | | 220 | |

⁽¹⁾ Data as of December 31, 2021.

Current profile of **MERLIN Properties'** employees ⁽¹⁾



I REPRESENT 46% OF THE WORKFORCE

- I represent el **56% of 2021 hires**
- I am between **30 and 50 years old (54.5% of women)**
- I have **a indefinite contract (99% of women)**
- I received **21.4 hours of training** in 2021 ⁽²⁾
- I work in Spain (96% of women)**



I REPRESENT 54% OF THE WORKFORCE

- I account for **44% of the 2021 new hires**
- I am between **30 and 50 years old (52.7% of men)**
- I have **a indefinite contract (97% of men)**
- I have received **21.6 hours of training** in 2021
- I work in Spain (95% of men)**

Diversity and equal opportunities

MERLIN promotes equal opportunities, especially in access to employment, training, promotion and working conditions. As stated in its Code of Conduct, **MERLIN** rejects any and all discrimination in the workplace on the basis of race, color, nationality, social origin, age, sex, marital status, sexual orientation, ideology, political opinions, religion or any other personal, physical or social condition of an individual. The Company provides professionals with a whistle-blowing channel to report any discriminatory conduct or harassment in the workplace. No such complaints were received in 2021.

In terms of gender equality, in 2021 **MERLIN** worked on its Equality Plan in compliance with Royal Decree-Law 6/2019. A four-year Equality Plan was approved after a diagnosis of the Company's equality situation, followed by the negotiation and drafting of a Plan by the Negotiating Committee.

The Equality Plan applies to all **MERLIN Properties** employees and lays down the guiding principles of the Company's conduct in this area, along with a series of objectives and metrics, some of which include addressing the under-representation of women throughout the organizational structure, fostering women's participation in training activities to enhance

⁽¹⁾ Data as of December 31, 2021, except for average training hours per employee.

⁽²⁾ The average number of training hours based on the average headcount in 2021. The average number of training hours in 2021 in total terms (including men and women) was 21.5 hours.



Lobby atrium Partenón 12 | Madrid

leadership and compensation by **MERLIN** for sick leave and parental leave. **MERLIN** encourages employees to take paternity leave under the same conditions as maternity leave.

The Company also supports all types of diversity beyond gender among the workforce. **MERLIN** employs professionals of different nationalities but is equally committed to local employment. In 2021, 95% of workforce was Spanish, 4% Portuguese and 1% from the rest of Europe. 100% of management positions are occupied by Spaniards.

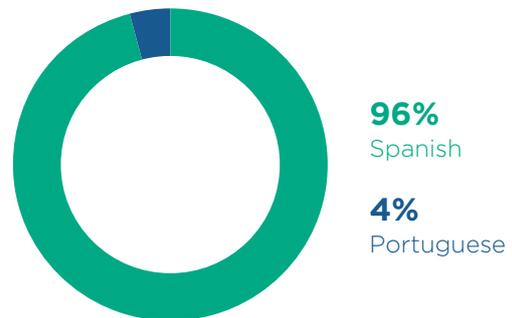
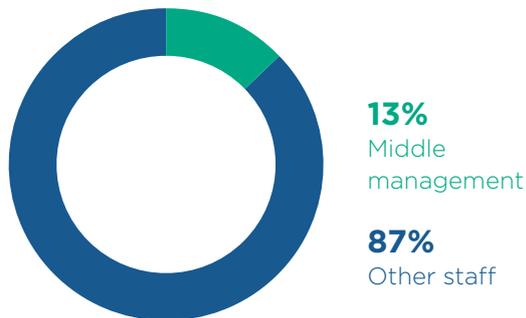
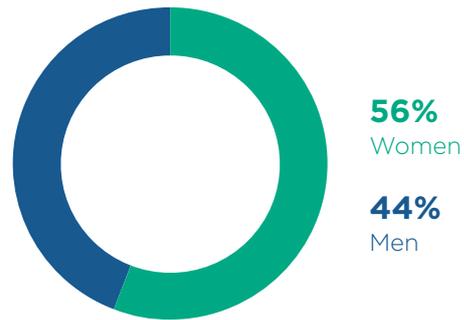
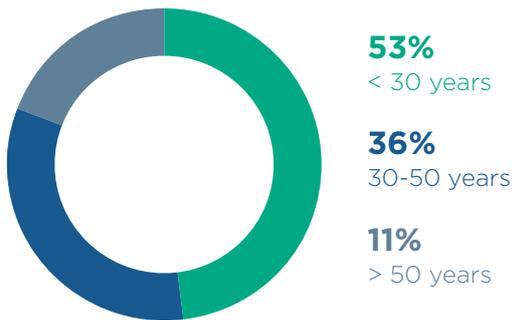
MERLIN has 5 employees with different abilities (2.09%), which exceeds the legal requirement of 2%. These employees have indefinite part-time contracts and perform functions which are necessary and valuable to the Company.

Professionals joining the Company

MERLIN seeks out the best individuals to add differential value through their work which contributes to the Company's success, providing them with stable, high-quality employment.

In 2021, **MERLIN** hired a total of 45 new professionals to the staff, which represents a recruitment rate of 19%. 11 employees moved into new positions inside the Company, demonstrating its commitment to internal mobility and talent retention.

Profile of MERLIN's recruitments in 2021



Talent retention mechanisms

MERLIN believes that employee commitment is essential and therefore seeks to ensure that employees identify with the corporate philosophy, values and objectives. The Company works to motivate and reward employees through three main lines of action:

1. Performance-based remuneration

MERLIN employees receive a fixed annual salary along with a yearly bonus tied to the fulfilment of the Company's objectives and to each employee's individual performance.

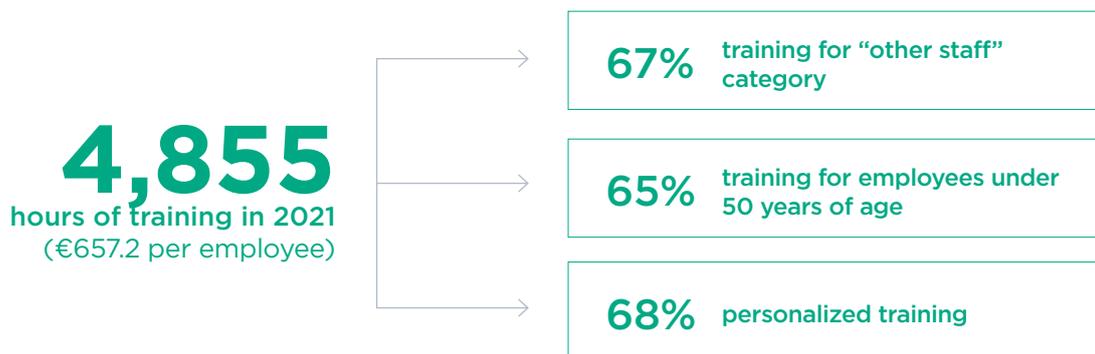
In addition, all Group employees receive life and accident insurance for themselves and health insurance for the employee's entire family unit. The workforce also benefits from flexible compensation options (Merlin Flex) for training as well as childcare vouchers, transport vouchers and meal vouchers. In 2021 **MERLIN** introduced exclusive discounts for employees in different categories such as dining, health and beauty and hotels.

MERLIN also offers employees the possibility of acquiring shares in the company.

2. Continuing professional development

MERLIN offers all professionals opportunities to get involved in different projects and to assume new responsibilities throughout their professional careers. Training is a fundamental aspect of career development and to that end the Company ensure that training is available to all employees.

4,855 hours of training were provided in 2021, an increase of 13.3% compared over the year before. This represents a total investment of €157,072 in training in 2021.



As in years past, the training activities focused primarily on the following categories: training tailored to each employee's needs (68%), languages (31%) and in-house (1%) provided by **MERLIN's** own professionals.

3. Direct relationship with employees

The horizontality of the Company's organizational chart fosters direct relationships between employees and, in particular, between those with varying levels of responsibility. In 2021, **MERLIN** reinforced communication channels and initiatives such as the Employee Portal. Improvements were made to the platform to facilitate communications between employees and management. Emails were sent on a regular basis, there were face-to-face meetings between employees and visits to different Company assets.

Also, in 2021, **MERLIN** relaunched the Employee Satisfaction Survey with a special emphasis on employee motivation, relationships with colleagues, training and workplace ergonomics. The participation rate was 76.5% and the average satisfaction rate was 7.18 out of 10.

Employee safety, health and wellbeing

Providing a safe and healthy working environment and promoting employee wellbeing are key aspects of **MERLIN's** management philosophy. To that end, the Company is careful to comply with all occupational health and safety regulations, aided in this endeavor by an external prevention service. In 2021, **MERLIN** unified the Occupational Risk Prevention (ORP) provider for the entire Group to align criteria and ensure the consistency of the measures to be applied. All employees had received specific health and safety training, which has been completed by 90% of the professionals.

The 2021 fiscal year continued to be affected by the COVID-19 pandemic. The Company has followed the recommendations of public health authorities at all times, has continued with its office disinfection protocols and has offered regular diagnostic testing to all employees free of charge, as well as greater flexibility in starting and ending times in the office and teleworking upon request.

MERLIN offers employees other benefits for their physical and mental health and wellbeing, such as providing fruit in the workplace and the option of taking out private health insurance for the entire family as part of a flexible compensation package. Access to physical therapy services at the corporate office was added as a new benefit in 2021.

The Company communicates with employees regularly on healthy lifestyles, promoting physical activity, a balanced diet and digital disconnection, among other things.

Providing a safe and healthy working environment and promoting employee wellbeing are key aspects of MERLIN's management philosophy

Accident rates in 2021 were as follows:

| RATE ⁽¹⁾ | MEN | WOMEN |
|--|-------|--------|
| LOST WORKDAY RATE | 0.026 | 0.0001 |
| RATE OF OCCUPATIONAL DISEASES | 0 | 0 |
| ABSENTEEISM RATE (AR) | 0.021 | 0.017 |
| NUMBER OF DEATHS DUE TO OCCUPATIONAL ACCIDENTS OR DISEASES | 0 | 0 |

⁽¹⁾ The Lost Workday Rate (LWR) is calculated by comparing the total number of lost workdays with the total number of scheduled working hours for 2021. A lost workday is defined as a day on which a worker is unable to perform his or her usual tasks due to an occupational disease or an accident.
 Rate of occupational diseases is expressed as the frequency of occupational diseases in relation to the total time worked by all employees in 2021.
 The Absenteeism Rate (AR) is expressed as the ratio of days workers are absent due to incapacity of any kind, not only as a result of an occupational accident or illness, to scheduled working days in 2021.



LOOM Princesa | Madrid

6.3 MAXIMIZING THE WELLBEING OF THE USERS OF OUR ASSETS

2021 MILESTONES

- Spain's first **Wired Scored Platinum certification** earned by Diagonal 605.
- Launch of **LOOM Unlimited and LOOM Go services**.
- Launch of the **Lanzadera project** at shopping centers.
- Addition of sustainable initiatives and **expansion** of services (sustainable mobility, amenities, etc.) at **Merlin Hub Madrid Norte**.
- **Highest AIS certification rating**, 5 stars, earned by Torre Glòries.

FUTURE OBJECTIVES

- To achieve the **WELL Gold certification** for the **Castellana 85 office building**.

LOOM 



LANZADERA

KEY INDICATORS FOR THE YEAR

| | 2021 | EVOLUTION 2020-2021 |
|--|----------------------|-------------------------------|
| LEVEL OF SATISFACTION ⁽¹⁾ | 3.40 out of 4 | +0.49 points |
| ASSET OCCUPANCY | 94.5% | +0.3 percentage points |
| ASSETS WITH ACCESSIBILITY CERTIFICATIONS | 61 | +7 assets |

⁽¹⁾ Surveys conducted at multi-tenant offices, single-tenant offices and shopping centers. The overall score is calculated in terms of the Average Quality Index (AQI) taken from the surveys.

MERLIN's distinguishing features in its relationship with tenants

MERLIN works to build relationships of trust with tenants and strives for the highest level of satisfaction by fostering active communication based on dialogue and teamwork.



3.4/4
OVERALL SCORE
ON SATISFACTION
SURVEYS

Working together

MERLIN is committed to the active involvement of asset users in optimizing their performance and making the most of the assets' services and functionalities in order to keep them completely satisfied



100%
OF ASSETS
HAVE TENANT
RELATIONSHIP
CHANNELS

Constant communication

MERLIN encourages active communications with tenants through the various channels available to them in order to identify possible concerns and needs, solve problems and hear their suggestions for maximizing their experience



90%
OF LOGISTICS
ASSETS ADAPTED
TO E-COMMERCE

Innovative solutions at its assets

MERLIN integrates the latest trends and innovations available in the sector into its assets, offering tenants and end users a unique experience in all of its portfolios

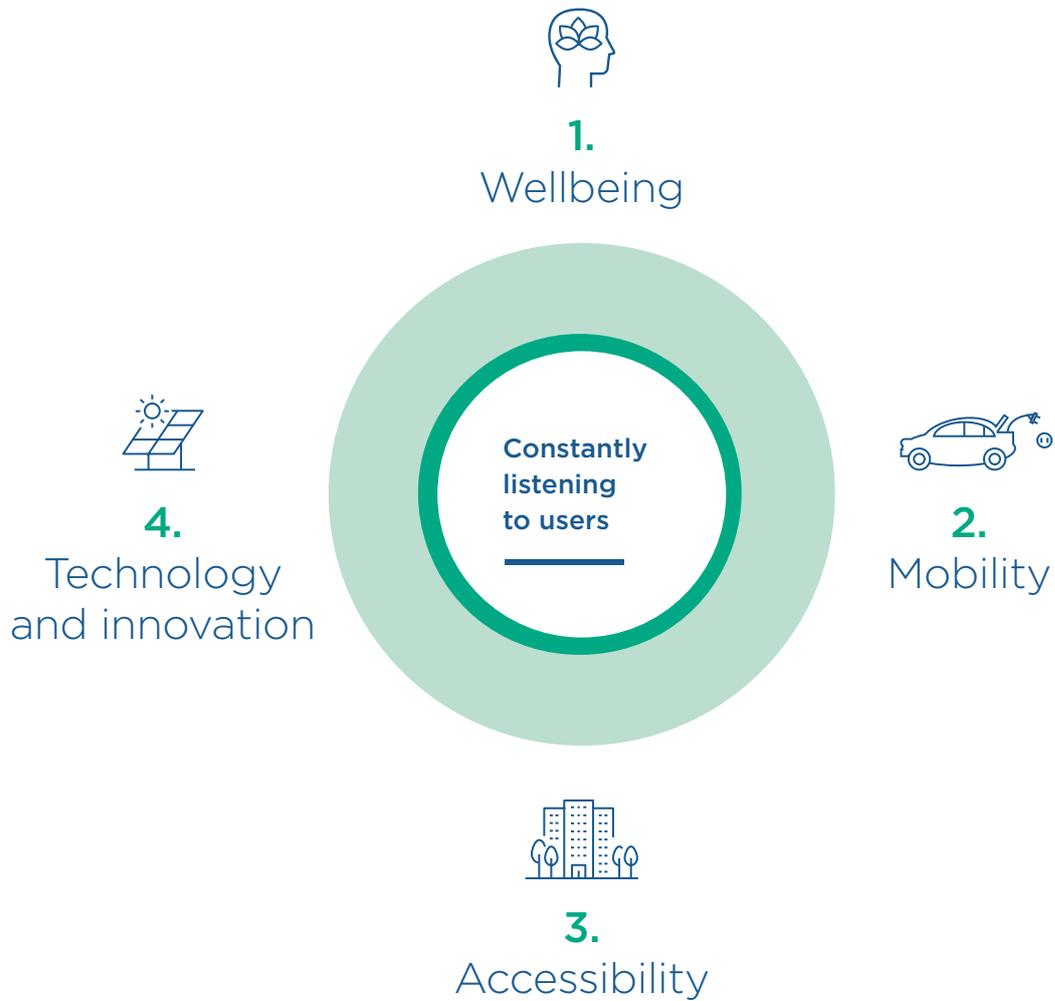


61
ASSETS WITH AIS
CERTIFICATION
INCLUDING 7 WITH
THE HIGHEST RATING

Commitment to accessibility

MERLIN guarantees ease of accessibility to our assets and backs this up by obtaining AIS certification

The Company views these spaces as an opportunity to offer high quality, value-added service in order to provide the tenants and users of the assets with the best possible experience. To that end, **MERLIN** has set up the following framework for collaborating with tenants and user which consists of four basic pillars:



MERLIN views these spaces as an opportunity to offer high quality, value-added service in order to provide the tenants and users of the assets with the best possible experience



Urban garden Adequa | Madrid

Wellbeing of tenants and users of the assets

Maximizing the wellbeing of the tenants and users of the assets is one of the basic pillars of **MERLIN's** management. Among other things, wellbeing includes indoor air quality, lighting, connectivity and complementary services available to users.

MERLIN is committed to ventilation as a key element of indoor air quality. This is achieved by installing filters, renovating equipment and using thermal insulation in buildings to prevent harmful substances from the outside getting in. In terms of lighting quality, the Company prioritizes natural light and the installation of LED lighting to avoid glare and provide adequate illumination of the space.

Along these lines, **MERLIN** uses "Aire Limpio" installations, air filtration and purification solutions in 14 of its office assets, with the aim of improving users' health and the sustainability of the assets.

"Aire Limpio" solutions use filtration and ventilation to reduce suspended particles, biological agents (viruses, bacteria and fungi), volatile organic compounds (VOCs) and chemical pollutants, thus reducing the incidence of cyclical diseases and improving the users' working experience in offices. With "Aire Limpio", **MERLIN** protects the health of 26,086 people by reducing their exposure to pollutants ⁽¹⁾.

The environmental solutions generate energy savings in the buildings' air conditioning systems, since the "Aire Limpio" filters have lower air resistance than traditional filters and have longer useful lives, which also cuts down on waste. These "Aire Limpio" filters avoid 370 tons of CO₂ per year and save 522,264 kWh of power at **MERLIN's** 14 assets ⁽²⁾.

As part of its commitment to improving the digital infrastructure of its buildings, **MERLIN** has continued to certify office assets with the Wired Score seal. This is an online connectivity standard that guarantees the fastest upload and download speeds at all offices, including common areas and outdoor spaces, and provides the assets with the necessary infrastructure to adapt to future technological advances. In 2021, the Diagonal 605 building in Barcelona obtained the highest rating for this certification: Wired Score Platinum.

MERLIN also provides its asset users with a series of complementary services to enhance the user experience, such as the **MERLIN Hub**, for which approximately €950,000 ⁽³⁾ were earmarked in 2021.

In 2021, the Company continued to apply best practices against COVID-19 at its multi-tenant office and shopping center assets, which included cleaning and sanitizing common areas, imposing capacity controls and constantly supporting and responding to tenants' concerns. **MERLIN** has maintained the AENOR Certification of Protocols against COVID-19 for 13 shopping centers and 52 multi-tenant office assets and LOOM spaces in Madrid through the Madrid Seal of Guarantee, granted by the Community of Madrid.

⁽¹⁾ "Aire Limpio" has considered an occupancy density of 8 sqm/person, 100% occupancy of the properties and a total lettable area of 208,683 sqm of office space.

⁽²⁾ "Aire Limpio" has considered a 365-day year, with 14-hour days and an occupancy density of 8 sqm/person. The savings percentage takes into account the flow rate of the ventilation system, the performance of the air conditioner, the pressure drops of the filters and the annual energy consumption of these filters.

⁽³⁾ This amount includes the Lanzaderas service and associated expenses.

Sustainable mobility

For **MERLIN**, the mobility of the users of its assets is a critical aspect. Accordingly, the Company prioritizes assets which are strategically located with good public transport options, especially the office portfolio, which enhances users' quality of life.

MERLIN developed other initiatives at its office assets, such as providing shuttle service, promoting carsharing and carpooling services and the use of electric bicycles to travel from public transport stations to offices. **MERLIN** also promotes the installation of electric vehicle charging points at the assets in its strategic portfolios (offices, logistics and shopping centers).

Through these initiatives, **MERLIN** promotes sustainable mobility and contributes to the decarbonization of the cities where it operates.



Carsharing platform Adequa | Madrid

Asset accessibility

Ensuring that all users, regardless of their abilities, have the best possible experience with its assets is a top priority for **MERLIN**. The Company continues to increase the number of certified assets based on the Accessibility Indicator System (AIS), which assesses the usability, comfort and safety conditions of the building.

12 assets in the shopping center portfolio are AIS certified. These centers are constantly improving their accessibility performance, which in turn implies higher ratings obtained within the framework of this certification. In 2021 the Marineda, Larios and Saler shopping centers obtained the highest possible score awarded by AIS (five stars). **MERLIN** continues to add to the number of certified office assets, with a total of 49 certified assets at year-end (8 more than in 2020).

In the coming years, **MERLIN** plans to certify and evaluate the accessibility of approximately 80% of the assets in its office and shopping center portfolios.

Improving accessibility at Torre Glòries



Dome Torre Glòries | Barcelona

The Torre Glòries office asset is an accessibility reference in **MERLIN's** portfolio, having raised its AIS certification rating from 3 to 5 stars in 2021. This emblematic building has 34 floors, is located in the heart of Barcelona's 22@ technology district and houses different international and technological tenants.

Notable among the actions taken to improve accessibility at the Torre Glòries offices are the actions in restrooms. Handicapped bars were installed, along with gender pictograms and the International Symbol of Access (ISA) in high relief and Braille at the appropriate height. Call buttons were also installed for emergency assistance in case of need.



Restaurant Torre Glòries | Barcelona

In the museum space and lookout, two sets of handrails were installed on staircases, one at the conventional height and the other at a lower height to facilitate accessibility for the elderly and children, along with the placement of a magnetic induction loop at the reception desk to assist hearing-impaired people.

Technology and innovation

MERLIN is committed to offering tenants and users comprehensive services of the highest quality that go beyond pure asset management, incorporating the most innovative solutions into its assets to enhance the user's experience.

In line with this philosophy, **MERLIN** continues to focus on improving the quality of life of the users of its assets. An example of this is the implementation of Mayordomo Smart Points, a system of smart lockers where users can receive packages. At the end of 2021, 27 **MERLIN** assets had Smart Points, 42% more than in 2020.

MERLIN is also focused on LOOM flexible workspaces as a solution to the hybrid work model.

In logistics, **MERLIN** continues to integrate e-commerce into its spaces, responding to the growing needs of tenants for their logistics systems to be able to manage both their conventional distribution channels and their e-commerce channels in a coordinated fashion.

Promoting e-commerce at logistics assets

MERLIN has developed Media Markt's central logistics warehouse in Spain in line with new e-commerce demands. The project consisted of the refurbishment and enlargement of the existing facilities in the town of Pinto, which were transformed into a logistics warehouse of around 60,000 sqm. Thanks to the design, as well as the fact that it is the logistics hub for the company's online platform, the new warehouse will help the client improve distribution to its physical stores. Also, worth noting is its strategic location in the south of Madrid, between the A-4 and the A-42, with particularly good road communications.

Omnichannel in shopping centres

For shopping centers, **MERLIN** continues to be committed to omnichannel shopping and to that end is expanding the Click&Collect points for online order pick-up. At the end of the year, this portfolio had a total of 28 such points.

The KeepEyeOnBall tool, which can generate a 360° virtual view of assets, enables **MERLIN's** tenants to view the assets without having to visit them in person and see what they will look like in the future once the refurbishment work is done.

Constantly listening to users

MERLIN believes it is essential to provide tenants and users with sufficient communication channels to maintain an active dialogue and generate a relationship of trust. This allows **MERLIN** to understand their needs and expectations and to detect opportunities and possible areas for improvement in asset management.

Among these channels, **satisfaction surveys** stand out. In 2021, surveys were sent to nearly 1,000 tenants of multi-tenant and single-tenant offices and shopping centers, with a total participation of 24.6%. The tenants rated specific aspects that influence their wellbeing such as the condition of common areas, the management of information and **MERLIN's** attention to possible incidents, administrative management, treatment of staff and overall satisfaction with the service. The average overall satisfaction rate according to the survey was 3.40 out of 4, which translates to 90.1% of satisfied tenants⁽¹⁾.

Regarding the portfolio of logistics assets, since 2020 **MERLIN** has had a **Facility Management** service integrated in all logistics assets which provides monitoring and advice to tenants on maintenance, technical and legal matters. This initiative creates a framework for collaboration with tenants, which makes it possible to do things like adapt response times to the seriousness of the incident reported by the tenant. To streamline two-way communications, tenants can share information in real time on a collaborative IT platform.

For the shopping center portfolio, in 2021 **MERLIN** enhanced communications with tenants at all levels to build closer relationships. In this same vein, the Company has launched the **LIFE! portal** at its centers. Besides serving as an online communication channel, it centralizes management and optimizes the use of resources in a more efficient, interactive and paper free manner. With the LIFE! portal, tenants have direct, fluid two-way communications with **MERLIN's** shopping center management team. The tool also has a repository of documentation with relevant information on each asset and two different marketing sections: the first one with promotions that are then published in the app and on the shopping center's website; and the second one with promotions for the employees of the operators of **MERLIN's** shopping centers.

Also in 2021, **MERLIN** continued to support tenants as they dealt with the COVID-19 pandemic. For example, the Company extended the commercial policy on rent subsidies during the first half of the year, with an average subsidy of 25%, as well as full rent abatement for periods of time during which tenants were forced to close. The efforts in 2020 to enhance communications with tenants, particularly shopping center tenants, continued in 2021. This has enabled the Company to better understand the needs and expectations of each tenant and to work in a more targeted manner to respond to them.

⁽¹⁾ A satisfied tenant is one with an Average Quality Index (AQI) higher than 2.5 out of 4.

MERLIN Hub: a key project to improve the work experience

Launched in 2020, **MERLIN Hub** Madrid Norte is a reference in the integration of **MERLIN's** core values in the relationship with tenants and users. It is a groundbreaking project in which complementary mobility and hospitality services are offered to tenants of the A-1 buildings in order to improve their workday experience.

Because of its importance to the Company and its business strategy, **MERLIN** has continued to add functionalities and expand **MERLIN Hub's** services by incorporating the latest developments and trends in the real estate sector. **MERLIN Hub** currently includes 40 office assets in the NBA (New Business Area) on the A-1 highway in Madrid. There are plans to expand it in the coming years to other major business areas in Madrid, Barcelona and Lisbon.



All of the complements offered at **MERLIN Hub** are structured around five characteristics in line with the framework established by the Company to work on the relationship with tenants and users:

Mobility improvement

The Sustainability and Mobility Office (SMO) is tasked with seeing that all **MERLIN Hub** member companies have a customized Transport to Work Plan that provides users with efficient, low-emission mobility options. In 2021, different initiatives were rolled out to promote low-emission mobility, such as the launch of new shuttle routes, the promotion of on-demand transport through the **MERLIN Hub** app, the creation of new carsharing spaces, the installation of chargers for electric scooters and the signing of agreements with the government for the creation of park-and-ride facilities. Also, in 2021, SMO launched various satisfaction surveys that provided valuable information on the commuting habits of **MERLIN Hub** users.



Bikes parking Adequa | Madrid



Gardens Via Norte | Madrid

Technology and innovation at the user's service

MERLIN Hub views connectivity as one of the fundamental standards of excellence, something that is particularly relevant in view of the imminent launch of 5G technology. In this regard, **MERLIN Hub** assets have obtained the **Wired Score** certification, a standard that guarantees the highest quality Internet connections in office assets, including outdoor areas.

Eco-efficiency and accessibility

MERLIN Hub works to ensure that its carbon footprint and that of its users is as low as possible. **MERLIN Hub** also holds BREEAM and LEED certifications. Sustainability at **MERLIN Hub** also encompasses other aspects such as universal accessibility to its buildings, with 12 assets certified according to the AIS standard.



Urban garden Aquamarina | Madrid



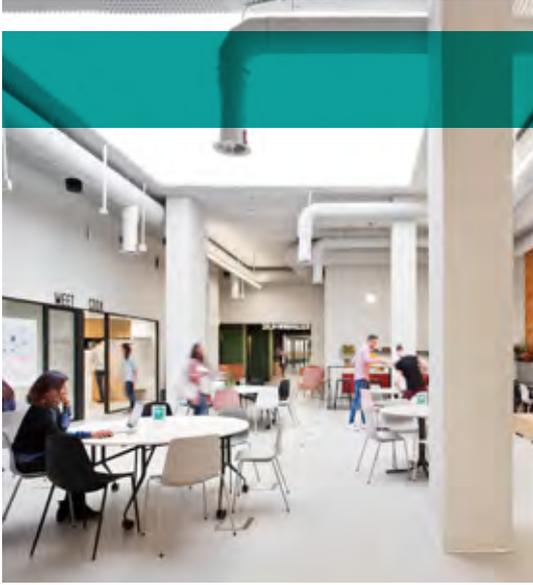
LOOM Cornellá WTC 8 | Barcelona

Maximizing community interaction

MERLIN Hub has an extensive catalogue of activities to encourage interaction between the users of the assets, which is updated regularly and available on the **MERLIN Hub** app. These activities include classes, workshops, competitions, events and social awareness campaigns.

For example, **MERLIN Hub** sponsored a series of in-house events on sustainable mobility such as the one held in collaboration with KNOT, SHARENOW, BICIMAD, EMT, ZITY and IMBRIC at Adequa.

Also in 2021, **MERLIN Hub** launched a new urban garden at Adequa, offering users a total of five gardening sites in different locations.



Commitment to flexibility with LOOM spaces

Through the LOOM coworking network, all **MERLIN Hub** users have access to coworking space outside of their own office buildings which can be used to deal with peaks in demand, for one-off meetings or to satisfy occasional space requirements.

LOOM Salamanca | Madrid

LOOM, a solution to the hybrid work model

Given the rise of hybrid work models, LOOM offers a variety of services for corporations as well as freelancers and independent contractors which allows them to choose the coworking experience best suited to their needs. These include “banks” of hours for employees (LOOM Passport); economically priced options that allow clients to work in the common areas of the spaces (LOOM GO!); or unlimited use of all workspaces and meeting rooms, with payment for the time used at the end of the month (LOOM Unlimited).

The LOOM work experience fosters users’ wellbeing through a collaborative environment and the option to take part in activities that promote networking and continuous learning. In addition, LOOM spaces are positioned in prime locations in Madrid and Barcelona, which favors the sustainable mobility of users.

Smart Building Certification, a pioneer digital standard

MERLIN has begun to certify its assets under the innovative Smart Building Certification standard which, in addition to evaluating the building’s digital ecosystem, also considers aspects related to environmental performance and the health and wellbeing of occupants.

Certification under this standard uses a dynamic process to qualify the existence and use of technology to measure: (i) how the building is used, focusing on how the building responds more efficiently to users’ needs, (ii) the building’s environmental performance, (iii) the building’s environment, (iv) health, safety and security as basic foundations on which other aspects are built, and (v) user behavior to maximize value and (vi) integrative design solutions and connectivity.

The Plaza Ruiz Picasso asset will be a pioneer in obtaining this certification in Spain.



07. Generating Positive Impacts in Cities

- 7.1. Improving Cities
- 7.2. Social Initiatives
- 7.3. Measuring the impact of MERLIN's contribution



2021 MILESTONES

- **Framework Agreement signed** between ADIF, the Madrid City Council, the Community of Madrid and Castellana North District for the Madrid New North project.
- **Launch of the winning** Renazca blueprint.
- **Improved accessibility** to Torre Chamartín from the A-1 and M-11 highways.
- **Construction of bus lane** on Avenida de Burgos, in the area surrounding MERLIN's Hub Madrid Norte.
- **Inauguration of a new urban garden** at MERLIN Hub Madrid Norte.
- Launch of the **Merlin Art** Program.



FUTURE OBJECTIVES

- **Creation of a panoramic observatory** of the city of Barcelona at Torre Glòries.
- Execution and completion of the **renovation** of the surroundings of the office building located in Plaza Ruiz Picasso.

Generating positive impacts entails also generating competitive advantages



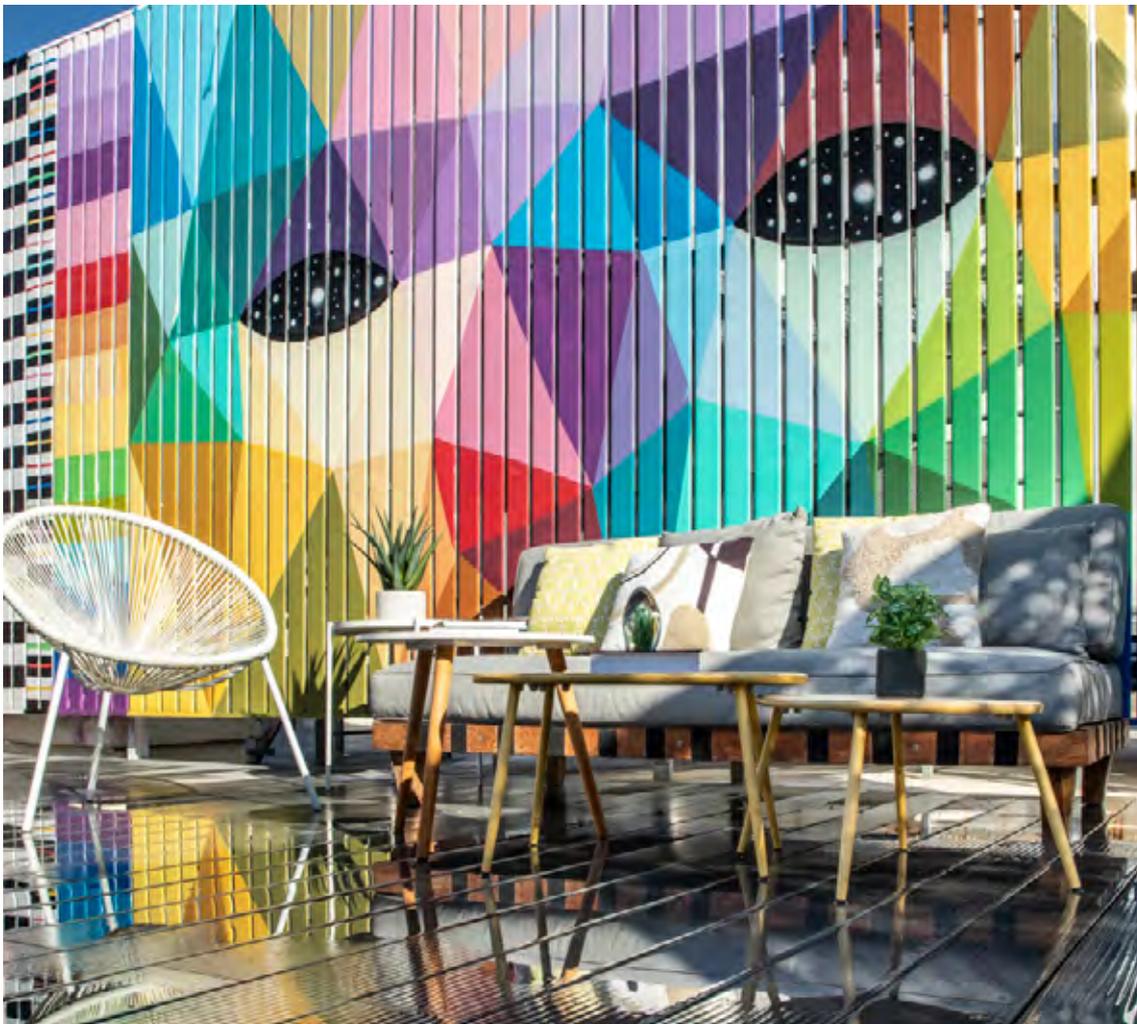
KEY INDICATORS FOR THE YEAR

| | 2021 | EVOLUTION 2020-2021 |
|---|----------|---------------------|
| ECONOMIC VALUE DISTRIBUTED (M€) | 529.3 M€ | +38.6% |
| PURCHASES FROM SUPPLIERS (M€) | 98.9 M€ | +2.8% |
| AVERAGE PERIOD OF PAYMENT TO SUPPLIERS (DAYS) | 31 | = |
| SOCIAL OR ENVIRONMENTAL COMPLAINTS FROM COMMUNITIES (No.) | 0 | = |
| SOCIAL IMPACT OF THE COMPANY (LBG MODEL) | 720,030€ | N/A |

7.1 IMPROVING CITIES

MERLIN's assets are an opportunity to improve the cities where they are located by sourcing products and services locally, creating jobs and promoting different initiatives.

All Company assets contribute to the development of the communities in which they are located. An example of this would be sourcing local products and services. Moreover, 26% ⁽¹⁾ of the portfolio assets have specific development programs, impact assessments and local community participation. The shopping center portfolio is the one with the most programs of this kind (92%), as it is the one with the strongest links to local communities. Meanwhile, 42% of offices have specific programs while none of the logistics assets do.



Terrace mural LOOM Princesa | Madrid

⁽¹⁾ Includes offices, shopping centers and logistics assets, excludes WIP assets.

MERLIN's distinguishing features in its relationship with local communities

MERLIN maintains stable and lasting relationships with the local communities around its assets based on the creation of positive impacts and two-way communications using different channels. This enables the Company to identify their needs and expectations, which we try to satisfy through different programs and initiatives, offsetting any potential negative impacts derived from our activities.

MERLIN continues to work with local agents to enhance the value of public spaces around our assets, reinforcing the social and economic value contributed by these assets.



720,030€
IN **MERLIN'S**
CONTRIBUTION
TO COMMUNITIES

Impact management and value creation

MERLIN works to maximize the positive impacts of its activities and to minimize and, where applicable, offset the negative ones.



1,4 M€
EARMARKED
IN 2021 FOR
THE
REFURBISHMENT
OF PUBLIC
SPACES

Quality spaces

MERLIN uses its own resources to renovate the public spaces around its assets, maximizing the value of the contribution to the communities surrounding our assets.



MORE THAN 14,000
DOWNLOADS
OF USER
RELATIONSHIP
APPS
IN SHOPPING
CENTERS

Dialogue and transparency

MERLIN establishes and maintains ongoing and fluid relations with the communities linked to its assets, continuously adding new channels to strengthen these relationships.

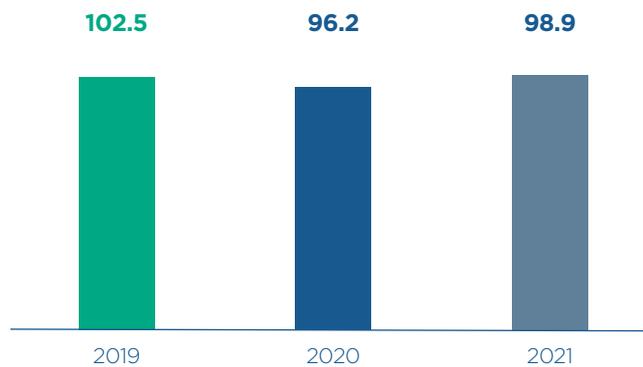
Sourcing local products and services

By sourcing products and services locally, **MERLIN** has a positive impact on the communities where our assets are located.

In 2021, payments to suppliers of products and services totaled €98.9 million, with average period of payment to suppliers of 31 days, in line with the provisions of the law on measures to combat late payment in commercial transactions (Law 15/2010 of July 5).

When hiring suppliers, **MERLIN** prioritizes local suppliers that meet the Company's social and environmental standards. For developments and the refurbishments of assets in particular, in keeping with the sustainable construction standards in which the Company is certified, **MERLIN** purchases local raw materials and works with local contractors, which is an added benefit for the local economy.

Annual expenditure on purchases and contracts associated with MERLIN's assets (M€)



Job creation

MERLIN's assets contribute to local employment both directly, through the hiring of personnel, and indirectly through the companies that provide ancillary services such as maintenance, facility management, security and cleaning. In addition, the economic environment surrounding the asset also benefits from the creation of hospitality and retail services to satisfy the needs of the users of the assets.

Improvement of spaces for public use

The rehabilitation of public spaces surrounding its assets is a key part of **MERLIN's** strategy of delivering value to local communities, including other assets in the area.

In 2021 **MERLIN** allocated €1.4 million to the Saler shopping center in Valencia. The work consisted of creating a new public square in front of the main façade of the shopping center, which overlooks the City of Arts and Sciences of Valencia, in keeping with the design of this environment, and offering citizens landscaped areas with benches and ornamental fountains for recreation and socializing.

Enhancement of the local area

Through its refurbishment projects such as Renazca or **MERLIN Hub**, the Company acts as a driver for the revaluation of the areas surrounding its assets.

In 2021, **MERLIN** embarked on the refurbishment of the Jardines de Clara Campoamor square next to the Diagonal 605 office building in Barcelona. The refurbishment will be carried out in 2022 in collaboration with the adjoining asset and the Barcelona City Council. It is expected that a total of €1.4 million will be invested, of which **MERLIN** will contribute €700,000.

7.2 SOCIAL INITIATIVES

MERLIN creates value for society by supporting various initiatives and activities that ultimately have a positive impact on the development of the surrounding communities. These initiatives are approached from two different levels: on the one hand, at the corporate level and on the other hand, at the asset level.

. Contribution at the corporate level

At the corporate level, most of **MERLIN's** contributions to the community are part of its CSR Plan, under which **MERLIN** commits up to 0.1% of gross annual revenues to social programs or projects. This financial contribution is divided into two parts: the first part is the Company's direct cash contribution, and the second part is **MERLIN's** matching contribution, in which it doubles the cash donations or volunteer hours of employees, executives and directors.

In 2021, the Group donated €224,508 in direct contributions and €161,997 in collaboration with 33 employees and directors. These contributions went to 62 foundations.

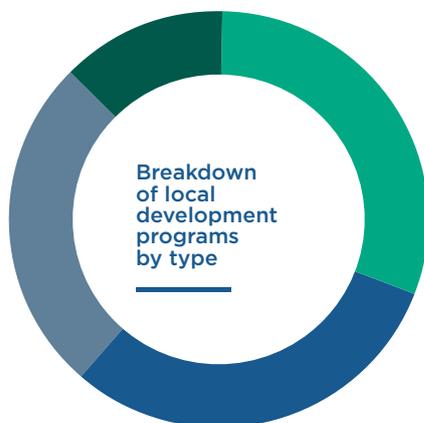
In addition to the CSR Plan, in 2021, for the fifth year in a row a total of 14 **MERLIN** employees taught classes in the university degree program titled "Intensification in

Real Estate Planning and Management" at the School of Quantity Surveyors of the Polytechnic University of Madrid. And once again this year, the training included a talk by Ismael Clemente, CEO of **MERLIN**. In all, **MERLIN** professionals dedicated 85 hours to this activity. Three **MERLIN** employees also taught master level classes at the School of Architecture for a total of 16 hours.

As in past years, **MERLIN** donated the cash allowance to fund two academic scholarships awarded to the top two students in this degree program for a total of €3,000.

. Contribution through assets

MERLIN also contributes to local development through its assets, supporting different initiatives and activities in four key areas: training; social action; promotion of culture and local development; and awareness-raising.



30.6 %
Social action

30.6 %
Awareness-raising activities

26.1 %
Training activities

12.8 %
Promotion of culture and local development

Training activities

Over 45 open training activities were held at the Company's LOOM assets in 2021 aimed at the personal and professional growth of its participants. Because of the ongoing Covid-19 pandemic, 35% of these activities were online, 22% were face-to-face and 43% were hybrid, a combination of both types.

At Marineda, there were five talks on the subject of women at risk of social inclusion joining the workforce, in which a total of 75 women participated. An agreement was reached with the Alcorcón City Council under which training talks will be offered at the X-Madrid Center in 2022.

Social action

MERLIN continues to collaborate with the Juan XXIII Roncalli Foundation to manage and maintain the urban vegetable gardens at **MERLIN Hub**, promoting the social and workplace inclusion of workers with intellectual disabilities. In 2021, these gardens yielded 1.5 tons of produce.

Various **MERLIN** shopping centers have solidarity stands in their common areas, which are occupied at various times throughout the year by non-profit organizations such as the Red Cross, UNICEF, Doctors without Borders, etc.

Promotion of culture and local development

In 2021 **MERLIN** commissioned the FLECHA 2021 exhibition at shopping centers such as Arturo Soria and Artea. On the 30th anniversary of this event, the works of more than 50 national and international artists, both emerging and established, were showcased. Shopping Center visitors were able to enjoy, free of charge, more than 500 works contemporary art in a wide variety of techniques: painting, sculpture, photography and engraving.

Also, in 2021 the Company launched the **MERLIN** Art Program to showcase young Spanish artists. As part of this initiative, **MERLIN** has installed the sculptural work titled "Guardian" by Carlos Albert at the Diagonal 605 asset.

continues >

Awareness-raising activities

In 2021 **MERLIN Hub** sponsored a series of events on sustainable mobility, such as a bike ride in September from Torre Chamartín to the Fuente de la Mora park-and-ride facility to promote low-emission alternative modes of transport.

MERLIN shopping centers sponsor numerous awareness-raising initiatives throughout the year, such as the Contemporary Circus Gala on World AIDS and HIV Day at X-Madrid, in collaboration with the Alcorcón City Council.

MERLIN continues to develop initiatives to help alleviate the economic and social effects of the Covid-19 pandemic on society, especially on the most vulnerable groups. For example, the Company has allowed non-profit organizations such as the Red Cross and the Food Bank to occupy solidarity stands at **MERLIN** shopping centers. Another example is the “Solidarity Rose” initiative through the Barcelona Tourism at the Arenas Shopping Center. This was a social media campaign in which one euro was donated to COVID-19 research at the Hospital Clínic in Barcelona for each rose downloaded online.

7.3 MEASURING THE IMPACT OF MERLIN’S CONTRIBUTION

. Contribution to the community

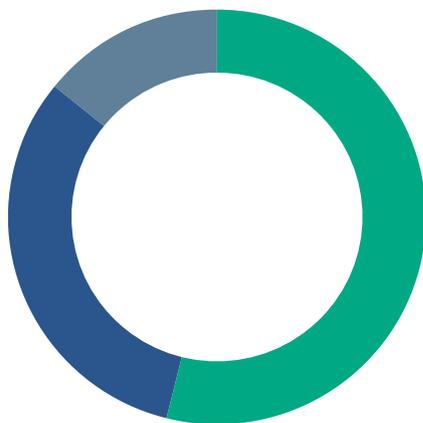
After joining the internationally recognized London Benchmarking Group (LBG) in Spain, **MERLIN** measures its contribution to society using the LBG model. This is the most prestigious standard for measuring the investments made by companies in the form of social and environmental initiatives. LBG recognizes voluntary contributions to social or environmental protection programs and donations to non-profit organizations, not restricted to groups that are related to the donor Company.

In 2021, all initiatives are located in Spain and are broken down as shown on the following table.

By sector

| | |
|---------------------------|-----------------|
| Social well-being | 412,366€ |
| Education | 237,298€ |
| Health | 43,292€ |
| Art and culture | 12,540€ |
| Other | 5,040€ |
| Humanitarian aid | 4,173€ |
| Socioeconomic development | 2,860€ |
| Environment | 2,461€ |
| TOTAL | 720,030€ |

By motivation

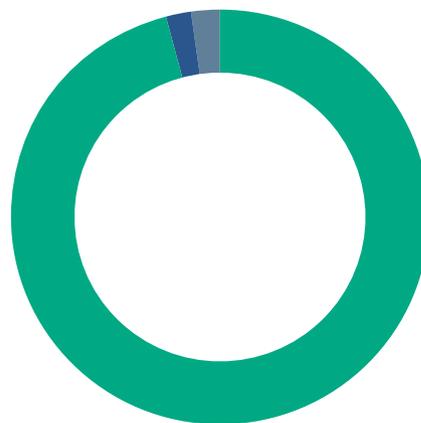


54 %
Social investment

32 %
Business aligned initiative

14 %
Punctual contribution

By type of contribution



96 %
Money

2 %
Time

2 %
Management costs

⁽¹⁾ Includes collaboration actions with associations in the shopping center portfolio.

. Contribution to the Sustainable Development Goals (SDGs)

From the beginning, sustainability has been a consideration for **MERLIN** in all of its activities and decisions. For MERLIN, the practical implementation of this commitment takes the form of striving to achieve the Sustainable Development Goals of the 2030 Agenda adopted by the United Nations General Assembly in 2015.

The SDGs that benefit most from **MERLIN's** contributions, as identified in 2021 by the Company, are discussed below.



SDG 3 | Good health and well-being: **MERLIN** maximizes the user experience by creating quality spaces that prioritize aspects such as air quality, lighting, and accessibility.



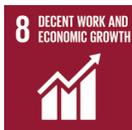
SDG 4 | Quality education: **MERLIN** promotes training initiatives by using its assets to improve social cohesion and inclusion and by offering its employees continuous professional development.



SDG 5 | Gender equality: equal opportunities for women and men and non-discrimination are aspects that **MERLIN** takes seriously.



SDG 7 | Affordable and clean energy: Through its assets, **MERLIN** contributes to the transition to low-carbon energy by making a commitment to renewable energy and energy efficiency.



SDG 8 | Decent work and economic growth: through the refurbishment and operation of its assets, **MERLIN** generates quality employment ensuring the best health and safety conditions and, at the same time, that the user experience is maximized.



SDG 9 | Industry, innovation and infrastructure: **MERLIN's** assets integrate the latest trends in innovation and digitalization at both the building and user level.



SDG 11 | Sustainable cities and communities: Through its assets, **MERLIN** has a positive impact on cities from both an environmental and social perspective.



Gardens LOOM Tapices | Madrid



SDG 12 | Responsible consumption and production: **MERLIN** is committed to maximizing the environmental performance of its assets in line with the market's benchmark sustainable construction certifications.



SDG 13 | Climate action: **MERLIN** Aware of the role it must play in decarbonizing the economy, in 2021 **MERLIN** devised an emission reduction strategy ("Pathway to Net Zero") which involves its entire value chain.



SDG 15 | Life on land: **MERLIN** analyzes and minimizes the potential negative impacts on biodiversity throughout the life cycle of its assets, especially in new developments and refurbishments.



SDG 17 | Partnerships for the goals: **MERLIN** builds and consolidates relationships with the public and private stakeholders with which it interacts, especially with the communities where it operates.



08. Climate change management and operational efficiency

- 8.1. Development and operation of sustainable assets
- 8.2. Environmental performance of MERLIN Properties' Portfolio
- 8.3. Decarbonization of the MERLIN Properties Portfolio
- 8.4. Validation of MERLIN's commitments by independent third parties
- 8.5. Sustainability ratings

ENVIRONMENTAL SUSTAINABILITY IS CRITICAL TO ENSURING COMPLIANCE WITH THE COMPANY'S OBJECTIVES AT ALL LEVELS AND TO CREATING VALUE THROUGH THE ACTIVE MANAGEMENT OF CLIMATE CHANGE AND THE EFFICIENT USE OF RESOURCES.



2021 MILESTONES

- **Approval of the Company's Sustainability Policy** and design of the Net Zero strategy.
- **Achievement of 100% renewable electricity** at all of **MERLIN's** multi-tenant assets.
- Development of phase one of the **photovoltaic power generation project: Project Sun** at 3 assets.
- Reinforcement of **MERLIN's** position as a key player in the electrification of cities: **installed charging points at practically 100% of office portfolio.**
- Extension of the **ISO 50001 Integrated Energy Management System** to 17 new assets.
- Achievement of **LEED and BREEAM certifications** for 26 assets.
- Achievement of **AEO certification** for 14 new office buildings.
- Complete **Scope 3 carbon footprint calculation** estimate.



FUTURE OBJECTIVES

- Launch of the **Pathway to Net Zero Carbon.**
- **Definition of decarbonization targets** and approval of these by the SBTi.
- **Quantification and integration of climate change risks** into the Company's risk management policies in accordance with TCFD.

Environmental sustainability, key to value creation



KEY INDICATORS FOR THE YEAR

LIKE FOR LIKE DATA ⁽¹⁾

| | 2021 | 2020-2021 EVOLUTION |
|---|---------|---------------------|
| ENERGY CONSUMPTION (GJ) | 280,140 | +6.7% |
| GREENHOUSE GAS EMISSIONS (TCO ₂ EQ) ⁽²⁾ | 13,697 | -2.4% |
| WATER WITHDRAWAL (M ³) | 419,534 | +17.7% |
| WASTE (TONNES) | 5,920 | +11.0% |

KEY INDICATORS FOR THE YEAR

| | 2021 | 2020-2021 EVOLUTION |
|---|---------|-------------------------|
| ENERGY CONSUMPTION (GJ) | 424,756 | +9.3% |
| GREENHOUSE GAS EMISSIONS (TCO ₂ EQ) ⁽²⁾ | 19,803 | +1.0% |
| WATER WITHDRAWAL (M ³) | 536,533 | +8.2% |
| WASTE (TONNES) | 4,513 | +19.6% |
| % OF PORTFOLIO (IN GAV) WITH LEED, BREEAM CERTIFICATION | 91.3% | +10.3 percentage points |

⁽¹⁾ The term Like for Like groups assets that have been in operation in the MERLIN portfolio over the last three years (from January 1, 2019 through December 31, 2021) without any relevant changes.

⁽²⁾ Includes Scope 1 and Scope 2 location-based emissions.

8.1 DEVELOPMENT AND OPERATION OF SUSTAINABLE ASSETS

Integrating sustainability into each of the phases of the asset's life cycle has always been a priority for **MERLIN**:

Acquisition of land and new buildings

In the due diligence process preceding new real estate investments, **MERLIN** considers environmental and social sustainability aspects such as the property's construction characteristics, the asset's energy efficiency, alignment with the Company's strategy regarding sustainable mobility, or the status of legal compliance and sanctions. Likewise, as a starting point, the Company's strategy is to prioritize the location of assets in urban environments as this in and of itself ensures that not ecologically critical or endangered areas will be affected.

In this regard, **MERLIN** is committed to ensuring that:

- 100% of office assets and shopping centers are located within 10 minutes/1km of a public transport link.
- 0% of assets are located in protected or ecologically critical areas.
- 100% of acquisitions take environmental and social criteria into account.

MERLIN has made progress fulfilling these commitments. For example, 100% of the Company's offices and shopping centers are accessible by public transport and all assets are located in urban areas that do not impact protected or ecologically critical areas. **MERLIN** continues to work on integrating environmental and social criteria in line with LEED and BREEAM certifications.

Developments and refurbishments

Sustainability is a factor that enters into the design phase of **MERLIN's** new developments and refurbishments, which raises the value generated by the project from the initial stages. The Company also sets sustainability requirements for contractors, certifies the assets of their projects based on sustainable construction schemes, and reduces and mitigates the negative impacts associated with the construction. In this phase, the Company replaces or installs resource-efficient equipment, systems and devices.

MERLIN also seeks synergies among assets in order to minimize and reuse the waste generated during refurbishment. Examples of this include the building materials, false ceilings and light fixtures that were reused in other assets following the refurbishment of Arturo Soria 343 or the recycling of technical floor plates from Cerro de los Gamos.

The Company's roadmap calls for more circularity among contractors in the development and refurbishment processes. To that end, the Company plans to include these criteria in the evaluation of the bids submitted in tender processes.

With regard to biodiversity in developments and refurbishments, **MERLIN** studies the ecological value of the environment and proposes measures to preserve it. Priority is given to native plant species in landscaped areas around our assets, avoiding exotic species. Likewise, although implicit in its expansion strategy, the Company avoids deforestation in its developments and refurbishments by acquiring land in urban settings or with previous uses.

In this regard, **MERLIN** is committed to ensuring that:

- 100% of developed/refurbished assets have sustainable construction certification.
- 100% of critical suppliers are evaluated on ESG aspects.

MERLIN has made progress in living up to these commitments by obtaining LEED or BREEAM certification for all developments and refurbishments. The Company is also working on implementing a system for scoring suppliers on ESG performance.

Management of properties in operation

When operating its assets, **MERLIN** is committed to monitoring and actively managing consumption, taking steps to optimize consumption, working with tenants and operators, reducing negative impacts on the asset's sustainability, evaluating suppliers based on sustainability criteria and certifying assets using recognized systems to measure sustainability performance.

Given that it is during the operating phase when **MERLIN** has the greatest capacity to act, the Company focuses its efforts on maximizing the integration of sustainability during this phase. The following sustainability initiatives are currently being implemented in the portfolio in operation:

- In line with its sustainability roadmap, **MERLIN** continues to install photovoltaic panels on assets in its strategic portfolios (offices, shopping centers and logistics assets) as part of **Project Sun**, through which it aims to position itself as an essential player in the energy transition as the largest developer of self-generated energy in its sector. The total peak installed capacity is 1.9 MW. Following the completion of Phase I of the Sun Project, the peak installed capacity is expected to be 39.8 MW. 100% of **MERLIN** assets under operational control consume renewable electricity with a guarantee of origin.
- In an effort to improve the **circularity** of its assets, **MERLIN** implements different initiatives to optimize the use of materials, reduce waste generation and manage the generated waste more efficiently. To that end, all assets (offices and shopping centers) have waste sorting systems.

- **MERLIN** continued to install electric vehicle charging points at the assets in its shopping centers and office portfolios in 2021. At the year-end, practically all **MERLIN** office buildings and shopping centers had recharging points. The total number increased by 95% compared to the year before, to a total of 1,269 (620 new ones). The recharging points are distributed among the offices (999 points), logistics (164 points) and shopping center portfolios (106 points).

When operating its assets, **MERLIN** has as main objectives:

- Photovoltaic panels installed on 100% of assets⁽¹⁾.
- 100% of assets with electric vehicle chargers.

Project Sun will contribute to **MERLIN's** goal of installing photovoltaic panels on its assets. In addition, and as previously indicated, practically all of **MERLIN's** office buildings and shopping centers have electric vehicle charging points.

8.2 ENVIRONMENTAL PERFORMANCE OF MERLIN PROPERTIES' PORTFOLIO

In line with market best practices in sustainability and to ensure that the results obtained are comparable to those reported by other companies in the sector, **MERLIN** reports on the environmental performance of its portfolio in accordance with the EPRA Sustainability Best Practice Recommendations (3rd edition, 2017)⁽²⁾.

The environmental information that is reported responds to the GRI Standards and is verified by an external auditor in accordance with the criteria of the GRI Standards⁽³⁾.



For more information on the environmental performance of **MERLIN Properties'** portfolio and the methodology used, please refer to "Annex I. Environmental Performance Reporting according to EPRA's Sustainability Best Practice Recommendations (SBPR)".

⁽¹⁾ This applies to all assets where installation is feasible based on the technical and/or structural characteristics of the assets.

⁽²⁾ The most recent edition of the EPRA (European Public Real Estate Association) sBPR Guidelines from 2017 take the GRI (Global Reporting Initiative) Standards as a starting point. These standards are the most important sustainability reporting standard in the world. However, they are intended for a wide range of companies and as such they are generic and broad in nature. As a result, in some cases they do not address the specific characteristics of the Real Estate sector. The EPRA sBPR Guidelines provide very specific reporting criteria that sum up the requirements in the GRI Standards. Following the recommendations of the EPRA sBPR Guidelines, Annex I includes a series of tables that provide a full breakdown of the portfolio's environmental performance data.

⁽³⁾ For more information, see the table titled "GRI Table of Contents" in chapter 9.3 of this Report.

Key Environmental Performance
Indicators of MERLIN Properties' Portfolio ⁽¹⁾

| | 2021 | | 2020 | |
|---|--|----------------------------------|---------------|---------------|
| | LfL | Absolute | LfL | Absolute |
|  ENERGY | 280,140 GJ | 424,756 GJ | +6.7% | +9.3% |
| | 77,816 MWh | 117,988 MWh | | |
| | Intensity 0.290 GJ/sqm | 0.323 GJ/sqm | +6.7% | +28.1% |
|  WATER | 419,534 m ³ | 536,533 m ³ | +17.7% | +8.2% |
| | Intensity 0.545 m ³ /sqm | 0.411 m ³ /sqm | +17.7% | +9.7% |
| | | | | |
|  WASTE | 4,513 tons | 5,920 tons | +11.0% | +19.6% |
| | | | | |
| | | | | |

Energy consumption

MERLIN collects energy consumption information for the assets under operational control, assets not under operational control, at MERLIN's headquarters in Madrid and at LOOM spaces in Huertas and Salamanca. The breakdown of energy consumption below includes consumption of electricity, fuel (natural gas and diesel) and district heating & cooling.

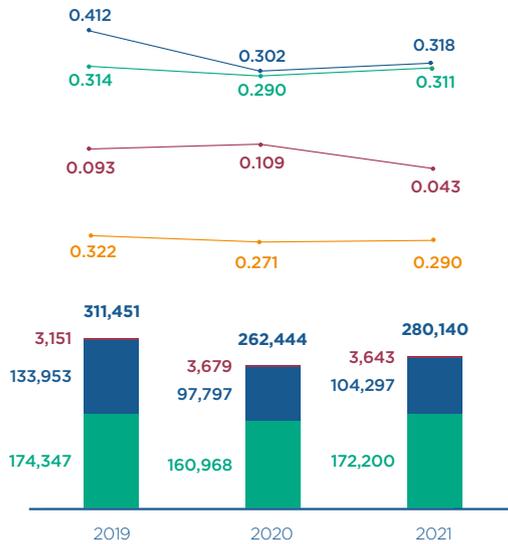
⁽¹⁾ The environmental indicators in the infographic only include MERLIN assets under operational control.

Consumption of energy at assets over which MERLIN exercises operational control

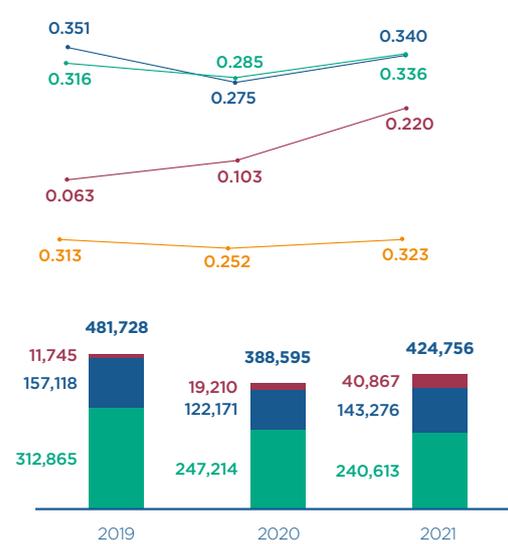
For those assets where **MERLIN** has the ability to control and assess energy consumption levels, the Company has information in absolute terms for 55% of the portfolio's area.

Energy consumption of MERLIN assets under operational control ⁽¹⁾

- Like for Like energy consumption (GJ) and Like for Like energy intensity (GJ/sqm) by asset category.



- Absolute energy consumption (GJ) and absolute energy intensity (GJ/sqm) by asset category.

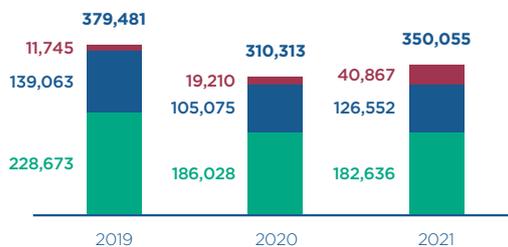


● Energy consumption in offices ● Energy consumption in shopping centers ● Energy consumption in logistic assets ● Energy consumption MERLIN

- Like for Like electricity consumption by asset category (GJ).



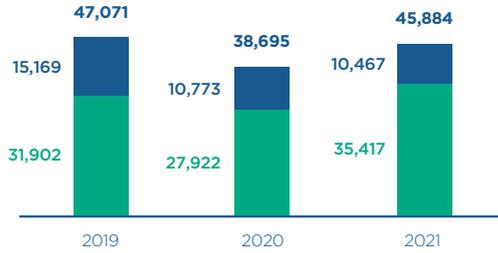
- Absolute electricity consumption by asset category (GJ).



● Energy consumption in offices ● Energy consumption in shopping centers ● Energy consumption in logistic assets

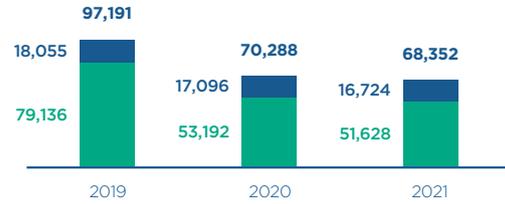
⁽¹⁾ The total area of the assets has been considered in the calculation of energy intensity, except in those cases where MERLIN only has control over the management of the consumption in the common areas, in which case only the area of these common areas is considered.

- Like for Like fuel consumption by asset category (GJ).



- Fuel consumption in offices
- Fuel consumption in shopping centers

- Absolute fuel consumption by asset category (GJ).

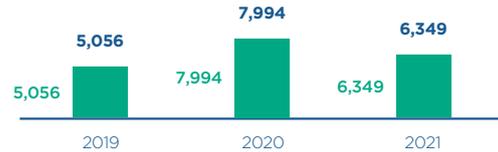


- Like for Like district heating & cooling consumption by asset category (GJ).



- Total

- Absolute district heating & cooling consumption by asset category (GJ).



MERLIN has maintained its commitment to renewable energy by producing and consuming photovoltaic energy at its assets and increasing the number of assets that are supplied with renewable energy with a guarantee of origin. Green electricity consumption represents 92.8% of total electricity consumed by assets under control in 2021⁽¹⁾.

Additionally, **MERLIN** acquires renewable energy certificates (RECs) within the framework of its LEED and BREEAM certificates. Thanks to this green energy purchasing mechanism, in 2021 the Company acquired a total of 25,499 GJ, worth approximately €8,500.

Water withdrawal

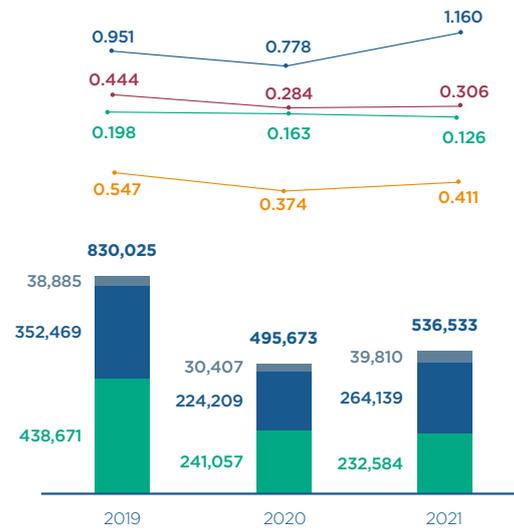
Water withdrawal at assets over which MERLIN exercises operational control

For assets under operational control (multi-tenant), **MERLIN** has information on water withdrawal for 47% of the portfolio's total area.

⁽¹⁾ The remaining electricity consumption (30,582 GJ - 7.2% of the total) comes from conventional electricity suppliers.

Water withdrawal of MERLIN assets under operational control⁽¹⁾

- Like for like water withdrawal (m³) and like for like water withdrawal intensity (m³/sqm) by asset category.
- Absolute water withdrawal (m³) and absolute water withdrawal intensity (m³/sqm) by asset category.

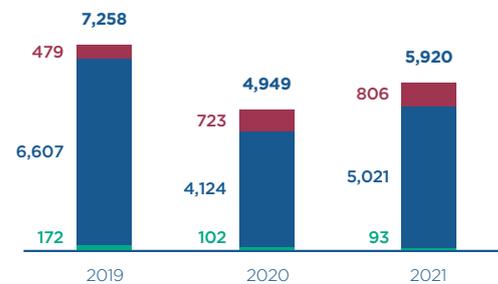


● Water withdrawal in offices ● Water withdrawal in shopping centers ● Water withdrawal in logistic assets ● Water withdrawal MERLIN

Waste management

Within the framework of the ISO 14001 Environmental Management System, **MERLIN** takes a systematic approach to waste management, separating waste at source according to its characteristics (including separation of hazardous and non-hazardous waste). Given the Company's activity, the hazardous waste generated by its assets is negligible compared to non-hazardous waste from a weight perspective. The Company has waste management information for 40% of the portfolio area.

- Like for Like waste generation by asset category (tonnes generated).
- Absolute waste generation by asset category (tonnes generated).



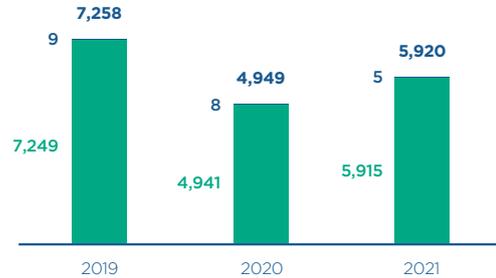
● Waste generation in offices ● Waste generation in shopping centers ● Waste generation in logistic assets

⁽¹⁾ The total area of the assets has been considered in the calculation of water intensity, except in those cases where MERLIN only has control over the management of the consumption in the common areas, in which case only the area of these common areas is considered.

- Like for Like waste generation by asset category (tonnes generated).



- Absolute waste generation by asset category (tonnes generated).



● Non-hazardous waste generation ● Hazardous waste generation

MERLIN has information on the final destination of the 51% of the waste generated in their assets under operational control. Practically all managed waste undergoes some sort of recovery process. The quantities of waste that undergo different types of treatment is as follows, portfolio by portfolio:

- Like for Like total weight of waste by disposal route (tonnes generated).



- Absolute total weight of waste by disposal route (tonnes generated).



● Recycling ● Recovery ● Energy recovery ● Elimination

In the coming years, the Company will remain focused on continuously improving the identification and management of waste, maximizing the amount of waste that can be recovered and/or recycled and minimizing the volume of waste sent to the landfill. The Marineda Shopping Centre, which continues to hold the “Zero Waste” certification awarded by AENOR is notable in this regard.

8.3 DECARBONIZATION OF THE MERLIN PROPERTIES PORTFOLIO

Pathway to Net Zero Carbon

MERLIN's progress over the last few years has enabled the Company to define its emissions reduction strategy or "Pathway to Net Zero Carbon" for 2030, getting a head start on the European strategy for decarbonization of the economy and ensuring the present and future survival of the Company and its assets.

MERLIN's Pathway to Net Zero Carbon is a roadmap that outlines the way to improve not only the performance of the company and its assets under operational control but also the behavior of the key agents responsible for **MERLIN's** emissions along its value chain, including suppliers and tenants. It is a five-pronged strategy:

- | | |
|--|---|
| 1 Reducing operational carbon | <ul style="list-style-type: none"> > 85% reduction in operational carbon from baseline (2018) to target (2028) |
| 2 Reducing embodied carbon | <ul style="list-style-type: none"> > Embodied carbon footprint calculated in all new developments and refurbishments. Target to be disclosed shortly after. |
| 3 Offsetting residual emissions | <ul style="list-style-type: none"> > Carbon neutrality as from 2022. > Unavoidable footprint to be mostly offset against own initiatives duly certified. |
| 4 Reducing tenant emissions | <ul style="list-style-type: none"> > Assessment as from 2022. Target to engage with top tenants to gather real data. > Green clauses in all new contracts. > Lease price reduction for net zero tenants. |
| 5 Renewable energy | <ul style="list-style-type: none"> > Procurement of energy 100% renewable. > On site generation of energy through photovoltaic (Project Sun). |

This roadmap will be updated as soon as enough progress is made to define quantifiable targets for all five prongs of the strategy. In this regard, **MERLIN** is in the process of defining its Scope 1, 2 and 3 emission reduction targets in line with SBTi recommendations . It is expected that they will be submitted for validation in 2022.^①

^① SBTi: Science Based Target Initiative.

Below is a summary of **MERLIN's** emissions in 2021:



| EMISSIONS tCO ₂ eq | 2021 | | 2020 | |
|--|---------------|---------------|----------------|---------------|
| | LfL | Absolute | LfL | Absolute |
| Location-based Scope 1 & 2 | 13,697 | 19,803 | (2.4%) | +1.0% |
| Scope 1 | 4,552 | 5,880 | (0.04%) | (8.5%) |
| Scope 2 Location-based | 9,145 | 13,972 | (3.5%) | +6.0% |
| Scope 3 | - | 98,885 | N/A | N/A |
| Intensity tCO₂eq/sqm⁽¹⁾ | 0.014 | 0.015 | (2.4%) | +15.2% |

Scope 1 and scope 2 greenhouse gas (GHG) emissions

The information provided below describes the calculation of the greenhouse gas emissions (GHG) associated with electricity and fuel consumption (natural gas and diesel), district heating & cooling and the refrigerant gas recharges for the cooling systems recorded at assets under control, assets not under operational control, **MERLIN's** headquarters in Madrid and the LOOM spaces in Huertas and Salamanca. This information covers 55% of the portfolio's total area.



For more information on the environmental performance of **MERLIN Properties'** portfolio and the methodology used, please refer to "Annex I. Environmental Performance Reporting according to EPRA's Sustainability Best Practice Recommendations (SBPR)".

⁽¹⁾ The intensity shown includes Scope 1 and Scope 2 location-based.

GHG emissions at assets over which MERLIN exercises operational control

Firstly, taking a location-based calculation approach⁽¹⁾ and considering the Like for Like portfolio, the sum of Scope 1 and Scope 2 GHG emissions was 13,697 tCO₂eq, 2.4% less than in 2020.

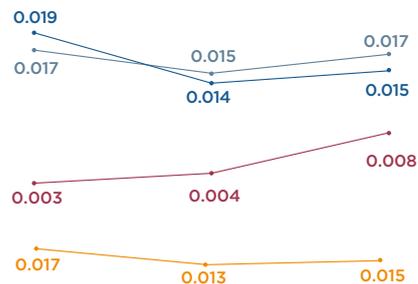
Looking at the portfolio in absolute terms, the sum of Scope 1 and Scope 2 location-based GHG emissions was 19,803 tCO₂eq, 1.0% more than in 2020. Broken down by scope, 5,842 tCO₂eq are Scope 1 emissions⁽²⁾ and the remaining 13,972 tCO₂eq are Scope 2 emissions⁽³⁾.

KPIs – Scope 1 and Scope 2 greenhouse gas emissions (GHG) at MERLIN assets under operational control⁽⁴⁾

- Like for Like GHG emissions (tCO₂eq) and Like for Like GHG emissions intensity (tCO₂eq/sqm) by asset category and totals.



- Absolute GHG emissions (tCO₂eq) and absolute GHG emissions intensity (tCO₂eq/sqm) by asset category and totals.



● GHG emissions in offices ● GHG emissions in shopping centers ● GHG emissions in logistic assets ● GHG emissions MERLIN

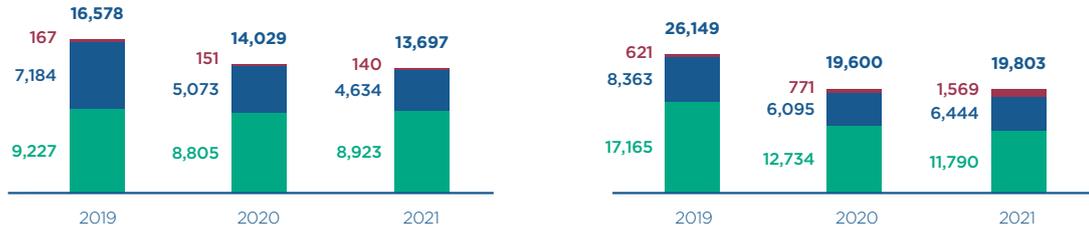
⁽¹⁾ Scope 1 emissions were calculated considering the factors recommended by the Spanish Ministry for Ecological Transition and Demographic Challenge (MITERD). Scope 2 location-based emissions from electricity consumption were calculated considering the emission factor of the electricity mix for Spain and Portugal. The emission factor of the electricity mix is a rate that represents the CO₂ emission intensity associated with generating the electricity that is consumed. It is, therefore, a significant indicator of the ratio of low carbon energy sources to the country's total electricity production. Scope 2 location-based emissions from district heating were obtained from the emission factor provided by Districlima, and emissions from district cooling were obtained considering the emission factor of the Spanish electricity mix and a grid loss percentage of 10%.

⁽²⁾ Includes fuel consumption and refrigerant gas recharges.

⁽³⁾ Includes electricity consumption and district heating & cooling.

⁽⁴⁾ The Scope 1 and Scope 2 GHG emissions reported below are for assets over which MERLIN exercises operational control. In calculating the intensity, the total area of the assets has been considered, except in those cases where MERLIN only has management control over consumption in common areas, in which case only the area of these common areas has been considered.

MERLIN Properties



● GHG emissions in offices ● GHG emissions in shopping centers ● GHG emissions in logistic assets ● GHG emissions MERLIN

- Like for Like GHG Scope 1 emissions (fuel consumption) by asset category (tCO₂eq).

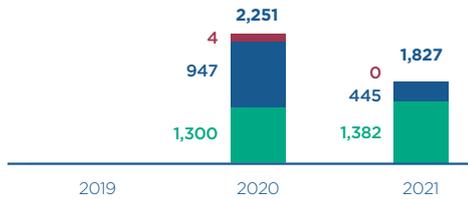


- Absolute GHG Scope 1 emissions (fuel consumption) by asset category (tCO₂eq).



● Scope 1 GHG emissions in offices ● Scope 1 GHG emissions in shopping centers

- Like for Like GHG Scope 1 emissions (refrigerant gases) by asset category (tCO₂eq).

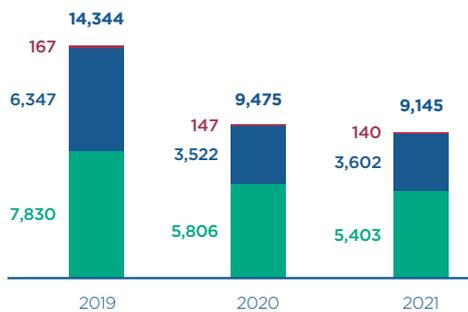


- Absolute GHG Scope 1 emissions (refrigerant gases) by asset category (tCO₂eq).

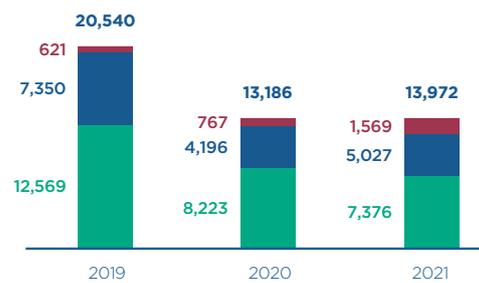


● Scope 1 GHG emissions in offices ● Scope 1 GHG emissions in shopping centers ● Scope 1 GHG emissions in logistic assets

- Like for Like GHG Scope 2 emissions by asset category (tCO₂eq).



- Absolute GHG Scope 2 emissions by asset category (tCO₂eq)



● Scope 2 GHG emissions in offices ● Scope 2 GHG emissions in shopping centers ● Scope 2 GHG emissions in logistic assets

Moreover, as part of the LEED and BREEAM certifications, **MERLIN** also helps to preserve and recover forests in collaboration with the REFORESTA Association, by reversing deforestation and mitigating the effects of climate change. In 2021, the Company contributed €6,980 to reforestation initiatives.

Scope 3 greenhouse gas (GHG) emissions

In line with its “Pathway to Net Zero” strategy, in 2021 **MERLIN** has expanded the calculation of its indirect Scope 3 GHG emissions, those that are consequence of the Company’s activities at sources that are neither owned nor controlled by the company. **MERLIN** calculated the GHG emissions in the most relevant categories defined in the GHG Protocol based on the Company’s line of business, as shown below.

| Type of emission | GHG protocol category | Emissions (tCO ₂ eq) |
|---|---|---------------------------------|
| Emissions related to the supply chain | 1. Purchased goods and services | 6,207 |
| | 2. Capital goods | 43,315 |
| | 4. Upstream transportation and distribution | 937 |
| Upstream emissions from fuels | 3. Fuel and energy-related activities | 2,699 |
| Emissions associated with employee commuting | 7. Employee commuting | 226 |
| Emissions associated with assets where MERLIN is a tenant | 8. Upstream leased assets | 92 |
| Emissions associated with assets where MERLIN is a lessor | 13. Downstream leased assets | 45,409 |
| Total | | 98,885 |
| Emissions associated MERLIN Hub users commuting ⁽¹⁾ | 7. Employee commuting | 6.447 |
| Total (including Merlin Hub) | | 105,332 |



Additional information on the method for calculating Scope 3 GHG emissions can be found in “Annex II. Methodology for calculating Scope 3 GHG emissions”.

⁽¹⁾ Additional information on MERLIN Hub can be found on pages 69 to 72. This is an additional calculation within Category 7 of Scope 3 (“Employee commuting”).



Ribera del Loira terrace | Madrid

8.4 VALIDATION OF MERLIN’S COMMITMENTS BY INDEPENDENT THIRD PARTIES

As stated in the Sustainability Policy, one of the most important steps **MERLIN** takes to support the robustness and practical implementation of the assumed commitments is to have them validated by independent third parties. This is particularly relevant in the operation of the assets, as they are the ones that require a great deal of effort on the Company’s part and also where it has more options for having its results independently validated.

LEED/BREEAM certifications

MERLIN assumes as its own responsibility of leading the development and operation of sustainable assets with the highest standards of quality and excellence. One component of that leadership is seeking to **certify** practically all of assets in its main portfolios (offices, logistics assets and shopping centers) **under the market’s benchmark sustainable construction standards: LEED and BREEAM.**

In new construction and refurbishment projects, **MERLIN** prioritizes LEED certification in the Building Design and Construction category. For assets in operation, **MERLIN** aims to obtain the highest possible rating within the BREEAM in Use and LEED Building Operations &

Maintenance standards, which requires a commitment from both **MERLIN** and the tenants.

As part of the certification plan introduced by the Company in 2016, at the 2021 year-end, 91.3% of **MERLIN’s** strategic portfolio in GAV terms was certified under one of the two international benchmark standards for sustainable construction: LEED and BREEAM. **MERLIN** is thus positioned as a REIT of reference in this area, having nearly achieved the goal of certifying 99% of offices, 100% of shopping centers and 97% of logistics assets in GAV terms.



MERLIN has obtained or renewed a total of 26 LEED or BREEAM certifications in 2021



Platinum
4 assets



Gold
7 assets



Silver
—



Excellent
2 assets

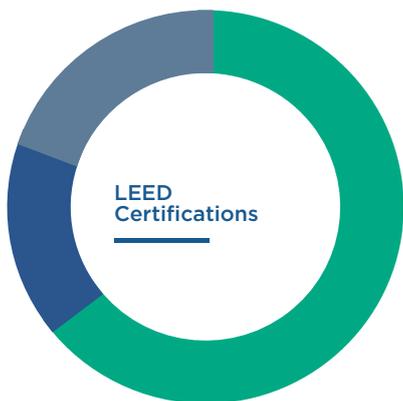


Very Good
7 assets

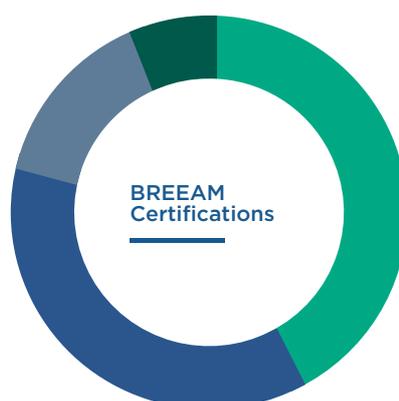


Good
6 assets

With the addition of these certifications, the current status of the portfolio in terms of sustainable construction certifications is as follows:



65 % Gold
16 % Silver
19 % Platinum



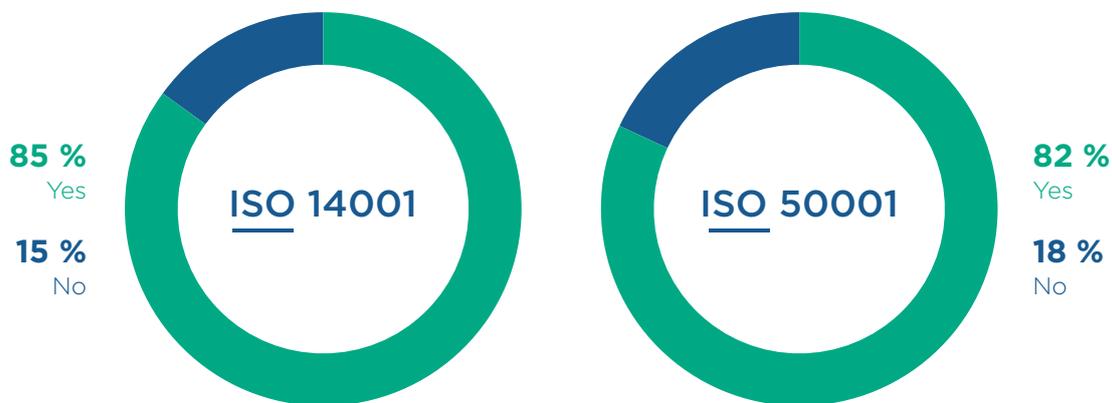
43 % Good
37 % Very Good
15 % Excellent
6 % Correct

ISO certifications

MERLIN's commitment to minimizing the environmental impacts stemming from the existence and operation of its assets is backed by its **ISO 14001** - certified Environmental Management System. At the end of 2021, a total of 84 assets (including 75 office assets, 6 shopping centers and 3 logistic assets), representing an area of 1,140,299 sqm, or 36.4% of the strategic portfolio's total area, were covered under the System. **MERLIN** continues to make progress in the integration of new assets under its Environmental Management System, with the aim of certifying all multi-tenant office assets and as many shopping centers as possible in the coming years.

Moreover, the Company seeks to reinforce its commitment to boosting the energy efficiency of its assets and introducing measures to optimize consumption by obtaining **ISO 50001** certification of its assets. In the last fiscal year, 17 new buildings were certified under this standard, bringing the total to 80 assets (including 73 office assets, 6 shopping centers and 1 logistic asset) covering an area of 1,071,628 sqm which represents 34.4% of the total area of the portfolios indicated ⁽¹⁾.

Below is a breakdown by area in relation to those assets eligible ⁽²⁾ to be certified under ISO 14001 and ISO 50001.



Energy rating of MERLIN assets

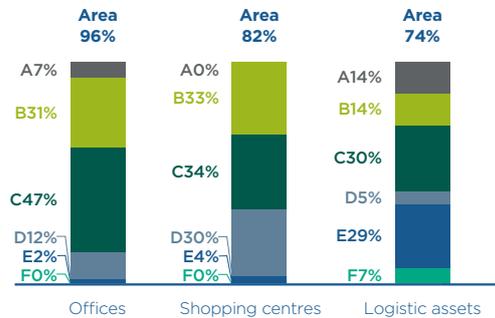
Pursuant to Royal Decree 235/2013, **MERLIN** continues to make progress in obtaining **energy ratings** for all of the assets in its portfolio. By the 2021 year-end, 84% of **MERLIN's** strategic portfolio (offices, shopping centers and logistic assets) have an energy rating.

MERLIN also uses these certifications to gauge the energy performance of air conditioning, lighting and domestic hot water systems, which allows the Company to prioritize and optimize the implementation of energy efficiency measures.

⁽¹⁾ A list of all ISO 14001 and 50001 certified assets is included in Annex III of this report.

⁽²⁾ Assets eligible for certification under ISO 140001 and/or ISO 50001 are those on which MERLIN exercises an operational control.

Energy rating of MERLIN assets (% of area)⁽¹⁾



Other certifications

In 2021, **MERLIN** continued the process of certifying its assets under recognized industry standards. Nine new office assets obtained **AEO certification**⁽¹⁾, which assesses technical parameters such as architectural features, facilities, equipment and property maintenance. At the year-end, a total of 33 assets were certified under this system.

As reflected in the Sustainability Policy, one of the Company's priorities is the well-being of the users of its assets. In this regard, **MERLIN** seeks to further support its commitment by obtaining external certifications that allow the Company to advance and improve its performance in this area.

For example, in terms of accessibility, the Company has been certifying its assets under the AIS certification system for years. Under this system, **MERLIN** has continued to expand its AIS-certified portfolio, which reached a total of 61 assets in 2021.

At the same time, the Company continues to analyze the feasibility of obtaining WELL certification for its assets, having started the preliminary work on 5 of its assets to obtain the highest rating: WELL Gold.

Moreover, as the COVID-19 pandemic continued throughout the year, **MERLIN** renewed the AENOR "COVID-19 Protocol" certification for a total of 52 office assets and 13 shopping centers.

In 2021, **MERLIN** invested a total of €645,763 to obtain, maintain and extend these certifications, as part of the Company's commitment to effectively incorporate sustainability into the management of its assets⁽²⁾.

⁽¹⁾ In terms of area and considering only the assets in the office, shopping center and logistics portfolios in operation, as well as WIP assets: Plaza Pablo Ruiz Picasso, Ática 1 and PE Cerro Gamos WIP. Does not include Barcelona ZAL Port assets, the Net Lease portfolio assets, other non-strategic assets, or the rest of the WIP assets.

⁽²⁾ Includes investments to obtain LEED, BREEAM and WELL certifications. This figure was down by 21.6% in 2021 compared to the previous year due to CAPEX and OPEX adjustments, taking into account that the pandemic was still ongoing in fiscal year 2021.

8.5 SUSTAINABILITY RATINGS

MERLIN regularly participates in various sustainability ratings, which reflect the Company's efforts and the effectiveness of the steps taken in both internal management and asset management.

The Company's score increased in 2021 compared to 2020 on all of the relevant sustainability ratings. Specifically, **MERLIN** participates in six sustainability ratings. Three of them, GRESB (real estate), CDP (climate change) and S&P Global (general) consist of a questionnaire, while the other three, Sustainalytics (ESG risks), Bloomberg (general) and Vigeo Eiris (general) are based on the Company's public reporting.

MERLIN has reinforced its position on GRESB, an international benchmark that measures the environmental, social and governance performance of companies in the real estate sector, having participated for the fourth year in a row. The Company achieved a score of 81 points out of 100, which places it above the global average and ahead of its peers (companies ranked as comparable to **MERLIN**).

For the second year in a row, **MERLIN** also participated in the CDP questionnaire, which assesses the degree of a company's commitment to climate change. **MERLIN** held its "B" rating, which means that the Company is transparent and manages climate change issues adequately. This rating is higher than the global, European and peer group average assigned by CDP (financial services).

MERLIN participated in the S&P CSA questionnaire again last year, something it had not done since 2016. On this occasion, the Company was able to highlight all of the efforts made in recent years, as a result of which **MERLIN** was included in the select DJSI Europe Index for the first time ever since first being invited to complete the questionnaire.

▪ Real Estate



▪ Climate change



▪ General



Bloomberg



With regard to sustainability reporting, **MERLIN** received the Gold Award from **EPRA** for the fourth year in a row. This award recognizes the degree to which its Sustainability Report (formerly CSR) is aligned with EPRA Sustainability Best Practices Recommendations.

Since 2020, **MERLIN** has adapted its Sustainability Report (formerly CSR) to Bloomberg's ESG Disclosure Score, reporting additional information that is more aligned with the indicators defined by Bloomberg for this index. **MERLIN** also obtained a score of 12.0 (low risk) from Sustainalytics and was selected by Vigeo Eiris.

09. About the report

- 9.1. Basis of preparation of this report
- 9.2. Information regarding MERLIN Properties' sustainability performance
- 9.3. GRI Context Index
- 9.4. EPRA sBPR Content Index

9.1 BASIS OF PREPARATION OF THIS REPORT

Reporting scope

This Sustainability report provides information on **MERLIN Properties'** economic, environmental and social performance in 2021. Where relevant, prior-year information has been included to show the evolution of the Company's results.

Standards employed

The development of the Report has been carried out in accordance with the Core option indicated in the Global Reporting Initiative (GRI) Standards Guidelines on the preparation of Sustainability Reports. Additionally, the specific content for the sector to which the Company belongs included in the GRI sector supplement "Construction & Real Estate" has been considered.

Principles applied

The GRI Standards Sustainability Report guidelines lay down a number of principles that have been applied when preparing the report:

- **Stakeholder inclusiveness.** **MERLIN Properties'** 2021 Sustainability Report has been prepared considering its stakeholders' expectations and concerns in connection with the Company's operations and performance. These expectations have been considered through the **MERLIN Properties** staff who are in contact with their stakeholders and relevant matters published in the media and included in questionnaires and sustainability ratings targeting investors, such as DJSI, EPRA or GRESB have also been analyzed.
- **Sustainability context at MERLIN Properties.** The way in which the Company's activities and services interact with the social, economic and environmental context has been evaluated.
- **Materiality.** A materiality analysis has been conducted to define the most relevant sustainability aspects for **MERLIN Properties**. The process followed is explained in the following pages.
- **Completeness.** After identifying material aspects, the content of the report has been designed to be able to include sufficient information on these aspects to allow stakeholders to assess and understand **MERLIN Properties'** economic, environmental and social performance in recent years.

GRI principles for information processing and quality

This report has been drawn up applying the following GRI information quality principles:

- **Balance.** This principle states that Sustainability reports should reflect positive and negative aspects of the Company's performance. By applying this principle, a broad and unbiased picture of **MERLIN Properties'** overall performance has been provided.
- **Comparability.** The Company has compiled and reported information so that stakeholders could analyze how its performance has evolved in recent years, thus supporting analysis relative to other organizations.
- **Accuracy.** The information contained in this report is intended to include sufficient details to meet the expectations expressed by the Company's stakeholders.
- **Timeliness.** **MERLIN Properties'** aims to update the content of this Sustainability report annually to provide stakeholders with regular access to information on the Company's performance.
- **Clarity.** **MERLIN Properties** seeks to report on performance in a manner that is accessible and clear to all its stakeholders.
- **Reliability.** **MERLIN Properties** has described the report preparation process, which guarantees that the content can be subject to external examination to establish the quality and materiality of the information.

Materiality analysis

In line with the GRI Standards guidelines, this document includes information on indicators associated with aspects that have been classed as material.

During 2021 **MERLIN Properties** has updated its materiality in which the key issues in sustainability have been assessed, either because of their influence on the valuations and perceptions of the staholders or because of their direct impact on the medium and long-term success of the Company's strategy.

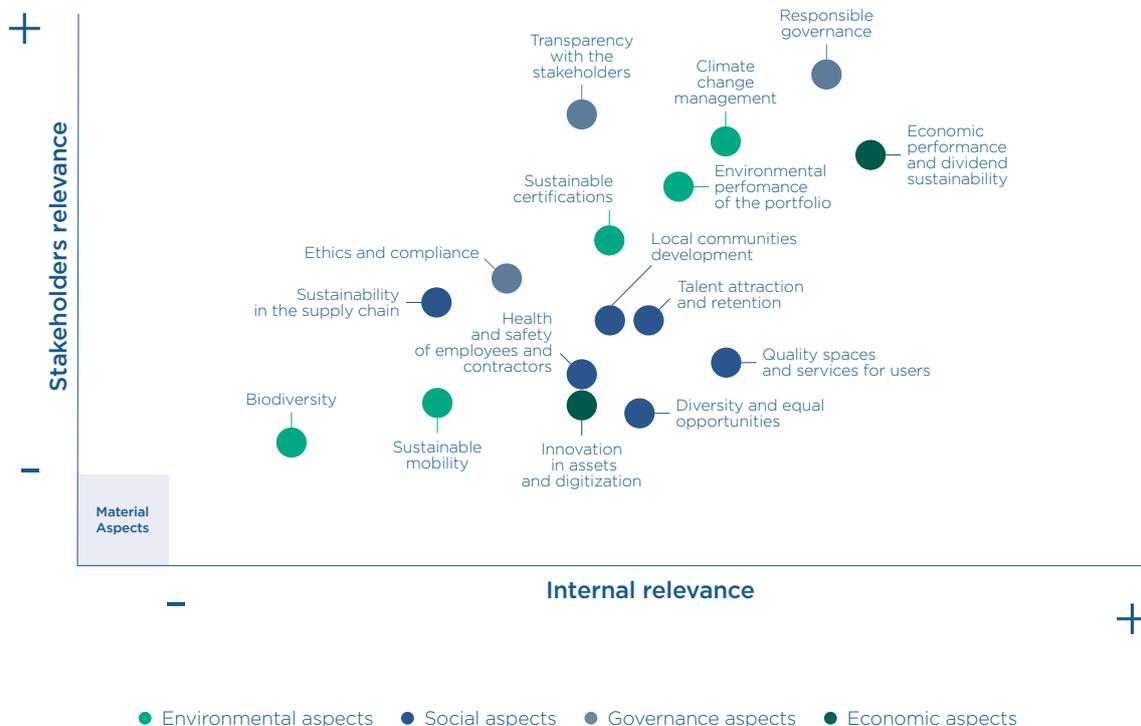
On the one hand, the methodology used to identify and assess the main impacts of **MERLIN Properties** has used as a starting point the materiality matrix used to date, which has been internally updated based on interviews, review of corporate documentation and a benchmark of the main competitors of **MERLIN Properties**.

Externally, a review of the press releases for 2021 and of the material issues defined by the international frameworks in terms of sustainability, as well as those specific to the real estate sector, has been carried out. This external analysis has been complemented by the launch of a survey of representatives of the main stakeholders.

Specifically, the main activities carried out to update the materiality analysis have been the following:

- **Real Estate companies.** Comparative analysis of the relevance of the material aspects for the main players in the **MERLIN Properties** sector included in their Sustainability Reports (or others).
- **Internal interviews and corporate documentation.** The main ESG aspects for **MERLIN Properties** were reviewed and discussed during the interviews with the different areas involved. The internal documentation was also reviewed, as well as the previous materiality analysis.
- **International sustainability standards.** Analysis of the main relevant aspects defined by international standards on sustainability. For this materiality analysis, GRI (including the Real Estate sector supplement) has been considered mainly, as well as the Sustainable Development Goals.
- **Press analysis** of the news that concerns **MERLIN Properties** during 2021.
- **Expectations of stakeholders in ESG matters.** The input of prescribers (DJSI, GRESB, EPRA, SASB) and demands of other stakeholders have been consider mainly through the launch of a survey, which was answered by 46 representatives of 5 stakeholders: main shareholder, analysts (2), banks (5), main tenants (14) and main suppliers (24).

As a result of these actions, the following materiality matrix has been prepared:



| Category | Material aspect | Coverage of material aspect | |
|----------------------------------|--|-----------------------------|--------------------------|
| | | Inside the organization | Outside the organization |
| Environmental performance | Climate change management | ● | ● |
| | Environmental performance of the portfolio | ● | ● |
| | Sustainable certifications | ● | ● |
| | Biodiversity | ● | ● |
| | Sustainable mobility | ● | ● |
| Social performance | Talent attraction and retention | ● | |
| | Diversity and equal opportunities | ● | |
| | Local communities development | ● | ● |
| | Health and safety of workers and contractors | ● | ● |
| | Quality spaces and services for users | ● | ● |
| | Sustainability in the supply chain | ● | ● |
| Good governance | Responsible governance | ● | |
| | Ethics and compliance | ● | ● |
| | Transparency with stakeholders | ● | ● |
| Economic performance | Economic performance and dividend sustainability | ● | ● |
| | Innovation in assets and digitization | ● | ● |

After identifying the material aspects (including their coverage), the information necessary to prepare the Report has been compiled based on interviews and the completion of files by those responsible for the main areas of the Company.

Once the data was received and the information necessary to analyze materiality compiled, **MERLIN Properties** drew up the final version of this report. The GRI content table included in the following section tell readers the sections in which the information on each of the GRI standard indicators may be found.

Where it has not been possible to cover all the requirements of the guidelines in connection with a specific indicator, this has been mentioned in the table. **MERLIN Properties** plans to improve its information systems so as to include the data required in the following editions of this report.

Contact details

Please contact **MERLIN Properties** at the following address for any clarifications of the information reported or any aspect of the Company’s sustainability performance: info@merlinproperties.com

9.2 INFORMATION REGARDING MERLIN PROPERTIES' SUSTAINABILITY PERFORMANCE

| Contents | Response |
|---|---|
| Aspect: Environment | |
| Scope of disclosure | The scope of the assets on which information is provided regarding their energy consumption, GHG emissions, water consumption and waste is detailed in Appendix III of this Report. |
| GHG emissions per production unit | The GHG emissions ratio in terms of area, for all operational assets for which MERLIN exercises operational control, is 0.015 tCO ₂ e/sqm, including scope 1, scope 2 and scope 3 emissions. |
| Energy consumption per production unit | The energy consumption ratio in terms of area, for all operational assets for which MERLIN exercises operational control, is 0.323 GJ/sqm. |
| Number and amount of environmental fines of a significant nature | No fines of an environmental nature were recognized during 2021. |
| Policies regarding energy consumption, water consumption, GHG emissions and waste | In accordance with its Sustainability policy, MERLIN is committed to reducing the consumption of resources and improving the circularity of its assets throughout their life cycle through operational efficiency and minimizing the carbon footprint of the entire value chain. |
| Aspect: Society | |
| Complaints and quality assurance policy | For the purposes of understanding the expectations and requirements of its stakeholders, and offering maximum transparency, MERLIN has implemented numerous communication channels, such as satisfaction questionnaires aimed at its tenants. Within the framework of these questionnaires, the potential complaints and claims that tenants may have are gathered, allowing their concerns and needs to be addressed. |
| Customer data protection policy | MERLIN has a Personal Data Protection Policy, which guarantees that personal data is processed respecting the principles established in the General Data Protection Regulation (GDPR) (lawfulness, fairness, transparency, purpose limitation, data minimization, accuracy and storage limitation). |
| Donations to Foundations and other types of donations | The total financial amount donated by the Company to Foundations was 386,506 euros. |
| Percentage of female directors and women holding middle management positions | The percentage of women on the Senior Management is 12.5% (1 out of 8) and on Middle Management is 20.9% (14 out of 67). |
| Anti-bribery policy | In 2021 MERLIN updated its Anti-Corruption, Bribery and Fraud Policy, which lays out the Group's guiding principles for preventive actions and proactive steps in the fight against corruption, bribery and fraud in all areas of its business activities. |
| Lost Time Injury Frequency rate (LTIFR) associated to employees | The ratio of days lost among MERLIN employees is 0.026 in men and 0.0001 in women (calculated considering OSHA criteria). |

continues >

| Contents | Response |
|--|--|
| Total Recordable Incident rate (TRIR) associated to employees | The accident frequency rate among MERLIN employees is 0 (calculated considering OSHA criteria). |
| Number of suppliers | The number of suppliers with orders in 2021 was 281. |
| Number of suppliers audited, and audits carried out | Suppliers with orders are analyzed in terms of compliance and finance, which includes being up to date with the Treasury and Social Security and the economic solvency of the supplier. Likewise, if the tender is greater than one million euros, the supplier's execution capacity and the Company's degree of exposure are analyzed. In 2021, the number of orders (OpEx and CapEx) was 1,600 and the number of suppliers was 281. The audit described above is carried out for each order. |
| Percentage of suppliers audited | 100% of MERLIN's suppliers are audited. |
| Percentage of assets with a public transport connection ⁽¹⁾ | The percentage of assets with a public transport connection nearby is 97%. |
| Aspect: Governance | |
| Years with auditor | MERLIN's Consolidated Financial Statements have been audited by the same financial auditor for the last 8 years (since the audit corresponding to 2014). |
| Number of Board Members and Independent Directors on the Audit and Control Committee | The Audit and Control Committee comprises 5 Directors, 3 of whom are independent. |
| Number of executive Directors and non-executive directors | The Board of Director consists of 2 executive Directors and 11 non-executive Directors (independent and proprietary Directors). |
| Number of Board Members and independent Directors on the Compensation Committee | The Compensation Committee comprises 4 Directors, 3 of whom are independent. |
| Number of female executives | The executive team (executive directors and senior management) comprises one woman and 9 men (for a total of 10). |
| Number of female Directors | The Board of Directors comprises 5 women and 8 men (for a total of 13). |
| Number of the Board of Directors meetings and percentage of attendance | The MERLIN Board of Directors has met 16 times with 97.2% attendance, which is close to the minimum attendance target of 100%. |
| Number of Board Members and independent Directors on the Appointments Committee | The Appointments Committee comprises 4 Director, 3 of whom are independent. |

continues >

⁽¹⁾ Percentage obtained in area terms, taking into account those assets that are located at least 500 m from a public transport or station. Includes only those assets from the offices and shopping centers portfolios in operation.

| Contents | Response |
|--|---|
| Number of meetings of the Audit and Control Committee and percentage of attendance | The Audit and Control Committee has met 14 times with an attendance of 94.3%. |
| Number of meetings of the Appointments Committee and percentage of attendance | The Appointments Committee has met 10 times with an attendance of 93.8%. |
| Number of meetings of the Compensation Committee and percentage of attendance | The Compensation Committee has met 14 times with 100% attendance. |
| Number of meetings of the Sustainability Commission and percentage of attendance | The Sustainability Commission has met 9 times with 100% attendance. |
| Share ownership | MERLIN has guidelines which its executives must follow regarding the minimum requirements for holding shares in the Company on an ongoing basis. |
| Content considered as non-material for the Company | |
| Emission of particles: SO ₂ y NO _x | The main fuel consumed by MERLIN is natural gas, a gas that barely emits SO ₂ and particles in its combustion. The possible emissions of this type of pollutant are due to the consumption of diesel, a fuel that is hardly used by MERLIN . The NO _x emissions are also considered as barely representative, given that the water heaters that use these types of fuels are of a residential type. |
| Percentage of raw material from sustainable sources | The amount of materials required by MERLIN is low, given that the refurbishment processes of the assets are carried out by subcontracted companies. |
| Policy against child forced labor | Due to location of MERLIN's assets (Spain and Portugal) and the type of activities carried out by the Company, it is considered that there are no risks concerning child forced labor. |
| Management of the supply chain at a social level | Due to location of MERLIN's assets (Spain and Portugal) and the type of activities carried out by the Company, it is considered that there are no significant risks with regard social matters that would recommend oversight. |

9.3 GRI CONTEXT INDEX

GRI Standards- GENERAL DISCLOSURES

| General standard disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|------------------------------|--|---|-----------|--|
| Organization profile | | | | |
| 102-1 | | 4. | | Name of the organization |
| 102-2 | | 19-28. | | Activities, brands, products, and services |
| 102-3 | | Back cover | | Location of headquarters |
| 102-4 | | Spain and Portugal | | Location of operations |
| 102-5 | | 9. | | Ownership and legal form |
| 102-6 | | 19-28. | | Markets served |
| 102-7 | | 11. | | Scale of the organization |
| 102-8 | | 49-59. | | Information on employees and other workers |
| 102-9 | | The Company's supply chain basically comprises contractors in charge of projects and service providers in buildings | | Supply chain |
| 102-10 | | 19-28. | | Significant changes to the organization and its supply chain |
| 102-11 | | Not applicable | | Precautionary Principle approach |
| 102-12 | | <p>MERLIN Properties forms part of the main benchmark indexes:</p> <ul style="list-style-type: none"> • IBEX 35 • Euro STOXX 600 • FTSE EPRA/NAREIT Global Real Estate Index • GPR Global Index • GPR-250 Index • MSCI Small Caps • Dow Jones Sustainability Index Europe | | External initiatives |

continues >

GRI Standards- GENERAL DISCLOSURES

| General standard disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|------------------------------|--|---|-----------|---|
| 102-13 | | <ul style="list-style-type: none"> • Spanish Association of Offices • Spanish Association of Shopping Centers • International Council of Shopping Centers • European Public Real Estate Association <ul style="list-style-type: none"> - Audit Committee Member - Investor Relations Committee member • Spanish Confederation of Business Organisations | | Membership of associations |
| Strategy | | | | |
| 102-14 | | 4-7. | | Statement from senior decision-maker |
| 102-15 | | Section E of the ACGR | | Key impacts, risks, and opportunities |
| Ethics and integrity | | | | |
| 102-16 | | 36-38. | | Values, principles, standards, and norms of behavior |
| 102-17 | | 36. | | Mechanisms for advice and concerns about ethics |
| Governance | | | | |
| 102-18 | | 32-35. | | Governance structure |
| 102-22 | Gov-Board | 34. | | Composition of the highest governance body and its committees |
| 102-23 | | 34. | | Chair of the highest governance body on executive role |
| 102-24 | Gov-Selec | 35. The processes for appointing and selecting the members of the highest governing body and its committees are described in the Annual Corporate Governance Report (ACGR) and are established in the Director Selection Policy of the Company | | Nominating and selecting the highest governance body |

continues >

GRI Standards- GENERAL DISCLOSURES

| General standard disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|-------------------------------|--|---|-----------|--|
| 102-25 | Gov-Col | Article 28 of the Board of Directors Regulations lays down the mechanisms for preventing and managing potential conflicts of interest | | Conflicts of interest |
| 102-26 | | 4, 33. | | Role of highest governance body in setting purpose, values, and strategy |
| 102-28 | | 35. | | Evaluating the highest governance body's performance |
| 102-29 | | 38-42. | | Identifying and managing economic, environmental, and social impacts |
| 102-30 | | 38-42. | | Effectiveness of risk management processes |
| 102-31 | | 38-42. | | Review of economic, environmental, and social topics |
| 102-32 | | Board of Directors | | Highest governance body's role in sustainability reporting |
| 102-33 | | This information is available in the Annual Corporate Governance Report | | Communicating critical concerns |
| 102-36 | | 35. | | Process for determining remuneration |
| 102-37 | | Through the General Shareholders' Meeting | | Stakeholders' involvement in remuneration |
| Stakeholder engagement | | | | |
| 102-40 | | 43. | | List of Stakeholders groups |
| 102-41 | | 96% of the Company's employees are covered by collective bargaining agreements | | Collective bargaining agreements |
| 102-42 | | 109-112. | | Identifying and selecting stakeholders |

continues >

GRI Standards- GENERAL DISCLOSURES

| General standard disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|------------------------------|--|--|-----------|--|
| 102-43 | | 109-112. | | Approach to stakeholder engagement |
| 102-44 | | 110-112. | | Key topics and concerns raised |
| Reporting guidelines | | | | |
| 102-45 | | The organisation's financial statements include MERLIN Properties and all its subsidiaries. More information may be found in the annual accounts included in the management report. The management report is available through www.merlinproperties.es | | Entities included in the consolidated financial statements |
| 102-46 | | 110-112. | | Defining report content and topic boundaries |
| 102-47 | | 110-112. | | List of material topics |
| 102-48 | | Not applicable | | Restatements of information |
| 102-49 | | Not applicable | | Changes in the report |
| 102-50 | | 2019-2021 | | Reporting period |
| 102-51 | | 2020 | | Date of most recent report |
| 102-52 | | MERLIN Properties prepares annual reports | | Reporting cycle |
| 102-53 | | 112. | | Contact point for questions regarding the report |
| 102-54 | | Core | | Claims of reporting in accordance with the GRI Standards |
| 102-55 | | 116-127. | | GRI content index |
| 102-56 | | The indicators included in the Independent Review Report on pages 176-177 have been externally verified | | External assurance |

GRI Standards - TEMATIC DISCLOSURES

| Management approach and topic disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|---|--|---|--|--|
| ECONOMIC PERFORMANCE | | | | |
| Economic performance | | | | |
| 103 | | 76-78. | | Management approach |
| 201-1 | | 9, 75-78. Direct economic value generated is expressed as gross rental income | | Direct economic value generated and distributed |
| 201-3 | | MERLIN Properties has no retirement plans, so this does not apply to the Company | | Defined benefit plan obligations and other retirement plans |
| 201-4 | | MERLIN Properties has not received significant financial assistance from government bodies | | Financial assistance received from government |
| Indirect economic impacts | | | | |
| 103 | | 79-82. | | Management approach |
| 203-1 | | 77. | There is no disaggregated data available on investments. Its inclusion in future editions will be valued | Infrastructure investments and services supported |
| 203-2 | | 75-83. | | Significant indirect economic impacts |
| Tax | | | | |
| 207-1 | | | | Approach to tax |
| 207-2 | | | | Tax governance, control, and risk management |
| 207-3 | | Referred in the appendix to this table | | Stakeholder engagement and management of concerns related to tax |
| 207-4 | | | | Country-by-country reporting |

continues >

GRI Standards - TEMATIC DISCLOSURES

| Management approach and topic disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|---|--|---|-----------|---|
| ENVIRONMENTAL PERFORMANCE | | | | |
| Energy | | | | |
| 103 | | 92-94, 133-142. | | Management approach |
| 302-1 | Elec-Abs Elec-LfL DH&C-Abs DH&C-LfL Fuels-Abs Fuels-LfL | 92-94, 133-137. | | Energy consumption within the organization |
| 302-2 | Elec-Abs Elec-LfL DH&C-Abs DH&C-LfL Fuels-Abs Fuels-LfL | 138-142. | | Energy consumption outside the organization |
| 302-3 | | 93, 135, 138, 142. | | Energy intensity |
| G4-CRE1 | Energy-Int | 93, 135-42. | | Building energy intensity |
| Water | | | | |
| 103 | | 94-95, 143-145. | | Management approach |
| 303-1 | | 143-145. | | Interactions with water as a shared resource |
| 303-2 | | Water is discharged to the municipal sanitation system, and are assimilable to domestic water discharges | | Management of water discharge-related impacts |
| 303-3 | Water-Abs Water-LfL | 143-145. Water is mainly withdrawn through the mains supply. In addition, in the shopping center: Marineda, there is a tank that collects rainwater | | Water withdrawal |
| G4-CRE2 | Water-Int | 95, 144-147. | | Building water intensity |
| Emissions | | | | |
| 103 | | 97-101, 150-151. | | Management approach |
| 305-1 | GHG-Dir-Abs GHG-Dir-LfL | 98-100, 150-151. | | Direct GHG emissions (scope 1) |
| 305-2 | GHG-Indir-Abs GHG-Indir-LfL | 98-100, 150-151. | | Indirect GHG emissions (scope 2) |
| 305-3 | GHG-Indir-Abs GHG-Indir-LfL | 98, 101, 155-161. | | Other indirect GHG emissions (scope 3) |
| 305-4 | GHG-Int | 98-99, 150-151, 160-161. | | GHG emissions intensity |
| G4-CRE3 | GHG-Int | 98-99, 150-151, 160-161. | | GHG emissions intensity of the buildings |

continues >

GRI Standards - TEMATIC DISCLOSURES

| Management approach and topic disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|---|--|--|-----------|--|
| Effluents and waste | | | | |
| 103 | | 95-96, 148-149. | | Management approach |
| 306-3 | Waste-Abs Waste-LfL | 95-96. | | Waste by type and disposal method |
| Environmental compliance | | | | |
| 103 | | 89-91. | | Management approach |
| 307-1 ⁽¹⁾ | | MERLIN Properties has received no fine or penalty | | Non-compliance with environmental laws and regulations |
| SOCIAL PERFORMANCE - LABOR PRACTICES AND DECENT WORK | | | | |
| Employment | | | | |
| 103 | | 50-56. | | Management approach |
| 401-1 | Emp-Turnover | 51, 56. In 2021 there has been a total of 20 departures. The voluntary turnover rate in 2021 has been of 8.37%. | | New employee hires and employee turnover |
| 401-2 | | 57. The 100% of the employees have access to these benefits | | Benefits provided to full-time employees that are not provided to temporary or part-time employees |
| 401-3 | | In 2021 8 employees (2 women and 6 men) returned to work after parental leave | | Parental leave |
| Occupational health and safety | | | | |
| 103 | | 58. | | Management approach |
| 403-1 | | 58. | | Occupational health and safety management system |
| 403-2 | | Given the type of work done by MERLIN employees, it is not considered relevant to develop an identification and assessment of this type of risk | | Hazard identification, risk assessment, and incident investigation |
| 403-3 | | 58. | | Occupational health services |

continues >

⁽¹⁾ Fines or firm sanctions (in contentious terms) considered significant (over 50,000 euros) derived from sanctions and breaches (excluding administrative and fiscal) on which there is no possibility of appeal and which are directly attributable to conduct, or acts carried out by companies or employees of the Corporation prior to December 31, 2021.

GRI Standards - TEMATIC DISCLOSURES

| Management approach and topic disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|---|--|---|-----------|--|
| 403-4 | | Health and safety committees have not been constituted | | Worker participation, consultation, and communication on occupational health and safety |
| 403-5 | | 58. | | Worker training on occupational health and safety |
| 403-6 | | 58. | | Promotion of worker health |
| 403-7 | | MERLIN also ensures the health and safety of contractors who work on its refurbishment or construction projects. In 2020, the Company introduced a reporting system that compiles information on occupational accidents recorded at its assets, including the type of accident, the number of leave days involved and the corrective measures to be adopted. There were 16 minor accidents in 2021 involving a total of 123 days of sick leave | | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships |
| 403-9 | H&S-Emp | 59. | | Work-related injuries |
| G4-CRE6 | | Not applicable | | Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system |

continues >

GRI Standards - TEMATIC DISCLOSURES

| Management approach and topic disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|---|--|---|-----------|---|
| Training and education | | | | |
| 103 | | 57. | | Management approach |
| 404-1 | Emp-Training | 54,57. | | Average hours of training per year per employee |
| 404-2 | | 57. | | Programs for upgrading employee skills and transition assistance programs |
| 404-3 | Emp-Dev | All employees are informed of their performance assessment once a year | | Percentage of employees receiving regular performance and career development reviews |
| Diversity and equal opportunities | | | | |
| 103 | | 50-55. | | Management approach |
| 405-1 | Diversity-Emp | 34, 54. | | Diversity of governance bodies and employees |
| SOCIAL PERFORMANCE - SOCIETY | | | | |
| Local communities | | | | |
| 103 | | 75-85. | | Management approach |
| 413-1 | Comty-Eng | 80-83 In all the assets, dialogue and participation mechanisms have been developed, as described in the management approach | | Operations with local community engagement, impact assessments, and development programs |
| 413-2 | | 80-83. | | Operations with significant actual and potential negative impacts on local communities |
| G4-CRE7 | | No one has had to be displaced or resettled | | Number of people voluntarily and involuntarily displaced and/ or resettled by development, broken down by project |
| Anti-corruption | | | | |
| 103 | | 36-38. | | Management approach |
| 205-1 | | Risks in general, including corruption, are assessed through the Company's Risk Management | | Operations assessed for risks related to corruption |

continues >

GRI Standards - TEMATIC DISCLOSURES

| Management approach and topic disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|--|--|---|-----------|---|
| 205-2 | | 37. | | Communication and training about anti-corruption policies and procedures |
| 205-3 | | No cases of corruption have been detected | | Confirmed incidents of corruption and actions taken |
| Anti-competitive behaviour | | | | |
| 103 | | 36-38. | | Management approach |
| 206-1 | | Merlin Properties has not received any unfair competition lawsuits | | Legal actions related to unfair competition and monopolistic practices and against free competition |
| Socioeconomic compliance | | | | |
| 103 | | 36-38. | | Management approach |
| 419-1 ⁽¹⁾ | | Merlin Properties has received no fine or penalty | | Non-compliance with laws and regulations in the social and economic area |
| SOCIAL PERFORMANCE - RESPONSIBILITY OVER PRODUCTS | | | | |
| Customer health and safety | | | | |
| 103 | | 64-65. | | Management approach |
| 416-1 | | 64-65. MERLIN assesses the potential health and safety impacts of all its assets on its occupants (tenants and visitors) | | Assessment of the health and safety impacts of product and service categories |
| 416-2 | H&S-Comp | 36. No incident has been detected as a result of the infringement of health and safety regulations | | Incidents of non-compliance concerning the health and safety impacts of products and services |
| Marketing and labelling | | | | |
| 103 | | 61, 66, 90-91, 103-106. | | Management approach |

continues >

⁽¹⁾ Fines or firm sanctions (in contentious terms) considered significant (over 50,000 euros) derived from sanctions and breaches (excluding administrative and fiscal) on which there is no possibility of appeal and which are directly attributable to conduct or acts carried out by companies or employees of the Corporation prior to December 31, 2021.

GRI Standards - TEMATIC DISCLOSURES

| Management approach and topic disclosures | EPRA Sustainability Performance Measures | Page or direct answer | Omissions | Description |
|---|--|--|-----------|--|
| Marketing and labelling | | | | |
| 417-2 | | There has been no infringement of regulations or voluntary codes related to the labelling of products and services | | Incidents of non-compliance concerning product and service information and labelling |
| G4-CRE8 | Cert-Tot | 61, 66, 90-91, 103-106. | | Type and number of sustainability certification, rating and labelling schemes for new developments, management, occupation and refurbishment |
| Customer privacy | | | | |
| 103 | | 113. | | Management approach |
| 418-1 | | MERLIN Properties has received no claim for the breach of customer privacy or customer data leakage | | Substantiated complaints concerning breaches of customer privacy and losses of customer data |

APPENDIX: TAX INDICATORS

Indicator 207-1: Approach to tax

- a)**
- i.** **MERLIN's** tax strategy is public and can be found here: <https://www.merlinproperties.com/gobierno-corporativo/normativa-de-gobierno-corporativo/>
 - ii.** **MERLIN's** tax strategy has been approved by the Board of Directors through the Audit and Control Committee, which reviews it annually.
 - iii.** and **iv.** Indicated in point "2. Principles that regulate the fulfillment of taxation obligations." of the Tax Strategy.

Indicator 207-2: Tax governance, control and risk management

- a)**
- i.** **MERLIN's** Board of Directors is responsible for complying with the tax strategy.
 - ii.** Indicated in greater details in the tax strategy.
 - iii.** and **iv.** Indicated in point "3. Monitoring and control" of the tax strategy.
- b)** Any concerns regarding non-ethical conduct are channeled through the ethics channel.
- c)** The verification of the content in tax matters is carried out through external audits and tax ICFR.

Indicator 207-3: Stakeholder engagement and management of concerns related to tax

- a)**
- i.** and **ii.** Indicated in the tax Strategy.
 - iii.** **MERLIN's** Tax Director is available to stakeholders to address any concerns regarding tax matters.

Indicator 207-4: Country-by-country reporting

- a)** For the year ending December 31, 2021, the Group carried out its activity in Spain and Portugal.
- b)**
- i.** Referred to on pages 105-106 of "APPENDIX I - Group Companies and associates 2021" of the Consolidated financial statements 2021.
 - ii.** Referred to on page 105 and following of "APPENDIX I - Group Companies and associates 2021" of the Consolidated financial statements 2021
 - iii.** Detailed in point "5. Personnel management" of the Consolidated Financial Statements 2021.
 - iv.** Referred to on page 39 of the Group's Consolidated financial statements 2021.
 - v.** Spain: 119,415,935 €, Portugal: 23,494,912 €, Total: 142,910,848 €.
 - vi.** Spain: 479,789,999 €, Portugal: 39,007,906 €, Total: 518,797,906 €
 - vii.** Spain: 11,201,292,962 €, Portugal: 1,105,123,570 €, Total: 12,306,416,533 €.
 - viii.** Spain: 1,892,091 €, Portugal: 2,522,965 €, Total: 4,415,056.54 €.
 - ix.** Spain: -2,609,640 €, Portugal: -3,707,839 €, Total: -6,317,479 €
 - x.** The difference between the amount resulting from the application of the tax rate over the accounting profit and the corporate income tax accrued results from the off-balance sheet adjustments carried out against the accounting profit, in accordance with the provisions set forth in the Spanish Corporate Income Tax Act, and also by the application of carryforward losses and unused deductions.
- c)** 2021.

9.4 EPRA SBPR CONTENT INDEX

| EPRA Code | GRI Standard | Description | Page or direct answer |
|---|--------------|---|---------------------------|
| ENVIRONMENTAL PERFORMANCE INDICATORS | | | |
| Elec-Abs | 302-1 | Total electricity consumption | 93, 136-137, 140-142. |
| Elec-LfL | 302-1 | Like for Like total electricity consumption | 93, 136-137, 140-142. |
| DH&C-Abs | 302-1 | Total district heating & cooling consumption | 94, 136-137. |
| DH&C-LfL | 302-1 | Like for Like district heating & cooling consumption | 94, 136-137. |
| Fuels-Abs | 302-1 | Total fuel consumption | 93, 136-137, 140-142. |
| Fuels-LfL | 302-1 | Like for Like fuel consumption | 93, 136-137, 140-142. |
| Energy-Int | CRE1 | Building energy intensity | 93, 135, 138, 142. |
| GHG-Dir-Abs | 305-1 | Total direct greenhouse gas (GHG) emissions | 98-100, 150-151, 160-161. |
| GHG-Indir-Abs | 305-2 | Total indirect greenhouse gas (GHG) emissions | 98-100, 150-151, 160-161. |
| GHG-Int | CRE3 | Greenhouse gas (GHG) emissions intensity from building energy consumption | 98-99, 150-151, 160-161. |
| Water-Abs | 303-1 | Total water consumption | 95, 144-147. |
| Water-LfL | 303-1 | Like for Like water consumption | 95, 144-147. |
| Water-Int | CRE2 | Building water intensity | 95, 144-147. |
| Waste-Abs | 306-3 | Total weight of waste by disposal route | 95-96, 148-149. |
| Waste-LfL | 306-3 | Like for Like total weight of waste by disposal route | 95-96, 148-149. |
| Cert-Tot | CRE8 | Type and number of sustainably certified assets | 61, 66, 90-91, 103-106. |
| SOCIAL PERFORMANCE INDICATORS | | | |
| Diversity-Emp | 405-1 | Employee gender diversity | 34, 54. |
| Diversity-Pay | 405-2 | Gender pay ratio | Not available |
| Emp-Training | 404-1 | Employee training and development | 54. |

continues >

| EPRA Code | GRI Standard | Description | Page or direct answer |
|--|--------------|---|---|
| Emp-Dev | 404-3 | Employee performance appraisals | MERLIN Properties employees receive continuous feedback from their managers and have a direct and constructive communication that helps them progress in their professional development. Additionally, each year, 100% of the employees are evaluated by the area managers and Senior Management. The results of this evaluation determine the distribution of the variable remuneration |
| Emp-Turnover | 401-1 | New hires and turnover | 51, 56. In 2021 there have been a total of 20 departures. The voluntary turnover rate in 2021 has been of 8.37%. |
| H&S-Emp | 403-2 | Employees health and safety | 59, 113-114. |
| H&S-Asset | 416-1 | Asset health and safety assessments | 64-65. MERLIN evaluates the possible impacts in relation to health and safety in all its assets with regard to its occupants (tenants and visitors) |
| H&S-Comp | 416-2 | Asset health and safety compliance | 36. There are no incidents recorded derived from the infringement of the health and safety regulation |
| Comty-Eng | 413-1 | Community engagement, impact assessments and development programs | 80-83. In all the assets dialogue and participation mechanisms have been developed, as described in the management approach. |
| GOVERNANCE PERFORMANCE INDICATORS | | | |
| Gov-Board | 102-22 | Composition of the highest governance body | 34. More information on this indicator can be found in the Annual Corporate Governance Report (ACGR) |
| Gov-Selec | 102-24 | Process for nominating and selecting the highest governance body | 35. The processes for appointing and selecting the members of the highest governing body and its committees are described in the Annual Corporate Governance Report (ACGR) and are established in the Director Selection Policy of the Company. |
| Gov-Col | 102-25 | Process for managing conflicts of interest | Article 28 of the Board of Directors Regulations lays down the mechanisms for preventing and managing potential conflicts of interest. |

10. Annex I

Environmental Performance Reporting in
Accordance with EPRA's Sustainability Best
Practice Recommendations (SBPR)

MERLIN'S ENVIRONMENTAL PERFORMANCE REPORT ON ITS ASSETS WAS PREPARED IN ACCORDANCE WITH THE EPRA SUSTAINABILITY BEST PRACTICE RECOMMENDATIONS (3RD EDITION, 2017). IN LINE WITH THESE RECOMMENDATIONS, THE ENVIRONMENTAL KPIS OF MERLIN'S ASSETS, AS ESTABLISHED IN THE EPRA'S SBPR, ARE REPORTED ON THE FOLLOWING TABLES ⁽¹⁾. THE TABLES REFLECT THE ASSETS' ENVIRONMENTAL PERFORMANCE IN TERMS OF ENERGY CONSUMPTION, GREENHOUSE GAS (GHG) EMISSIONS, WATER WITHDRAWAL AND WASTE GENERATION, AS WELL AS THE PERCENTAGE OF ASSETS WITH ENVIRONMENTAL CERTIFICATION.

Key Concepts

Following the recommendations of the EPRA sBPR Guide, only the assets which were in operation in 2021 are included in the calculation of **MERLIN'S** environmental performance information for 2021.

In particular, and in view of their strategic importance to the Company's overall assets, environmental performance information is included for the offices, logistics and shopping center assets, in that order, based on the area in each portfolio, and excluding any asset in which the company holds a minority stake ⁽²⁾. Moreover, information on the environmental performance of its own offices, as well as properties leased by the company for the LOOM space, is reported separately.

In keeping with the EPRA sBPR Guide, **MERLIN** reports on a series of key performance indicators or KPIs (integrated in the EPRA Sustainability Performance Measures). These KPIs cover information on energy consumption, GHG emissions, water withdrawal and waste generation ⁽³⁾.

There are two different types of KPIs: Total or Absolute KPIs and Like for Like KPIs. Absolute KPIs are calculated in terms of the total asset portfolio, while Like for Like KPIs are calculated considering only assets that have been in continuous operation for the last three years.

⁽¹⁾ EPRA Sustainability Performance Measures.

⁽²⁾ Also excluded from the scope are the Barcelona ZAL Port assets, which are a minority shareholding.

⁽³⁾ The full definition of these KPIs can be found in more detail in chapter 9.4 of this Report titled "EPRA sBPR Table of Contents".

Moreover, some of the KPIs are calculated in terms of energy consumption intensity, GHG emissions and water consumption. These KPIs are calculated as a ratio or quotient between the Absolute value or Like for Like value of GHG consumption or emissions and the area for which GHG consumption or emissions are reported.

Information on the coverage of each KPI is also included throughout the environmental report. Coverage is defined as the proportion of assets for which there is information available to calculate each KPI. It is expressed in this report in terms of both the number of assets and area of the assets.

For more accurate performance management in the fields of energy consumption, water withdrawal and the carbon footprint of its assets, **MERLIN** separates the data for these KPIs by property type:

- **Assets under the Company's operational control.** In general, these are “multi-tenant” assets whose environmental impact is constantly being assessed by the Company in order to take the relevant steps to monitor and reduce environmental impacts.
- **Assets not under the Company's operational control.** For these “single-tenant” assets, **MERLIN's** name is on the power and water utility contracts, so it is able to collect the data to record the assets' environmental performance. However, usage tracking is handled by the tenant.
- **MERLIN's corporate headquarters and LOOM spaces leased by the Company** (only information on energy consumption and GHG emissions is available for these properties).

Regarding the KPIs related to the amount of waste generated, **MERLIN** collects waste from the assets included in its ISO 14001 Corporate Environmental Management System (EMS) (except in those cases where this is handled by the owners' associations), as well as from other assets that are not included in the EMS. Therefore, **MERLIN** reports on these KPIs for all of the assets where it is responsible for waste management.

In general terms, the KPIs are calculated using the information on the utility invoices - power, water and waste collection service providers - as well the reports on the refrigerant gas recharges. No estimates have been used for any of the data. Furthermore, in the cases of assets that are incorporated as condominium owner's association, the coefficient of ownership is applied to the energy and water consumption. In these cases, the area considered in the calculations represents the proportional part of the coefficient of ownership of **MERLIN** in the asset.

Energy Consumption

Consumption of energy at assets over which MERLIN exercises operational control

MERLIN has Like for Like energy consumption information for 69 office assets, 11 shopping centers and 20 logistics warehouses⁽¹⁾, and absolute data for 79 office assets, 14 shopping centers and 24 logistics warehouses⁽²⁾. The coverage area of the information on energy consumption is broken down below.

| | Like for Like portfolio | Absolute portfolio | |
|----------------------|-------------------------|----------------------|----------------------------------|
| | Reported area | Reported area | % coverage (area) ⁽³⁾ |
| Offices | 695.623 sqm | 819.987 sqm | 65% |
| Logistics warehouses | 314.507 sqm | 416.421 sqm | 30% |
| Shopping centers | 342.384 sqm | 483.576 sqm | 98% |
| Total | 1.352.514 sqm | 1.719.984 sqm | 55% |

Broken down by country, the area covered in Spain is 1,596,922 sqm in absolute terms and 1,289,550 sqm in Like for Like; while in Portugal the breakdown is 123,062 sqm and 62,964 sqm, respectively.

It is worth noting that the source of the energy consumption data depends on the type of asset as well as the type of energy source. Distinctions are made when it comes to calculating electricity usage:

- Assets where **MERLIN** controls the total electricity used throughout the building, including common areas and tenant (or private) areas. In these cases, coverage is calculated based on the area of the corresponding asset.
- Assets where **MERLIN** controls the electricity used to light common areas and run the air-conditioning systems of the whole asset. In these cases, the area of the asset in question is included.
- Assets where **MERLIN** only controls the electricity consumed in the common areas. In these cases, only the common areas are included in the area used to calculate the coverage.

⁽¹⁾ The increase in Like for Like logistics assets is mainly due to the inclusion of of Barcelona-PLZF, with 9 warehouses and Seville Zal, with another 9 warehouses.

⁽²⁾ Annex III contains a list of the assets included in the reporting of this type of environmental performance information.

⁽³⁾ Coverage calculated on the total operating assets in each one of the three strategic portfolios: offices, logistics warehouses (excluding Barcelona Zal Port) and shopping centers.

For fuel and district heating & cooling, energy consumption information is available for the asset as a whole.

For both the Like for Like portfolio and absolute portfolio, the largest proportion of energy consumption comes from the grid, with a much smaller proportion from the use of fuel (diesel or natural gas) for some of the offices and shopping centers within the reported coverage. To a lesser extent, it also includes the consumption of district heating & cooling at two office assets in Barcelona: Torre Glòries and P.E. Poble Nou 22@, connected to the Districlima network.

Energy consumption at Like for Like assets in 2021 was 280,140 GJ, of which 61.5% refers to offices, 37.5% to shopping centers and the rest (1.3%) to logistics assets. Broken down by energy source, 232,356 GJ came from electricity (82.9%), 37,494 GJ from natural gas (13.4%), 8,391 GJ from diesel (3.0%) and 1,900 GJ from district heating & cooling (0.7%). By country, Spain consumed 265,847 GJ (94.9%) and Portugal, 14,923 GJ (5.1%).

In the Like for Like office portfolio, energy consumption was 172,200 GJ or 7.0% more than in 2020. Of the total energy consumed, 78.3% was electricity, 15.7% natural gas, 4.9% diesel oil type C and 1.1% district heating & cooling. In Like for Like logistics assets, energy consumption was 3,643 GJ (all electricity) compared to 3,679 GJ in 2020. The difference in energy consumed at shopping centers was 104,297 GJ or 6.6% more than in 2020, broken down as 90.0% electricity and 10.0% natural gas.

There was 6.7% increase in energy consumption at Like for Like assets⁽¹⁾ compared to 2020, due primarily to the gradual easing of restrictions connected with the COVID-19 pandemic, which led to an increase in occupancy rates at offices and more foot traffic at shopping centers. However, the impact of COVID-19 was not as noticeable in the logistics portfolio, which actually saw a 1.0% reduction in consumption.

On the other hand, energy consumption in absolute terms in 2021 was 424,756 GJ between offices (56.6%), logistics warehouses (9.6%) and shopping centers (33.7%). Broken down by type of energy source, electricity accounted for 350,055 GJ (82.4%); natural gas for 59,961 GJ (14.1%); diesel oil type C for 8,391 GJ (2.0%); and district heating & cooling for 6,349 GJ (1.5%). By country, Spain accounted for was 394,933 GJ (92.3%) and in Portugal for 29,823 GJ (7.7%).

In the office portfolio, energy consumption in absolute terms in 2021 was 240,613 GJ, which represents decrease of 2.7% compared to 2020. This energy consumption is split between 75.9% electricity, 18.0% natural gas, 3.5% diesel oil type C and 2.6% district heating & cooling. In Like for Like logistics assets, energy consumption was 40,867 GJ (all electricity) compared to 19,210 GJ in 2020. The difference in energy consumed at shopping centers was 143,276 GJ or 17.3% more than in 2020, broken down as 88.3% electricity and 11.7% natural gas.

In absolute terms, there was a 9.3% increase in energy consumption in 2021, due primarily to usage at logistics warehouses (112.7%), specifically the A4-Getafe (Gavilanes) cold store, which became operational in 2021 after a partial start-up in 2019.

⁽¹⁾ Assets that have been operating continuously for the last three years are included.



LOOM Tapices terrace | Madrid

An increase in foot traffic at shopping centers also had an impact, albeit to a lesser extent. However, energy consumption at offices decreased by 2.7% as outflows from this group of assets were more significant than inflows.

Energy intensity in the Like for Like portfolio was 0.290 GJ/sqm, or 6.7% higher than in 2020, and in the absolute portfolio it was 0.323 GJ/sqm or 24.6% higher than in 2020.

With regard to the generation of renewable energy at assets under **MERLIN's** operational control, 1,189 GJ were produced in 2021 for self-consumption, distributed among the Aquamarina office assets (586 GJ), Sanchinarro Business Park (427 GJ) and Vía Norte Business Park (176 GJ). A total of 3,086 GJ produced at the Coslada Complex logistics warehouse (1,671 GJ), the Marineda shopping center (1,290 GJ) and the Vía Norte Business Park (125 GJ) were also sent to the grid. These assets are included in the Sun Project, where the number of photovoltaic generation facilities is expected to increase in the coming years.

MERLIN continued to increase the proportion of renewable electricity purchased from green energy suppliers for assets under its operational control. Electricity consumption from these types of suppliers totaled 324,746 GJ in 2021, an increase of 19,8% compared to the year before.

As for other energy sources consumed by the assets the power consumed for district heating & cooling is partly renewable (5,681 GJ) and partly non-renewable (668 GJ). Non-renewable fossil fuels (natural gas and diesel) account for all fuel consumption.

**Energy consumption for MERLIN Properties' portfolios
(under the Company's operational control)**

| EPRA Code | Indicator and units | Total MERLIN | | | | | |
|--------------------------------------|---|---|------------|---------------|------------|------------|-----|
| | | Absolute | | Like for Like | | Evol. | |
| | | 2020 | 2021 | 2020 | 2021 | | |
| Elect-Abs, Elect-LfL | Electricity (kWh) | Common areas | 21,424,226 | 26,802,209 | 16,786,607 | 17,720,025 | 6% |
| | | Tenant space | 64,773,920 | 70,435,593 | 44,951,382 | 46,823,420 | 4% |
| | | Proportion of electricity from renewable sources (%) | 87% | 93% | 53% | 96% | - |
| | | Total electricity consumption | 86,198,146 | 97,237,802 | 61,737,989 | 64,543,445 | 5% |
| DH&C-Abs, DH&C-LfL | District Heating & Cooling (kWh) | Common areas | 266,482 | 211,629 | 49,738 | 63,345 | 27% |
| | | Tenant space | 1,954,205 | 1,551,945 | 364,749 | 464,529 | 27% |
| | | (DH&C) from renewable sources (%) | 76% | 83% | 76% | 83% | - |
| | | Total DH&C consumption | 2,220,687 | 1,763,574 | 414,487 | 527,874 | 27% |
| Fuels-Abs, Fuels-LfL | Fuel (kWh) | Common areas | 2,342,934 | 2,255,094 | 1,289,808 | 1,529,489 | 19% |
| | | Tenant space | 17,181,513 | 16,537,359 | 9,458,594 | 11,216,255 | 19% |
| | | Fuel from renewable sources (%) | 0% | 0% | 0% | 0% | - |
| | | Total fuel consumption | 19,524,446 | 18,792,453 | 10,748,402 | 12,745,744 | 19% |
| Energy-Int | Energy intensity (kWh/sqm) | 72.1 | 89.6 | 75.4 | 80.5 | 7% | |
| Coverage (based on number of assets) | | 128 of 129 | 117 of 117 | 100 of 100 | 100 of 100 | - | |
| % of data estimated | | 0% | 0% | 0% | 0% | - | |

| Offices | | | | | Shopping centers | | | | | Logistic assets | | | | |
|------------|------------|---------------|------------|-------|------------------|------------|---------------|------------|-------|-----------------|------------|---------------|-----------|-------|
| Absolute | | Like for Like | | | Absolute | | Like for Like | | | Absolute | | Like for Like | | |
| 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. |
| 14,297,660 | 14,950,980 | 10,744,625 | 11,198,707 | 4% | 6,454,967 | 11,065,250 | 5,452,149 | 5,936,273 | 9% | 671,599 | 785,979 | 589,833 | 585,046 | -1% |
| 37,376,820 | 35,781,299 | 25,798,139 | 26,268,741 | 2% | 22,732,526 | 24,088,200 | 18,721,255 | 20,127,738 | 8% | 4,664,574 | 10,566,094 | 431,988 | 426,941 | -1% |
| 92% | 95% | 90% | 93% | 3% | 77% | 88% | 0% | 100% | - | 100% | 99% | 0% | 103% | - |
| 51,674,480 | 50,732,278 | 36,542,764 | 37,467,448 | 3% | 29,187,493 | 35,153,450 | 24,173,404 | 26,064,011 | 8% | 5,336,173 | 11,352,074 | 1,021,822 | 1,011,987 | -1% |
| 266,482 | 211,629 | 49,738 | 63,345 | 27% | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - |
| 1,954,205 | 1,551,945 | 364,749 | 464,529 | 27% | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - |
| 61% | 83% | 76% | 83% | - | - | - | - | - | - | - | - | - | - | - |
| 2,220,687 | 1,763,574 | 414,487 | 527,874 | - | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - |
| 1,773,069 | 1,697,641 | 930,720 | 1,180,574 | 27% | 569,864 | 557,453 | 359,088 | 348,916 | -3% | 0 | 0 | 0 | 0 | - |
| 13,002,507 | 12,449,368 | 6,825,281 | 8,657,541 | 27% | 4,179,005 | 4,087,991 | 2,633,313 | 2,558,714 | -3% | 0 | 0 | 0 | 0 | - |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | - | - | - | - | - |
| 14,775,577 | 14,147,009 | 7,756,001 | 9,838,115 | 27% | 4,748,870 | 4,645,444 | 2,992,401 | 2,907,630 | -3% | 0 | 0 | 0 | 0 | - |
| 79.3 | 93.3 | 80.6 | 86.3 | 7% | 76.3 | 94.5 | 83.8 | 88.3 | 5% | 28.5 | 61.0 | 30.2 | 12.0 | -60% |
| 89 of 89 | 79 of 79 | 69 of 69 | 69 of 69 | - | 13 of 14 | 14 of 14 | 11 of 11 | 11 of 11 | - | 26 of 26 | 24 of 24 | 20 of 20 | 20 of 20 | - |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - |

Energy consumption for MERLIN Properties' portfolios (not under the Company's operational control)

With regard to the assets not under **MERLIN's** operational control (single-tenant), the Company has information on energy consumption in Like for Like terms for 5 office assets, and in absolute terms for 6 office assets and 5 logistics warehouses⁽¹⁾ (all located in Spain). The table below shows the coverage area of the information on energy consumption.

| | Like for Like portfolio | Absolute portfolio | |
|----------------------|-------------------------|--------------------|----------------------------------|
| | Reported area | Reported area | % coverage (area) ⁽²⁾ |
| Offices | 45,084 sqm | 50,580 sqm | 4% |
| Logistics warehouses | 0 sqm | 191,629 sqm | 14% |
| Shopping centers | 0 sqm | 0 sqm | 0% |
| Total | 45,084 sqm | 242,209 sqm | 8% |

In absolute terms, energy consumption for assets not under the Company's operational control was 13,045 GJ in 2021, between offices (22.4%) and logistics warehouses (77.6%). Electricity accounted for all of the energy consumed, in the same proportion. There was a 20.1% increase over 2020, due to the fact that consumption information is now available for a higher number of assets of this kind.

In the Like for Like portfolio (made up of five office assets), energy consumption was 2,385 GJ, all of which was electricity. This is a reduction of 54.5% compared to 2020.

Energy intensity in the absolute portfolio was 0.055 GJ/sqm and 0.047 GJ/sqm in the Like For Like portfolio.

⁽¹⁾ Annex III contains a list of the assets included in the reporting of this type of environmental performance information.

⁽²⁾ Coverage calculated on the total operating assets in each one of the three strategic portfolios: offices, logistics warehouses (excluding Barcelona Zal Port) and shopping centers.



ADEQUA Campus | Madrid

**Energy consumption for MERLIN Properties' portfolios
(not under the Company's operational control)**

| EPRA Code | Indicator and units | Total MERLIN | | | | |
|--------------------------------------|---|--------------|-----------|---------------|---------|-------|
| | | Absolute | | Like for Like | | Evol. |
| | | 2020 | 2021 | 2020 | 2021 | |
| Elect-Abs, Elect-LfL | Electricity (kWh) | 2,534,920 | 3,623,645 | 595,533 | 662,452 | 80% |
| | Proportion of electricity from renewable sources (%) | 96% | 74% | 100% | 104% | - |
| DH&C-Abs, DH&C-LfL | District Heating & Cooling (kWh) | 0 | 0 | 0 | 0 | - |
| | District Heating & Cooling from renewable sources (%) | 0% | 0% | 0% | 0% | - |
| Fuels-Abs, Fuels-LfL | Fuel (kWh) | 482,366 | 0 | 0 | 0 | - |
| | Fuel from renewable sources (%) | 0% | 0% | 0% | 0% | - |
| Energy-Int | Energy intensity (kWh/sqm) | 15,4 | 15,0 | 7,3 | 13,1 | 80% |
| Coverage (based on number of assets) | | 9 of 54 | 11 of 67 | 5 of 5 | 5 of 5 | - |
| % of data estimated | | 0% | 0% | 0% | 0% | - |

| Offices | | | | | Shopping centers | | | | | Logistic assets | | | | |
|-----------|---------|---------------|---------|-------|------------------|--------|---------------|--------|-------|-----------------|-----------|---------------|--------|-------|
| Absolute | | Like for Like | | | Absolute | | Like for Like | | | Absolute | | Like for Like | | |
| 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. |
| 1,194,252 | 812,472 | 595,533 | 662,452 | 11% | 0 | 0 | 0 | 0 | - | 1,340,668 | 2,811,172 | 0 | 0 | - |
| 100% | 100% | 100% | 100% | - | 0% | 0% | 0% | 0% | - | 93% | 67% | 0% | 0% | - |
| 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - |
| 482,366 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - |
| 68.1 | 16.1 | 0.0 | 0.0 | - | 0.0 | 0.0 | 0.0 | 0.0 | - | 7.8 | 14.7 | 0.0 | 0.0 | - |
| 5 of 23 | 6 of 29 | 5 of 5 | 5 of 5 | - | 0 of 1 | 0 of 1 | 0 of 0 | 0 of 0 | - | 4 of 27 | 5 of 28 | 0 of 0 | 0 of 0 | - |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - |

Electricity consumption at MERLIN's corporate headquarters and LOOM spaces

MERLIN has corporate headquarters in Madrid, Barcelona and Lisbon. Because the Madrid headquarters with an area of 1,855 sqm is the most representative, the energy consumption figures of the Madrid HQ are reported below. Electricity consumption was 679 GJ, which indicates a consumption intensity of 0.366 GJ/sqm, an increase of 2.4% compared to 2020, with no fuel consumption at this building.

Furthermore, due to the integration of LOOM in 2019, the Company has three buildings, of which it is the lessee, that exclusively host FlexSpace areas as part of the LOOM activity (Fábrica de Tapices, Huertas and Salamanca). Of the three buildings, the Company controls electricity consumption at Huertas and Salamanca, with a total area of 3,119 sqm, 1,188 sqm and 1,931 sqm, respectively.

Electricity consumption was 1,715 GJ in 2021 (480 GJ at Huertas and 1,234 GJ at Salamanca), which represents an increase of 25.8% compared to 2020 (352 GJ). The consumption intensity is 0.924 GJ/sqm. There is no fuel consumption at these locations.

Energy consumption at properties leased by LOOM

| EPRA Code | | Indicator and units | LOOM Spaces | | |
|-------------------------|----------------------------|--|-------------|---------|-------|
| | | | 2020 | 2021 | Evol. |
| Elect-Abs, Elect-LfL | Electricity (kWh) | Total electricity consumption | 378,738 | 476,474 | 26% |
| | | Proportion of electricity from renewable sources (%) | 100% | 100% | - |
| Fuels-Abs, Fuels-LfL | Fuel (kWh) | Total fuel consumption | N/A | N/A | - |
| | | Fuel from renewable sources (%) | N/A | N/A | - |
| Energy-Int | Energy intensity (kWh/sqm) | | 121.4 | 152.8 | 26% |
| % of data estimated | | | 0% | 0% | - |

Energy consumption at MERLIN Properties' corporate headquarters ⁽¹⁾

| EPRA Code | | Indicator and units | MERLIN's corporate headquarters | | |
|-------------------------|----------------------------|--|---------------------------------|---------|-------|
| | | | 2020 | 2021 | Evol. |
| Elect-Abs, Elect-LfL | Electricity (kWh) | Total electricity consumption | 184,086 | 188,638 | 2% |
| | | Proportion of electricity from renewable sources (%) | 100% | 100% | - |
| Fuels-Abs, Fuels-LfL | Fuel (kWh) | Total fuel consumption | N/A | N/A | - |
| | | Fuel from renewable sources (%) | N/A | N/A | - |
| Energy-Int | Energy intensity (kWh/sqm) | | 99.24 | 101.7 | 2% |
| % of data estimated | | | 0% | 0% | - |

⁽¹⁾ The energy consumption figures for corporate headquarters do not include fuel consumption, so the consumption figures on the table refer exclusively to the electric grid.

Water withdrawal

Water withdrawal at assets under MERLIN's operational control

Regarding water withdrawal at assets under operational control (multi-tenant), **MERLIN** has Like for Like information on water withdrawal at 72 office assets, 19 logistics warehouses and 11 shopping centers. In absolute terms, there is information for 83 offices, 20 logistics warehouses and 13 shopping centers⁽¹⁾. The table below shows the coverage area of the information on water withdrawal.

| | Like for Like portfolio | Absolute portfolio | |
|----------------------|-------------------------|----------------------|----------------------------------|
| | Reported area | Reported area | % coverage (area) ⁽²⁾ |
| Offices | 729,583 sqm | 859,444 sqm | 68% |
| Logistics warehouses | 287,894 sqm | 316,625 sqm | 23% |
| Shopping centers | 342,384 sqm | 423,478 sqm | 86% |
| Total | 1,359,871 sqm | 1,599,547 sqm | 51% |

Broken down by country, the area covered in Spain for water withdrawal is 1,536,582 sqm in the absolute portfolio and 1,296,897 sqm in the Like for Like portfolio. In Portugal, it is 62,964 sqm for both.

For office and shopping center assets, the source information available to **MERLIN** refers, as a rule, to the water withdrawal for the whole asset. However, the data for logistics assets sometimes refers to common areas only and other times to the entire asset.

With regard to Like for Like performance data, the total volume of water withdrawal in 2021 at the assets under **MERLIN's** operational control was 419,534 m³, broken down as follows: office assets (43.3%), logistics warehouses (9.2%) and shopping centers (47.5%). Compared to 2020, there was a 17.7% increase, mainly due to increased foot traffic at offices and shopping centers as a result of the loosening of COVID-19 pandemic restrictions.

In the Like for Like office portfolio, water withdrawal was 181,657 m³ in 2021, or 10.2% more than 2020. At logistics warehouses, water withdrawal was 38,657 m³, 9.2% more than in 2020. Lastly, at shopping centers the volume was 199,220 m³, or 47.5% more than in 2020.

With regard to Like for Like performance data, there was a 17.7% increase in 2020, mainly due to increased foot traffic at offices and shopping centers as a result of the loosening of COVID-19 pandemic restrictions.

⁽¹⁾ Annex III contains a list of the assets included in the reporting of this type of environmental performance information.

⁽²⁾ Coverage calculated on the total operating assets in each one of the three strategic portfolios: offices, logistics warehouses (excluding Barcelona Zal Port) and shopping centers.

In absolute terms, the volume of water withdrawal in 2021 was 536.533 m³ between offices (43.3%), logistics warehouses (7.4%) and shopping centers (49.2%). The volume of water withdrawal in absolute terms increased by 8.2% compared to 2020. By country, the volume of water withdrawal in Spain was 526,024 m³ (98.1% of the total) and 10,509 m³ in Portugal (1.9% of the total).

In the office portfolio, water withdrawal in 2021 in absolute terms was 232,584 m³, 3.5% less than in 2020; at logistics assets it was 39,810 m³ or 30.9% more than in 2020; and at shopping centers it was 264,139 m³ or 17.8% more than in 2020.

**Water withdrawal at MERLIN Properties' portfolios
(under operational control)**

| EPRA Code | Indicator and units | Total MERLIN | | | | |
|--------------------------------------|---|--------------|------------|---------------|------------|-------|
| | | Absolute | | Like for Like | | Evol. |
| | | 2020 | 2021 | 2020 | 2021 | |
| Water-Abs, Water-LfL | Water withdrawal in common areas (m ³) | 144,672 | 184,257 | 111,514 | 165,373 | 48% |
| | Water withdrawal in tenant spaces (m ³) | 306,552 | 317,919 | 225,239 | 231,784 | 3% |
| | Water withdrawal in whole building (m ³) ⁽¹⁾ | 44,450 | 34,356 | 19,801 | 22,378 | 13% |
| | Total water withdrawal (m ³) | 495,674 | 536,532 | 356,554 | 419,535 | 18% |
| Water-Int | Water withdrawal intensity (m ³ /sqm) | 0.510 | 0.411 | 0.463 | 0.545 | 18% |
| Coverage (based on number of assets) | | 125 of 126 | 116 of 122 | 102 of 104 | 102 of 104 | - |
| % of data estimated | | 0% | 0% | 0% | 0% | - |

Practically all water withdrawal comes from the municipal network, representing a total volume of 522,777 m³ in absolute terms (99.2% of the total water withdrawn). At the Marineda shopping center in La Coruña, some of the water comes from a rainwater tank. Based on the 2021 rainfall in this area and the tank's catchment area⁽¹⁾, it is estimated that the volume of water collected and used at this asset is around 3,756 m³.

Lastly, with regard to water withdrawal intensity, in the Like for Like portfolio it was 0.545 m³/sqm, 17.7% higher than in 2020, and in the absolute portfolio it was 0.411 m³/sqm, 9.7% higher than in 2020.

| Offices | | | | | Shopping centers | | | | | Logistics assets | | | | |
|----------|----------|---------------|----------|-------|------------------|----------|---------------|----------|-------|------------------|----------|---------------|----------|-------|
| Absolute | | Like for Like | | | Absolute | | Like for Like | | | Absolute | | Like for Like | | |
| 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. |
| 29,249 | 28,718 | 20,704 | 22,918 | 11% | 103,550 | 116,767 | 79,129 | 103,798 | 31% | 11,873 | 38,772 | 11,681 | 38,657 | 231% |
| 211,809 | 203,866 | 144,142 | 158,740 | 10% | 76,208 | 113,015 | 63,331 | 73,044 | 15% | 18,535 | 1,038 | 17,766 | 0 | - |
| 0 | 0 | 0 | 0 | 0 | 44,450 | 34,356 | 19,801 | 22,378 | 13% | 0 | 0 | 0 | 0 | - |
| 241,058 | 232,584 | 164,846 | 181,658 | 10% | 224,208 | 264,138 | 162,261 | 199,220 | 22,8% | 30,408 | 39,810 | 29,447 | 38,657 | 31% |
| 0.284 | 0.308 | 0.295 | 0.325 | 10% | 0.778 | 1.126 | 1.057 | 1.298 | 23% | 0.163 | 0.126 | 0.511 | 0.671 | 31% |
| 89 of 89 | 83 of 84 | 72 of 73 | 72 of 73 | - | 13 of 14 | 13 of 14 | 11 of 11 | 11 of 11 | - | 23 of 23 | 20 of 24 | 19 of 20 | 19 of 20 | - |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - |

⁽¹⁾ Estimate considers the annual recorded rainfall in La Coruña in 2021, according to data provided by Meteogalicia, and a catchment area of about 16,000 sqm. A 10% loss rate was assumed.

Water withdrawal at assets not under MERLIN's operational control

With regard to the assets not under **MERLIN's** operational control (single-tenant), the Company has information on water withdrawal in Like for Like terms for 1 office asset, and in absolute terms for 3 office assets⁽¹⁾ (all located in Spain). The table below shows the coverage area of the information on water withdrawal.

| | Like for Like portfolio | Absolute portfolio | |
|----------------------|-------------------------|--------------------|----------------------------------|
| | Reported area | Reported area | % coverage (area) ⁽²⁾ |
| Offices | 5,934 sqm | 33,008 sqm | 3% |
| Logistics warehouses | 0 sqm | 0 sqm | 0% |
| Shopping centers | 0 sqm | 0 sqm | 0% |
| Total | 5,934 sqm | 33,008 sqm | 1% |

Water withdrawal at MERLIN Properties' portfolios (not under management)

| EPRA Code | Indicator and units | MERLIN Total | | | | |
|--------------------------------------|--|--------------|---------|---------------|--------|-------|
| | | Absolute | | Like for Like | | Evol. |
| | | 2020 | 2021 | 2020 | 2021 | |
| Water-Abs, Water-LfL | Total water withdrawal (m ³) | 19,645 | 16,517 | 596 | 677 | 14% |
| Water-Int | Water withdrawal intensity (m ³ /sqm) | 0.380 | 0.500 | 0.012 | 0.013 | 14% |
| Coverage (based on number of assets) | | 7 of 7 | 3 of 56 | 1 of 1 | 1 of 1 | - |
| % of data estimated | | | 0% | 0% | 0% | - |

⁽¹⁾ Annex III contains a list of the assets included in the reporting of this type of environmental performance information.

⁽²⁾ Coverage calculated on the total operating assets in each one of the three strategic portfolios: offices, logistics warehouses (excluding Barcelona Zal Port) and shopping centers.

In absolute terms, for assets not under **MERLIN's** operational control, water withdrawal from the municipal network amounted to 18,855 m³ in 2021 (water withdrawal intensity of 0.490 m³/sqm), with office assets accounting for all consumption. Consumption in 2021 was 4.0% lower than in 2020, mainly as a result of reduced foot traffic at these types of assets due to teleworking.

In the Like for Like portfolio, consumption in 2021 was 677 m³ (water withdrawal intensity 0.114 m³/sqm), which represents a 75.4% decrease compared to 2020, due to the elimination of an asset from the Like for Like scope.

MERLIN has no water data for its corporate headquarters or for the leased LOOM buildings.

| Offices | | | | | Shopping centers | | | | | Logistics assets | | | | |
|----------|---------|---------------|--------|-------|------------------|--------|---------------|--------|-------|------------------|---------|---------------|--------|-------|
| Absolute | | Like for Like | | | Absolute | | Like for Like | | | Absolute | | Like for Like | | |
| 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. |
| 19,645 | 16,517 | 596 | 677 | 14% | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - |
| 0.380 | 0.500 | 0.012 | 0.013 | 14% | 0.000 | 0.000 | 0.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | 0.000 | - |
| 7 of 7 | 3 of 27 | 1 of 1 | 1 of 1 | - | 0 of 1 | 0 of 1 | 0 of 0 | 0 of 0 | - | 0 of 0 | 0 of 28 | 0 of 0 | 0 of 0 | - |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - |

Waste Management

In relation to waste management, the Company has Like for Like information on 58 office assets, 8 shopping centers and 1 logistics warehouse; it has information in Absolute terms on 82 office assets, 11 shopping centers and 1 logistics warehouse⁽¹⁾ (all located in Spain). The table below shows the coverage area of the information on waste management.

| | Like for Like portfolio | Absolute portfolio | |
|----------------------|-------------------------|----------------------|----------------------------------|
| | Reported area | Reported area | % coverage (area) ⁽²⁾ |
| Offices | 593.103 sqm | 831.128 sqm | 67% |
| Logistics warehouses | 36.234 sqm | 36.234 sqm | 3% |
| Shopping centers | 266.365 sqm | 376.467 sqm | 76% |
| Total | 895.701 sqm | 1.243.829 sqm | 40% |

Waste generation at assets under MERLIN's operational control

| EPRA Code | Indicator and units | Total MERLIN | | | | |
|--------------------------------------|---|--------------|-----------|---------------|-----------|-------|
| | | Absolute | | Like for Like | | Evol. |
| | | 2020 | 2021 | 2020 | 2021 | |
| Waste-Abs, Waste-LfL | Total generation of non-hazardous waste (t) | 4,940.7 | 5,915.0 | 4,060.1 | 4,509.9 | 11% |
| | Total generation of hazardous waste (t) | 7.8 | 5.1 | 6.5 | 3.2 | -52% |
| | Waste to be eliminated (t) | 66.6 | 0.7 | 8.6 | 0.3 | -97% |
| | Waste to be recovered energetically (t) | 5.0 | 4.1 | 2.8 | 2.5 | -12% |
| | Waste to be recovered (t) | 4.6 | 2.6 | 4.0 | 1.8 | -53% |
| | Waste to be recycled (t) | 4,872.3 | 5,912.7 | 4,051.3 | 4,508.4 | 11% |
| Coverage (based on number of assets) | | 97 of 183 | 95 of 180 | 67 of 178 | 67 of 178 | |
| % of data estimated | | 0% | 0% | 0% | 0% | - |

⁽¹⁾ Annex III contains a list of the assets included in the reporting of this type of environmental performance information.

⁽²⁾ Coverage calculated on the total operating assets in each one of the three strategic portfolios: offices, logistics warehouses (excluding Barcelona Zal Port) and shopping centers.

In 2021, assets in the Like for Like portfolio accounted for a total of 4,513 tons of waste, 99.96% of which was non-hazardous waste, and the rest was hazardous. The assets in the absolute portfolio accounted for 5,920 tons of waste, 99.93% of which was non-hazardous waste and the remainder hazardous.

In Like for Like terms, there was an overall increase in waste managed between 2020 and 2021 (11.0%). This increase is mostly due to the waste managed at shopping centers (which accounts for 81.0% of the total). This is a consequence of an increase in business and foot traffic at these types of assets due to the easing of some COVID-19 restrictions in 2021. However, the amount of waste managed is still well below 2019 levels, a year in which the usual, pre-pandemic levels of foot traffic were recorded.

In absolute terms, a total of 5,920 tons of waste was managed. This is an increase of 19.6% in the amount of waste managed from 2020 to 2021. This is a slightly higher increase than in the Like for Like portfolio since it includes the Tres Aguas shopping center, as well as the increase in the waste managed at X-Madrid which opened at the end of 2019 even though many of the spaces were launched in 2020, coinciding with the peak of the COVID-19 pandemic, which meant that they were shut down for several months. In addition, the foot traffic at this center was much higher in 2021 than the year before.

There is no information available on waste generation at corporate headquarters or the LOOM buildings.

| Offices | | | | | Shopping centers | | | | | Logistics assets | | | | |
|-----------|-----------|---------------|-----------|-------|------------------|----------|---------------|---------|-------|------------------|---------|---------------|---------|-------|
| Absolute | | Like for Like | | | Absolute | | Like for Like | | | Absolute | | Like for Like | | |
| 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. | 2019 | 2021 | 2020 | 2021 | Evol. |
| 98.9 | 89.7 | 97.0 | 88.4 | -9% | 4,119.0 | 5,019.5 | 3,240.3 | 3,615.7 | 12% | 722.8 | 805.9 | 722.8 | 805.9 | 11% |
| 3.2 | 3.1 | 1.9 | 1.4 | -24% | 4.6 | 2.0 | 4.6 | 1.7 | -63% | 0.0 | 0.0 | 0.0 | 0.0 | - |
| 0.0 | 0.7 | 0.0 | 0.2 | - | 66.6 | 0.0 | 8.6 | 0.0 | -100% | 0.0 | 0.0 | 0.0 | 0.0 | - |
| 4.6 | 3.7 | 2.4 | 2.2 | -10% | 0.4 | 0.3 | 0.4 | 0.3 | - | 0.0 | 0.0 | 0.0 | 0.0 | - |
| 2.4 | 1.4 | 1.7 | 0.9 | -49% | 2.2 | 1.2 | 2.2 | 1.0 | -57% | 0.0 | 0.0 | 0.0 | 0.0 | - |
| 95.1 | 86.9 | 94.8 | 86.5 | -9% | 4,054.4 | 5,019.9 | 3,233.7 | 3,616.1 | 12% | 722.8 | 805.9 | 722.8 | 805.9 | 11% |
| 85 of 115 | 82 of 113 | 58 of 111 | 58 of 111 | | 11 of 15 | 12 of 15 | 8 of 15 | 8 of 15 | | 1 of 53 | 1 of 52 | 1 of 52 | 1 of 52 | |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - |

Scope 1 and Scope 2 Greenhouse Gas Emissions (GHG)

GHG emissions at assets under MERLIN's operational control

Firstly, taking a location-based calculation approach⁽¹⁾ and considering the Like for Like portfolio, the sum of Scope 1 and Scope 2 GHG emissions was 13,697 tCO₂eq, 2.4% less than in 2020. Specifically, direct emissions (Scope 1), which include emissions derived from the consumption of diesel and natural gas in the assets as well as refrigerant gas recharges, amounted to 4,552 tCO₂eq. Indirect emissions (Scope 2) associated with the generation of electricity consumed at the assets and the consumption of district heating & cooling totaled 9,145 tCO₂eq.

In Like for Like terms, broken down by portfolio, Scope 1 and Scope 2 emissions from office assets were 3,520 tCO₂eq and 5,403 tCO₂eq respectively; those from logistics warehouses were 0 tCO₂eq and 140 tCO₂eq; and those from shopping centers were 1,033 tCO₂eq and 3,602 tCO₂eq.

Greenhouse Gas Emissions at MERLIN Properties portfolios (under operational control)

| EPRA Code | Indicator and units | Total MERLIN | | | | |
|--------------------------------------|--|--------------|------------|---------------|------------|-------|
| | | Absolute | | Like for Like | | |
| | | 2020 | 2021 | 2020 | 2021 | Evol. |
| - | Direct emissions –Scope 1, refrigerant gases (tCO ₂ eq) | 2,345 | 2,051 | 0 | 1,827 | - |
| - | Direct emissions –Scope 1, fuels (tCO ₂ eq) | 4,069 | 3,829 | 2,303 | 2,725 | 18% |
| GHG-Dir-Abs, GHG-Dir-LfL | Direct emissions –Scope 1 (tCO ₂ eq) | 6,414 | 5,880 | 2,303 | 4,553 | 98% |
| GHG-IndirAbs, GHG-Indir-LfL | Indirect emissions- Scope 2 (tCO ₂ eq) – Location based | 13,186 | 13,972 | 9,475 | 9,145 | -3% |
| - | Total emissions – Scope 1+2 Location based (tCO ₂ eq) | 19,600 | 19,852 | 11,778 | 13,697 | 16% |
| GHG-Int | Emissions Intensity (tCO ₂ eq/sqm) | 0.013 | 0.015 | 0.012 | 0.014 | 16% |
| Coverage (based on number of assets) | | 128 of 129 | 117 of 117 | 100 of 100 | 100 of 100 | - |
| % of data estimated | | 0% | 0% | 0% | 0% | - |

⁽¹⁾ Scope 1 emissions were calculated considering the factors recommended by the Spanish Ministry for Ecological Transition and Demographic Challenge (MITERD). Scope 2 location-based emissions from electricity consumption were calculated considering the emission factor of the electricity mix for Spain and Portugal. The emission factor of the electricity mix is a rate that represents the CO₂ emission intensity associated with generating the electricity that is consumed. It is, therefore, a significant indicator of the ratio of low carbon energy sources to the country's total electricity production. Scope 2 location-based emissions from district heating were obtained from the emission factor provided by Districlima, and emissions from district cooling were obtained considering the emission factor of the Spanish electricity mix and a grid loss percentage of 10%.

Looking at the portfolio in absolute terms, the sum of Scope 1 and Scope 2 location-based GHG emissions was 19,803 tCO₂eq, 1.0% more than in 2020. Broken down by scope, 5,880 tCO₂eq are Scope 1 emissions⁽¹⁾ and the remaining 13,922 tCO₂eq are Scope 2 emissions⁽²⁾. In absolute terms, broken down by type of asset, there were 4,463 tCO₂eq and 7,376 tCO₂eq, respectively, in Scope 1 and Scope 2 emissions from office assets; 0 tCO₂eq and 1,569 tCO₂eq from logistics assets; and 1,417 tCO₂eq and 5,027 tCO₂eq from shopping centers.

There is an overall decline in both Scope 1 and Scope 2 emissions in 2021 as a result of the Company's actions to increase the share of green energy. However, it is worth mentioning that the increase in emissions in the logistics warehouse portfolio is mostly the result of the A4-Getafe (Gavilanes) refrigerated warehouse, which was fully operational in 2021 following a partial start-up in 2019.

Furthermore, by country, in absolute terms, Spain produced 18,237 tCO₂eq of Scope 1 and Scope 2 GHG emissions (5,797 tCO₂eq Scope 1 and 12,489 tCO₂eq Scope 2), while Portugal produced 1,566 tCO₂eq (83 tCO₂eq Scope 1 and 1,483 tCO₂eq Scope 2).

The intensity of GHG emissions was 0.014 m³/sqm in the Like for Like portfolio (2.4% lower than in 2020) and 0.015 m³/sqm in the absolute portfolio (15.2% higher than in 2020).

Direct emissions derived from fuel consumption in assets under **MERLIN's** operational control (Scope 1) were obtained following the recommendations of the Ministry of Ecological Transition and Demographic Challenge (MITERD).

| Offices | | | | | Shopping centers | | | | | Logistics assets | | | | |
|----------|----------|---------------|----------|-------|------------------|----------|---------------|----------|-------|------------------|----------|---------------|----------|-------|
| Absolute | | Like for Like | | | Absolute | | Like for Like | | | Absolute | | Like for Like | | |
| 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. |
| 1,394 | 1,572 | 0 | 1,382 | - | 947 | 479 | 0 | 445 | - | 4 | 0 | 0 | 0 | - |
| 3,117 | 2,891 | 1,699 | 2,138 | 26% | 952 | 938 | 604 | 587 | -3% | 0 | 0 | 0 | 0 | - |
| 4,511 | 4,463 | 1,699 | 3,520 | 107% | 1,899 | 1,417 | 604 | 1,033 | 71% | 4 | 0 | 0 | 0 | - |
| 8,223 | 7,376 | 5,806 | 5,403 | -7% | 4,196 | 5,027 | 3,522 | 3,602 | 2% | 767 | 1,569 | 147 | 140 | -5% |
| 12,734 | 11,839 | 7,505 | 8,923 | 19% | 6,095 | 6,444 | 4,126 | 4,634 | 12% | 771 | 1,569 | 147 | 140 | -5% |
| 0.015 | 0.017 | 0.016 | 0.016 | 1% | 0.014 | 0.015 | 0.015 | 0.014 | -9% | 0.000 | 0.000 | 0.004 | 0.002 | -63% |
| 89 of 89 | 79 of 79 | 69 of 69 | 69 of 69 | - | 13 of 14 | 14 of 14 | 11 of 11 | 11 of 11 | - | 26 of 26 | 24 of 24 | 20 of 20 | 20 of 20 | - |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - |

A location-based calculation method was used to determine the indirect emissions associated with electricity consumption at assets under **MERLIN's** operational control (Scope 2). For this calculation, **MERLIN** consulted the emission factors in the countries where its assets are located: Spain and Portugal⁽³⁾.

⁽¹⁾ Includes fuel consumption and refrigerant gas refills.

⁽²⁾ Includes consumption of electricity and district heating & cooling.

⁽³⁾ The 2021 factor for Spain was obtained from the information published by Red Eléctrica de España (REE), while for the factor for Portugal was taken from the data published by the Energy Observatory sponsored by the Portuguese Ministry of Environment and Climate Action.

Certifications

The table below details the number and types of asset certifications in each portfolio. They include energy certifications under Royal Decree 235/2013; LEED/BREEAM sustainable construction certificates; and ISO 14001 and ISO 50001 Management Systems certifications.

The percentage of certified assets is calculated by area, considering only the operating assets in the office, shopping center and logistics portfolios, as well as WIP assets: Plaza Pablo Ruiz Picasso, Ática 1 and PE Cerro Gamos WIP. Not included in the calculation are the Barcelona ZAL Port assets, the Net Lease portfolio assets, other non-strategic assets or the rest of the WIP assets.



Torre de Chamartín garden | Madrid

Certifications

| EPRA code | Indicator and units | Total MERLIN | | Offices | | Shopping centres | | Logistics assets | |
|-----------|--|--------------|---------------|------------|---------------|------------------|---------------|------------------|---------------|
| | | Absolute | Like for Like | Absolute | Like for Like | Absolute | Like for Like | Absolute | Like for Like |
| Cert-Tot | Energy certificates (% area) | 85% | 81% | 97% | 98% | 82% | 98% | 74% | 20% |
| | Coverage (based on number of assets) | 184 of 184 | 109 of 109 | 117 of 117 | 78 of 78 | 15 of 15 | 11 of 11 | 52 of 52 | 20 of 20 |
| | Sustainable construction certificates (% area) | 86% | 92% | 88% | 90% | 88% | 96% | 84% | 92% |
| | Coverage (based on number of assets) | 184 of 184 | 109 of 109 | 117 of 117 | 78 of 78 | 15 of 15 | 11 of 11 | 52 of 52 | 20 of 20 |
| | Management Systems (% area) | 36% | 63% | 64% | 86% | 51% | 59% | 6% | 12% |
| | Coverage (based on number of assets) | 184 of 184 | 109 of 109 | 117 of 117 | 78 of 78 | 15 of 15 | 11 of 11 | 52 of 52 | 20 of 20 |

11. Annex II

Methodology for Calculating
Scope 3 GHG Emissions

IN LINE WITH ITS “PATHWAY TO NET ZERO” STRATEGY, IN 2021 MERLIN EXPANDED THE CALCULATION OF INDIRECT GHG EMISSIONS TO INCLUDE SCOPE 3, WHICH ARE LOCATION-BASED EMISSIONS GENERATED AT SOURCES THAT ARE NEITHER OWNED NOR CONTROLLED BY THE COMPANY. **MERLIN** CALCULATED THE GHG EMISSIONS IN THE MOST RELEVANT CATEGORIES DEFINED IN THE GHG PROTOCOL BASED ON THE COMPANY’S LINE OF BUSINESS.

| Type of emission | GHG protocol category | Emissions (tCO ₂ eq) |
|---|---|---------------------------------|
| Emissions related to the supply chain | 1. Purchased goods and services | 6,207 |
| | 2. Capital goods | 43,315 |
| | 4. Upstream transportation and distribution | 937 |
| Upstream emissions from fuels | 3. Fuel and energy-related activities | 2,699 |
| Emissions associated with employee commuting | 7. Employee commuting | 226 |
| Emissions associated with assets where MERLIN is a tenant | 8. Upstream leased assets | 92 |
| Emissions associated with assets where MERLIN is a lessor | 13. Downstream leased assets | 45,409 |
| Total | | 98,885 |
| Emissions associated MERLIN Hub ⁽¹⁾ users commuting | 7. Employee commuting | 6,447 |
| Total (including Merlin Hub) | | 105,332 |

⁽¹⁾ More information about MERLIN Hub can be found on pages 69 to 72. This is an additional calculation within Category 7 of Scope 3 (“Employee commuting”).

Category 13- Downstream Leases

Based on the emission intensity data per square meter (kgCO₂e/sqm) included in the energy certifications for most of **MERLIN's** strategic assets (as discussed in section 8.4. of this Report in the subsection titled "Energy rating of **MERLIN's** assets"), **MERLIN** has estimated GHG emissions from energy consumption at assets whose operations are not controlled by the Company. These are Scope 3, category 13 emissions (referred to as "Downstream leased assets" in the GHG Protocol). The calculation focuses on the asset portfolios designated as strategic, as they are most representative of the Company's assets (offices, logistics and shopping centers).

Given the characteristics of this type of emissions, the GHG emissions of this category are calculated using a location-based approach (i.e., considering the electricity mix of the country where the asset is located).

Depending on the type of asset, GHG emissions from energy sources managed and/or controlled by tenants (Scope 3 GHG emissions, category 13) may account for the total (see point 1, below) or only a portion of the asset's GHG emissions (see point 2). There are also some cases where **MERLIN** manages and/or controls all of the asset's energy consumption, so the Scope 3, category 13 GHG emissions associated with that asset are zero (see point 3)⁽¹⁾.

1. In the case of **single-tenant assets**, the tenant has control over all of the fuel (if fuel is used for air conditioning) and electricity consumption. Thus, based on the energy certification reports, the GHG emissions of the asset as a whole were estimated and assigned to Scope 3 Category 13.3.
2. For most **multi-tenant assets**, the tenant has partial control over the electricity consumed at the asset. Based on the energy certification reports, the GHG emissions from electricity consumption (under the tenant's control) were calculated and the GHG emissions were assigned to Scope 3, Category 13⁽²⁾.
3. For **the remaining multi-tenant assets** where the tenant does not control any of the asset's energy sources, no estimates are made of the asset's GHG emissions.

⁽¹⁾ According to the GHG Protocol guidelines for electricity consumption, the buyer of the electricity (i.e. the party billed by the electricity seller) is the one that controls the energy.

⁽²⁾ GHG emissions associated with energy sources under MERLIN management refer to the Scope 1 and 2 GHG emissions reported in the section of Annex I titled: "Scope 1 and Scope 2 Greenhouse Gas (GHG) Emissions".

In all cases, a GHG emissions intensity factor per square meter (kgCO₂e/sqm), “updated” to 2021, is obtained at the asset-to-asset level. This correction of the factor is critical to the calculations, as both Spain and Portugal have experienced a sharp increase in energy generation from renewable sources in recent years. The intensity factor is based on the GHG emissions intensity that appears on the energy certification, considering both the year in which the certification report is issued, and the type of energy sources used by the asset (electricity & fuel or electricity only)⁽¹⁾.

For assets that do not have an energy rating, an average emissions intensity factor was calculated and considered for each strategic portfolio (offices, logistics and shopping centers).

In the particular case of single-tenant assets for which **MERLIN** has compiled energy consumption data for 2021 based on invoices, which are in turn re-invoiced to the tenant (see sub-section on “Energy consumption at assets not under **MERLIN’s** Operational Control” in Annex I⁽²⁾), GHG emissions were calculated by multiplying the consumption data on the invoices by the same emission factors used to calculate the Scope 1 and Scope 2 emissions (using a location-based approach). In these specific cases, it was not necessary to create estimates from energy rating data.

Estimated GHG emissions for this category are 45,409 tons of CO₂e. The breakdown among strategic portfolios is 20,468 tons CO₂e for offices, 15,586 tons CO₂e for logistics assets and 9,355 tons CO₂e for shopping centers⁽³⁾. The table below shows the GHG emissions for single-tenant assets and private energy consumption at multi-tenant assets:

| Portfolio | Total Scope 3, Category 13 GHG emissions | Scope 3 by asset type | |
|----------------------|--|-----------------------------------|---|
| | | Single-tenant | Multi-tenant (private energy consumption) |
| Offices | 20,468 ton CO ₂ e | 9,370 ton CO ₂ e | 11,098 ton CO ₂ e |
| Logistics warehouses | 9,355 ton CO ₂ e | 0 | 9,355 ton CO ₂ e |
| Shopping centers | 15,586 ton CO ₂ e | 12,061 ton CO ₂ e | 3,525 ton CO ₂ e |
| Total | 45,409 ton CO₂e | 21,431 ton CO₂e | 23,978 ton CO₂e |

⁽¹⁾ Since energy certification reports are valid for 10 years, there are cases where the GHG emissions intensity data (kgCO₂e/sqm) for an asset refers to equipment and systems that have already been replaced with more efficient ones (especially on refurbishment projects). Consequently, on a global level the estimates are considered to provide an “upside” value of the portfolios’ Scope 3 GHG emissions.

⁽²⁾ See also Annex III: “Detailed scope of environmental performance reporting”. These assets are the ones marked “Yes*” in the “Energy Report” column (“Yes” with an asterisk).

⁽³⁾ These results include all GHG emissions for assets in operation in 2021, and therefore do not include those categorized as WIP (see Annex III). The Monumental and Callao assets are not included in the calculation, as they have not been effectively operating for the purposes of GHG emissions calculations.

Other Scope 3 Categories

Emissions associated with the supply chain

Through the billing data of suppliers, during 2021 **MERLIN** has made an estimate of the Scope 3 emissions associated with its supply chain (Categories 1, 2 and 4 of the GHG Protocol) based on its 2021 purchase data. To this end, the Company has followed an Environmentally-Extended Input-Output Model (based on the WIOD 2016 database), which takes into account national emission factors by activity sectors. Under this approach, GHG emissions in 2021 have been 50,459 tCO₂eq.

Upstream fuel emissions

Category 3 of the GHG Protocol computes GHG emissions from fuels consumed by **MERLIN** that occur upstream (prior to combustion) as well as GHG emissions associated with electricity losses during transportation and distribution and upstream GHG emissions from fuels used in electricity generation⁽¹⁾. Considering the items in this category, there were 2,699 tCO₂eq of GHG emissions in the Absolute portfolio, and 1,833 tCO₂eq in the Like for Like portfolio.

Emissions associated with employee commuting

For emissions from employee commuting (Category 7 of the GHG Protocol), **MERLIN** calculated the emissions associated with the Company's employees commuting to and from work and those associated with **MERLIN Hub** users commuting to and from these assets.

To learn more about **MERLIN** employees' commuting, the Company launched a survey to find out about their commuting habits to and from work. Estimated total GHG emissions in 2021 were 226 tCO₂eq, or 0.94 tCO₂eq per employee.

In addition to the calculations discussed in this section, the Company also estimated GHG emissions produced by office workers at the **MERLIN Hub** Madrid Norte (New Business Area A-1 in Madrid). To do so, the Company used information from the Transport to Work Plans (TWP) prepared for this set of assets by the Office of Sustainability and Mobility (OSM). We also took into account the effects of the shuttle service arranged by **MERLIN** (through the OSM) on the mobility of these users. The shuttle connects key points in the city of Madrid with the group of offices that make up **MERLIN Hub** Madrid Norte. If we consider that there are an estimated 18,000 employees working at offices in this area of Madrid, GHG emissions in 2021 stood at 6,447 tCO₂eq (0.36 tCO₂eq per employee).

⁽¹⁾ The data on electricity losses in the transmission grid as a percentage of demand in Spain were obtained from the Red Eléctrica de España (REE) 2021 Sustainability Report.

The difference between the GHG emissions intensity ratio per employee in the case of **MERLIN** staff compared to **MERLIN Hub** Madrid Norte employees is mainly due to a higher teleworking rate among **MERLIN Hub** Madrid Norte employees compared to **MERLIN** employees.

These GHG emissions are associated with the commuting of **MERLIN** office users. Like the GHG emissions produced by commuting MERLIN employees (reported in this section), they are assigned to Scope 3, category 7 according to GHG Protocol guidelines. However, the two types of emissions are reported separately, as the calculation of GHG emissions associated with the commuting of the users of these assets is optional within this category.

Emissions associated with assets where MERLIN is lessee

MERLIN also calculates Scope 3 category 8 emissions as defined by the GHG Protocol by accounting for emissions from assets where it is a tenant. This category includes GHG emissions associated with electricity consumption at the Company's corporate headquarters in Madrid and GHG emissions from the LOOM Huertas and LOOM Salamanca locations. Overall, GHG emissions in this category were 92 tCO₂eq (0.035 tCO₂eq /sqm) in 2021, broken down as follows: corporate headquarters (26 tCO₂eq, 0.014 tCO₂eq /sqm) and LOOM spaces (66 tCO₂eq, 0.021 tCO₂eq /sqm).

Scope 3 emissions report according to EPRA sBPR

Greenhouse Gas Emissions in MERLIN's portfolios (not under operational control)⁽¹⁾

| EPRA Code | Indicator and unit | Total MERLIN | | | | |
|--------------------------------------|---|--------------|----------|---------------|--------|----|
| | | Absolute | | Like for Like | | |
| | | 2021 | 2020 | 2021 | Evol. | |
| - | Scope 3 emissions, refrigerant gases (t CO ₂ eq) | 16 | 0 | 0 | 0 | - |
| - | Scope 3 emissions, fuels (t CO ₂ eq) | 97 | 0 | 0 | 0 | - |
| - | Scope 3 emissions, electricity (t CO ₂ eq) | 365 | 500 | 86 | 92 | 7% |
| GHG-IndirAbs, GHG-Indir-LfL | Total emissions - Scope 3 (t CO ₂ eq) | 478 | 500 | 86 | 92 | 7% |
| GHG-Int | Emissions intensity - Scope 3 (t CO ₂ eq/sqm) | 0.002 | 0.002 | 0.002 | 0.002 | 7% |
| Coverage (based on number of assets) | | 9 of 54 | 11 of 67 | 5 of 5 | 5 of 5 | - |
| % of data estimated | | | 0% | 0% | 0% | - |

Greenhouse Gas Emissions for properties leased by LOOM⁽²⁾

| EPRA Code | Indicator and units | Offices | | |
|------------------------------|--|---------|-------|-------|
| | | 2021 | | Evol. |
| GHG-Dir-Abs, GHG-Dir-LfL | Direct emissions -Scope 3 (t CO ₂ eq) | N/A | N/A | - |
| GHG-Indir Abs, GHG-Indir-LfL | Indirect emissions -Scope 3 (t CO ₂ eq) | 54.44 | 65.8 | 21% |
| - | Total emissions -Scope 3 (t CO ₂ eq) | 54.4 | 65.8 | 21% |
| GHG-Int | Emissions intensity (t CO ₂ eq/sqm) | 0.017 | 0.021 | 21% |
| % of data estimated | | 0% | 0% | - |

⁽¹⁾ Following the recommendations of EPRA sBPR, in the table only the GHG emissions corresponding to GHG Protocol category 13. Downstream leased assets of those assets for which actual data on energy consumption are available are reported.

⁽²⁾ The emissions corresponding to the properties leased by LOOM and the corporate headquarters of MERLIN Properties correspond to those of GHG Protocol category 8. Upstream leased assets.

| Offices | | | | | Shopping centers | | | | | Logistics assets | | | | |
|----------|---------|---------------|--------|-------|------------------|--------|---------------|--------|-------|------------------|---------|---------------|--------|-------|
| Absolute | | Like for Like | | | Absolute | | Like for Like | | | Absolute | | Like for Like | | |
| 2020 | 2021 | 2020 | 2021 | Evol. | 2020 | 2021 | 2020 | 2021 | Evol. | 2019 | 2021 | 2020 | 2021 | Evol. |
| 16 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - |
| 97 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 | 0 | - |
| 172 | 112 | 86 | 92 | 7% | 0 | 0 | 0 | 0 | - | 193 | 388 | 0 | 0 | - |
| 285 | 112 | 86 | 92 | 7% | 0 | 0 | 0 | 0 | - | 193 | 388 | 0 | 0 | - |
| 0.012 | 0.002 | 0.000 | 0.000 | - | 0.000 | 0.000 | 0.000 | 0.000 | - | 0.001 | 0.002 | 0.000 | 0.000 | - |
| 5 of 23 | 6 of 29 | 5 of 5 | 5 of 5 | - | 0 of 1 | 0 of 1 | 0 of 0 | 0 of 0 | - | 4 of 27 | 5 of 28 | 0 of 0 | 0 of 0 | - |
| 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - | 0% | 0% | 0% | 0% | - |

Greenhouse Gas Emissions at MERLIN Properties corporate headquarters ⁽¹⁾

| EPRA Code | Indicator and units | Offices | | |
|---------------------------------|---|---------|-------|-------|
| | | 2020 | 2021 | Evol. |
| GHG-Dir-Abs, GHG-Dir-LfL | Direct emissions –Scope 3 (t CO ₂ eq) | N/A | N/A | - |
| GHG-Indir Abs, GHG-Indir-LfL | Indirect emissions –Scope 3 (t CO ₂ eq) | 26.5 | 26.1 | -1% |
| - | Total emissions –Scope 3 (t CO ₂ eq) | 26.5 | 26.1 | -1% |
| GHG-Int | Emissions intensity (t CO ₂ eq/sqm) | 0.014 | 0.014 | -1% |
| % of data estimated | | 0% | 0% | - |

⁽¹⁾ The emissions corresponding to the properties leased by LOOM and the corporate headquarters of MERLIN Properties correspond to those of GHG Protocol category 8. Upstream leased assets.

12. Annex III

Breakdown of the environmental
performance reporting scope

| Asset name | Portfolio | GLA (sqm) | Energy report (GJ) | Water report (m ²) | Waste report (ton) | Sustainable building certification | ISO 14001 | ISO 50001 | Energy classification |
|--|----------------|----------------|--------------------|--------------------------------|--------------------|------------------------------------|------------|------------|-----------------------|
| Torre Castellana 259 | Offices | 21,390 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Castellana 280 | Offices | 116,853 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Castellana 278 | Offices | 14,468 | | Yes* | | LEED GOLD | | | Yes |
| Castellana 93 | Offices | 11,650 | Yes | Yes | Yes | BREEAM VERY GOOD | Yes | Yes | Yes |
| Alcalá 40 | Offices | 9,315 | | | | | | | Yes |
| Príncipe de Vergara 187 | Offices | 10,732 | | | | LEED GOLD | | | Yes |
| Alfonso XI | Offices | 9,945 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Pedro de Valdivia 10 | Offices | 6,721 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Beatriz de Bobadilla 14 (4 buildings) | Offices | 17,166 | Yes | Yes | Yes | LEED GOLD(2) SILVER(2) | Yes | Yes | Yes |
| Princesa 3 | Offices | 17,810 | Yes | Yes | Yes | BREEAM GOOD | Yes | | Yes |
| Princesa 5 | Offices | 5,693 | Yes | Yes | Yes | BREEAM GOOD | Yes | | Yes |
| Plaza de los Cubos | Offices | 13,528 | | | | | | | |
| Ventura Rodriguez 7 | Offices | 10,071 | Yes | Yes | Yes | BREEAM GOOD | Yes | | Yes |
| Juan Esplandiú 11-13 | Offices | 28,008 | Yes | Yes | Yes | BREEAM GOOD | Yes | Yes | Yes |
| Eucalipto 33 | Offices | 7,301 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Eucalipto 25 | Offices | 7,368 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Santiago de Compostela 94 | Offices | 13,130 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Parking Princesa | - | - | | | | | | | |
| Josefa Valcárcel 48 | Offices | 19,893 | | | | LEED GOLD | | | Yes |
| Alvento (2 buildings) | Offices | 32,928 | Yes | Yes | Yes | LEED SILVER | Yes | Yes | Yes |
| Cristalia | Offices | 11,712 | Yes | Yes | Yes | LEED GOLD | Yes | | Yes |
| Trianon (2 buildings) | Offices | 18,400 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |

| Asset name | Portfolio | GLA (sqm) | Energy report (GJ) | Water report (m ²) | Waste report (ton) | Sustainable building certification | ISO 14001 | ISO 50001 | Energy classification |
|---|----------------|---------------|--------------------|--------------------------------|--------------------|------------------------------------|----------------|----------------|-----------------------|
| Ribera del Loira 36-50 (4 buildings) | Offices | 39,150 | Yes* | Yes | Yes | LEED PLATINUM(1) GOLD(3) | Yes (2) | Yes (2) | Yes |
| Ribera del Loira 60 | Offices | 54,960 | | | | LEED GOLD | | | Yes |
| Partenón 12-14 | Offices | 19,609 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Partenón 16-18 | Offices | 18,343 | Yes | Yes | Yes | LEED SILVER | Yes | Yes | Yes |
| Arturo Soria 128 | Offices | 3,226 | Yes | Yes | Yes | BREEAM MUY GOOD | Yes | Yes | Yes |
| Torre Chamartín | Offices | 18,295 | Yes | Yes | Yes | LEED PLATINUM | Yes | Yes | Yes |
| Arturo Soria 343 | Offices | 6,615 | Yes | Yes | | LEED GOLD | | | Yes |
| Manoterías 18 | Offices | 7,515 | Yes | Yes | Yes | | Yes | Yes | Yes |
| Fuente de la Mora | Offices | 4,483 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Aquamarina | Offices | 10,685 | Yes | Yes | Yes | BREEAM MUY GOOD | Yes | Yes | Yes |
| Vía Norte (6 buildings) | Offices | 37,224 | Yes | Yes | Yes | LEED GOLD | Yes (5) | Yes (5) | Yes |
| María de Portugal 9-13 (2 buildings) | Offices | 17,191 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Las Tablas (3 buildings) | Offices | 27,184 | Yes | Yes | Yes | | Yes | Yes | Yes |
| Avenida de Burgos 210 | Offices | 6,176 | | | | LEED GOLD | | | Yes |
| Avenida de Burgos 208 | Offices | 1,200 | | | | | | | |
| Manuel Pombo Angulo 20 | Offices | 3,623 | Yes | Yes | | LEED GOLD | | | Yes |
| Avenida de Bruselas 24 | Offices | 9,163 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Avenida de Bruselas 26 | Offices | 8,895 | | | | LEED SILVER | | | Yes |
| Avenida de Bruselas 33 | Offices | 33,718 | | | | LEED GOLD | | | Yes |
| Avenida de Europa 1A | Offices | 12,606 | | Yes* | Yes | LEED PLATINUM | Yes | | Yes |
| Avenida de Europa 1B | Offices | 10,495 | | | Yes | LEED PLATINUM | Yes | | Yes |
| María de Portugal T2 (3 buildings) | Offices | 17,140 | | | Yes | BREEAM VERY GOOD | Yes | Yes | Yes |

| Asset name | Portfolio | GLA (sqm) | Energy report (GJ) | Water report (m ²) | Waste report (ton) | Sustainable building certification | ISO 14001 | ISO 50001 | Energy classification |
|-------------------------------------|-----------|-----------|--------------------|--------------------------------|--------------------|------------------------------------|-----------|-----------|-----------------------|
| Adequa 1 | Offices | 27,426 | Yes | Yes | Yes | BREEAM VERY GOOD | Yes | Yes | Yes |
| Adequa 2 | Offices | 3,710 | Yes | Yes | Yes | | Yes | Yes | Yes |
| Adequa 3 | Offices | 15,937 | Yes | Yes | Yes | LEED PLATINUM | Yes | Yes | Yes |
| Adequa 5 | Offices | 13,790 | Yes | Yes | Yes | LEED PLATINUM | Yes | Yes | Yes |
| Adequa 6 | Offices | 13,789 | Yes | Yes | Yes | LEED PLATINUM | Yes | Yes | Yes |
| Francisco Delgado 9A (Vegacincos 1) | Offices | 5,496 | Yes* | Yes* | | | | | Yes |
| Francisco Delgado 9B (Vegacincos 2) | Offices | 5,400 | | | | | | | Yes |
| Ática 2 | Offices | 5,644 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Ática 3 | Offices | 5,746 | Yes | Yes | Yes | BREEAM GOOD | Yes | Yes | Yes |
| Ática 4 | Offices | 4,936 | Yes | Yes | Yes | LEED SILVER | Yes | Yes | Yes |
| Ática 5 | Offices | 9,526 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Ática 6 | Offices | 3,434 | Yes | Yes | | | | | Yes |
| Ática XIX (3 buildings) | Offices | 15,411 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| PE Cerro Gamos | Offices | 10,407 | Yes | Yes | | LEED GOLD | | | Yes |
| Alvia (3 buildings) | Offices | 23,567 | Yes | Yes | Yes | LEED GOLD (1) BREEAM GOOD (1) | Yes (2) | Yes (2) | Yes |
| Diagonal 605 | Offices | 14,853 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Diagonal 514 | Offices | 9,664 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| Diagonal 458 | Offices | 4,174 | Yes | Yes | | BREEAM GOOD | | | Yes |
| Balmes 236-238 | Offices | 6,187 | | | | | | | Yes |
| Vilanova 12-14 | Offices | 16,494 | | | | LEED SILVER | | | Yes |
| Gran Vía Cortes Catalanas 385 | Offices | 5,190 | Yes | | | | | | Yes |

| Asset name | Portfolio | GLA (sqm) | Energy report (GJ) | Water report (m ²) | Waste report (ton) | Sustainable building certification | ISO 14001 | ISO 50001 | Energy classification |
|--|----------------|---------------|--------------------|--------------------------------|--------------------|------------------------------------|------------|------------|-----------------------|
| Diagonal 211 (Torre Glòries) | Offices | 37,614 | Yes | Yes | Yes | BREEAM EXCELENT | Yes | Yes | Yes |
| Diagonal 199 | Offices | 5,934 | Yes* | Yes* | Yes | LEED SILVER | Yes | Yes | Yes |
| Llull 283 (Poble Nou 22@) (4 buildings) | Offices | 31,337 | Yes | Yes | Yes | LEED GOLD | Yes | Yes | Yes |
| WTC6 | Offices | 14,461 | Yes | Yes | | LEED GOLD | Yes | Yes | Yes |
| WTC8 | Offices | 14,597 | Yes | Yes | | LEED GOLD | Yes | | Yes |
| Av. Parc Logistic 10-12 (PLZFA) | Offices | 11,411 | | | | | | | Yes |
| Av. Parc Logistic 10-12 (PLZFB) | Offices | 10,652 | Yes | Yes | | BREEAM GOOD | | | Yes |
| Sant Cugat I | Offices | 15,377 | Yes | Yes | Yes | BREEAM VERY GOOD | Yes | Yes | Yes |
| Sant Cugat II | Offices | 10,008 | Yes | Yes | Yes | LEED SILVER | Yes | Yes | Yes |
| Marques de Pombal 3 | Offices | 12,460 | Yes | Yes | | LEED GOLD | | | Yes |
| Torre Lisboa | Offices | 13,715 | | | | LEED GOLD | | | Yes |
| Central Office | Offices | 10,310 | Yes | Yes | | LEED GOLD | | | Yes |
| Torre Zen | Offices | 10,207 | Yes | Yes | | LEED GOLD | | | Yes |
| Art | Offices | 22,150 | Yes | Yes | | | | | Yes |
| TFM | Offices | 7,837 | Yes | Yes | | | | | |
| Lisbon Expo | Offices | 6,740 | | | | LEED GOLD | | | Yes |
| Nestlé | Offices | 12,260 | | | | | | | Yes |
| Lerida-Mangraners | Offices | 3,228 | | | | | | | Yes |
| Zaragoza-Aznar Molina | Offices | 4,488 | | | | | | | Yes |
| Sevilla-Borbolla | Offices | 13,037 | | | | LEED SILVER | | | Yes |
| Granada-Escudo del Carmen | Offices | 2,041 | | | | | | | Yes |

| Asset name | Portfolio | GLA (sqm) | Energy report (GJ) | Water report (m ²) | Waste report (ton) | Sustainable building certification | ISO 14001 | ISO 50001 | Energy classification |
|------------------------------------|-------------------------|------------------|--------------------|--------------------------------|--------------------|------------------------------------|----------------|----------------|-----------------------|
| Castellana 85 | Offices | 16.474 | Yes | Yes | | LEED PLATINUM | Yes | | Yes |
| Monumental | Offices | 25.358 | | | | LEED GOLD | | | Yes |
| Coverage (area) | | 1,204,051 | 1,690,555 | 1,751,896 | 792,472 | 1,052,477 | 776,265 | 747,185 | 1,189,323 |
| Coverage (number of assets) | | 111 | 79 | 83 | 80 | 91 | 73 | 71 | 110 |
| Plaza Pablo Ruiz Picasso | Offices (WIP) | 31,576 | | | Yes | LEED SILVER | Yes | Yes | Yes |
| Adequa 4 | Offices (WIP) | 15,793 | | | | | | | |
| Adequa 7 | Offices (WIP) | 32,109 | | | | | | | |
| Ática XIX D | Offices (WIP) | 5,014 | | | | | | | |
| Plaza de Cataluña 9 | Offices (WIP) | 3,048 | | | | | | | |
| Loom 22@ Ferreteria | Offices (WIP) | 2,018 | | | | | | | |
| Ática 1 | Offices (WIP) | 7,080 | | | Yes | LEED SILVER | Yes | Yes | Yes |
| PE Cerro Gamós WIP (4 buildings) | Offices (WIP) | 25,698 | | | | LEED GOLD (3) / LEED SILVER (1) | | | Yes |
| Coverage (area) | | 122.336 | 0 | 0 | 38.656 | 64.354 | 38.656 | 38.656 | 64.354 |
| Coverage (number of assets) | | 11 | 0 | 0 | 2 | 6 | 2 | 2 | 1 |
| Marineda | Shopping centers | 100,577 | Yes | Yes | Yes | BREEAM VERY GOOD | Yes | Yes | Yes |
| Arturo Soria | Shopping centers | 6,069 | Yes | Yes | Yes | BREEAM VERY GOOD | Yes | Yes | |
| Centro Oeste | Shopping centers | 10.876 | Yes | Yes | Yes | BREEAM GOOD | | | Yes |
| Tres Aguas | Shopping centers | 33.970 | Yes | Yes | | BREEAM VERY GOOD | | | |
| X-Madrid | Shopping centers | 47.124 | Yes | Yes | Yes | | Yes | Yes | |

| Asset name | Portfolio | GLA (sqm) | Energy report (GJ) | Water report (m ²) | Waste report (ton) | Sustainable building certification | ISO 14001 | ISO 50001 | Energy classification |
|------------------------------------|------------------|----------------|--------------------|--------------------------------|--------------------|------------------------------------|----------------|----------------|-----------------------|
| Callao 5 | Shopping centers | 9,642 | | | | BREEAM CORRECT | | | Yes |
| Larios | Shopping centers | 37,956 | Yes | Yes | Yes | BREEAM VERY GOOD | Yes | Yes | Yes |
| Porto Pi | Shopping centers | 32,556 | Yes | Yes | | BREEAM GOOD | | | Yes |
| Artea | Shopping centers | 25,922 | Yes | Yes | Yes | BREEAM EXCELENT | Yes | Yes | Yes |
| Arenas | Shopping centers | 31,905 | Yes | Yes | Yes | BREEAM GOOD | Yes | Yes | Yes |
| Vilamarina | Shopping centers | 32,191 | Yes | Yes | | BREEAM VERY GOOD | | | Yes |
| Saler | Shopping centers | 29,008 | Yes | Yes | | BREEAM VERY GOOD | | | Yes |
| La Vital | Shopping centers | 20,878 | Yes | Yes | | BREEAM VERY GOOD | | | Yes |
| Bonaire | Shopping centers | 14,455 | Yes | Yes | | | | | Yes |
| Almada | Shopping centers | 60,098 | Yes | | | BREEAM VERY GOOD | | | Yes |
| Coverage (area) | | 493,218 | 483,576 | 423,478 | 376,467 | 431,639 | 249,553 | 249,553 | 406,055 |
| Coverage (number of assets) | | 15 | 14 | 13 | 11 | 13 | 6 | 6 | 12 |
| A2-Coslada | Logistics | 28,491 | | | | BREEAM CORRECT | | | Yes |
| A2-Coslada Complex | Logistics | 36,234 | Yes | Yes | Yes | BREEAM GOOD | Yes | Yes | Yes |
| A4-Getafe (Cla) | Logistics | 16,100 | Yes* | | | | | | Yes |
| A2-Meco I | Logistics | 35,285 | Yes* | | | BREEAM CORRECT | | | Yes |
| A4-Pinto I | Logistics | 11,099 | | | | BREEAM GOOD | | | Yes |
| A4-Pinto II | Logistics | 58,990 | | | | | | | Yes |

| Asset name | Portfolio | GLA (sqm) | Energy report (GJ) | Water report (m ²) | Waste report (ton) | Sustainable building certification | ISO 14001 | ISO 50001 | Energy classification |
|--|------------------|----------------|--------------------|--------------------------------|--------------------|------------------------------------|-----------|-----------|-----------------------|
| A4-Getafe (Gavilanes) (2 warehouses) | Logistics | 39,591 | Yes | | | LEED GOLD | Yes | | Yes |
| A2-Meco II | Logistics | 59,814 | | | | LEED PLATINUM | | | Yes |
| A2-San Fernando I | Logistics | 11,179 | | | | LEED GOLD | | | Yes |
| A2-San Fernando II | Logistics | 33,592 | Yes | | | | | | Yes |
| A4-Seseña | Logistics | 28,731 | Yes | Yes | | LEED GOLD | | | Yes |
| A2-Alovera | Logistics | 38,763 | | | | BREEAM GOOD | | | Yes |
| A2-Azuqueca II | Logistics | 98,757 | Yes* | | | LEED PLATINUM | | | Yes |
| A2-Cabanillas I | Logistics | 70,134 | | | | BREEAM GOOD | | | Yes |
| A2-Cabanillas II | Logistics | 15,078 | | | | | | | Yes |
| A2-Cabanillas III | Logistics | 21,879 | | | | LEED GOLD | | | Yes |
| A2-Cabanillas Park I A | Logistics | 38,054 | | | | LEED GOLD | | | Yes |
| A2-Cabanillas Park I B | Logistics | 17,917 | | | | LEED GOLD | | | Yes |
| A2-Cabanillas Park I C | Logistics | 48,468 | | | | LEED GOLD | | | Yes |
| A2-Cabanillas Park I D | Logistics | 47,892 | | | | LEED GOLD | | | Yes |
| A2-Cabanillas Park I E | Logistics | 49,793 | | | | LEED SILVER | | | Yes |
| A2-Cabanillas Park I F | Logistics | 20,723 | Yes* | | | LEED SILVER | | | Yes |
| A2-Cabanillas Park G | Logistics | 22,506 | | | | LEED GOLD | | | |
| Barcelona-ZAL Port | Logistics | - | | | | | | | |
| Barcelona-PLZF (9 warehouses) | Logistics | 131,624 | Yes | Yes | | BREEAM GOOD | | | |
| Zaragoza-Pedrola | Logistics | 21,579 | | | | BREEAM GOOD | | | Yes |
| Zaragoza-Plaza | Logistics | 20,764 | Yes* | | | BREEAM GOOD | | | Yes |
| Valencia-Almussafes | Logistics | 26,613 | Yes | | | | | | Yes |

| Asset name | Portfolio | GLA (sqm) | Energy report (GJ) | Water report (m ²) | Waste report (ton) | Sustainable building certification | ISO 14001 | ISO 50001 | Energy classification |
|------------------------------------|------------------|------------------|--------------------|--------------------------------|--------------------|------------------------------------|---------------|---------------|-----------------------|
| Valencia-Ribarroja | Logistics | 34.992 | | | | BREEAM VERY GOOD | | | Yes |
| Vitoria-Jundiz I | Logistics | 72.717 | | | | BREEAM VERY GOOD | | | Yes |
| Vitoria-Jundiz II (2 warehouses) | Logistics | 26.774 | | | | | | | Yes |
| Sevilla Zal (9 warehouses) | Logistics | 120.036 | Yes | Yes | | BREEAM GOOD | | | |
| Sevilla Zal WIP 2.6 | Logistics | 4.689 | | | | LEED SILVER | | | |
| Sevilla Zal WIP 2.5 | Logistics | 14.052 | | | | LEED SILVER | | | |
| Lisbon Park A | Logistics | 45.171 | | | | | | | |
| Coverage (area) | | 1.368.079 | 1.024.470 | 633,249 | 36.234 | 1.145.761 | 75.825 | 36.234 | 1.030.002 |
| Coverage (number of assets) | | 52 | 30 | 20 | 1 | 43 | 3 | 1 | 30 |
| A2-Cabanillas Park II A | Logistics (WIP) | 47.403 | | | | | | | |
| A2-Cabanillas Park H-J | Logistics (WIP) | 70.488 | | | | | | | |
| Sevilla Zal WIP | Logistics (WIP) | 15.122 | | | | | | | |
| Coverage (area) | | 133.013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coverage (number of assets) | | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

* MERLIN does not exert operational control over these assets. Therefore, consumption data is included within the environmental performance information of the asset portfolio without operational control.

Like for like assets are in bold.

Land reserves are not included in the table above.



Art's Building | Lisboa

13.

Annex IV

Post-closing relevant events

- As of February 1st, 2022, Tree Inversiones Inmobiliarias, SOCIMI, S.A. (“Tree”) and **MERLIN**, submitted to Banco Bilbao Vizcaya Argentaria, S.A. (“BBVA”) a communication which included, amongst other aspects and alternatives, a selling proposal for 100% of the shares of Tree, excluding the financial liabilities of the company, for an amount totaling €1,987,400,000 (the “Tree Selling Proposal”).
- As of 1st of April 2022, **MERLIN** has received a communication from BBVA which states, amongst other matters, that it accepts the Tree Selling Proposal.
- The execution of the Tree Selling Proposal is subject to previous approval from the National Commission on Markets and Competition. The necessary contractual documents to properly execute the transaction shall be conditional upon such authorization being obtained.
- As of 25th of April 2022, **MERLIN** hereby informs that it wishes to convert all its outstanding senior bonds into “green bonds”. To that end, **MERLIN** will commit to retrospectively allocate an amount equivalent to the outstanding principal amount of each series of senior bonds issued by **MERLIN** listed on the Luxembourg Stock Exchange (representing a total of approximately €4bn) to eligible green assets in accordance with its Green Financing Framework (the “Green Financing Framework”). Accordingly, **MERLIN** will today launch consent solicitation exercises (the “Consent Solicitation Exercises”) for each series of outstanding senior bonds to ask the relevant bondholders for consent in accordance with the terms and conditions of the bonds and the relevant bondholder meeting provisions of each series.

14. Annex V

Independent Review 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 key indicators included in the Sustainability Report

To the Management of Merlin Properties SOCIMI, S.A.:

We have carried out our work to provide limited assurance on the key indicators included in the Sustainability Report (102-8, 102-18, 102-22, 102-24, 102-25, 102-41, 103: Marketing and labelling, 201-1, 205-3, 206-1, 302-1, 302-2, 302-3, 303-1, 303-3, 305-1, 305-2, 305-3, 305-4, 306-3, 307-1, 401-1, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 404-1, 405-1, 413-1, 416-1, 416-2, 417-2, 418-1, 419-1, CRE1, CRE2, CRE3, CRE8) contained in "GRI Content Index" of the 2021 Sustainability Report (hereinafter "Sustainability key indicators") of Merlin Properties SOCIMI, S.A. (the parent company) and its subsidiaries (hereinafter "Merlin Properties") for the year ended 31 December 2021, prepared in accordance with the general basic and specific content proposed in the Guidelines for the Preparation of the Sustainability Report of the Global Reporting Initiative (GRI) Standards (hereinafter GRI Standards) and Construction and Real Estate Sector Disclosures of the GRI G4 Guidelines (hereinafter Construction and Real Estate Sector Disclosures).

Responsibility of Management

The Management of Merlin Properties is responsible for the preparation, content and presentation of the Sustainability Report in accordance with the Core option of the GRI Standards and the Construction and Real Estate Sector Disclosures as well as for the selection of the key indicators to be reviewed. Management's responsibility includes establishing, implementing and maintaining the internal control required to ensure that the Sustainability key indicators are free from any material misstatement due to fraud or error.

The Management of Merlin Properties is also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the Sustainability key indicators is obtained.

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 (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).

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 Merlin Properties' personnel from various areas who have been involved in the preparation of 2021 Sustainability Report.

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R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290



- Analysis of the procedures used for obtaining and validating the data presented in the Sustainability key indicators.
- Analysis of Merlin Properties' Sustainability key 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, internal control tests and substantive tests on the information used to determine Merlin Properties' Sustainability key indicators. We have also verified whether they have been appropriately compiled from the data provided by Merlin Properties' sources of information.

Our Independence and Quality Control

We have fulfilled our work in accordance with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which are based on basic principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and thus employs an exhaustive quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards, statutory laws and applicable regulations.

Limited assurance conclusion

As a result of the procedures carried out and the evidence obtained, no matters have come to our attention which may lead us to believe that Sustainability key indicators (102-8, 102-18, 102-22, 102-24, 102-25, 102-41, 103: Marketing and labelling, 201-1, 205-3, 206-1, 302-1, 302-2, 302-3, 303-1, 303-3, 305-1, 305-2, 305-3, 305-4, 306-3, 307-1, 401-1, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 404-1, 405-1, 413-1, 416-1, 416-2, 417-2, 418-1, 419-1, CRE1, CRE2, CRE3, CRE8) for the financial year ending 31st December 2021, contain significant errors or have not been prepared, in all of their significant matters, in accordance with the GRI Standards and the Construction and Real Estate Sector Disclosures.

Use and Distribution

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

PricewaterhouseCoopers Auditores S.L.

Original in Spanish signed by

Pablo Bascones Ilundáin

May 4th, 2022



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