



Sustainability Report 2023



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1. Introduction.



1. Introducción.

Message from the CEO.

Here at Valfondo, we like to focus on the way ahead, looking to the future without forgetting how far we have come. For some time now, we have let our ESG policies be our guides, and the journey has been all the better for it. Our 2023 sustainability report, our third so far, holds ample evidence that we are on the right path. A new milestone in our commitment to transparency and good practice, it shines a light on the year's greatest achievements in ESG management across all Montepino assets.

For us, responsible and sustainable management is non-negotiable. By sticking to our strategy, and the standards upheld by leading certification frameworks, we can manage our properties in a way that shows respect for the natural world and creates lasting value for people and places. Valfondo is growing: today, we are the leading independent logistics property manager in the Iberian region. But we know that our future in this sector rests on ESG. Either we are a sustainable company, or we are not; there is no middle ground.



Juan José Vera,
Valfondo's CEO.



In 2023, we proved once again that people + planet + profit is the best formula for success, delivering 236,060 sqm of new space and securing tenants for a further 275,981 sqm. We began new projects at our Illescas and PlaZa sites and continue to make good progress on our project in Portugal. Of course, 2023 was also the year of Montepino's debut listing on Euronext Paris: a landmark moment for this family company, so deeply committed to the wellbeing of everyone who contributes to its success

I should also mention that over the course of the year we secured €200 million in green financing for five projects. This reflects the excellent standards of sustainability and environmental performance of these developments, all designed for efficiency and set in responsibly managed green space. Our vision and commitment earned Montepino six new LEED certificates (one Platinum and five Gold) plus a BREEAM Communities award. We are now closer than ever to our goal of achieving sustainability certification for every property under our management.

In 2023, we upped Montepino's GRESB score, retaining the five stars reserved for the top 20% of participating firms. Furthermore, GRESB named Montepino as one of the top three industrial companies in Europe. We came out on top in the operational assets ranking and were placed third in the category of assets under development.

As in previous years, we ran our in-house survey to stay in touch with what matters to our team. This served as the starting point for a new social development plan, focused on social volunteering, corporate volunteering and charitable giving. As an organisation, we have chosen to prioritise community development in less populated areas, child wellbeing and health. In 2023, we were proud to support both ASPANOA's walk against childhood cancer in Tarazona and Asociación Centinela's charity run in aid of its mission to combat breast cancer.



On the governance side, we have launched a new internal information system and overhauled our whistleblowing channel, in light of Spain's new legal protections for those reporting breaches of the law. We also approved a company policy on market abuse and the use of privileged information.

Above all, we demonstrated once again that this way of doing business, from an ethos of respect towards the world around us, is no impediment to our current success or future ambitions. None of this would be possible without Valfondo's most precious asset: our team. It is people that keep our ESG policies marching forward, towards healthy, sustainable environments for all.

The further we go, the deeper our commitment to the wellbeing of the communities and ecosystems we depend on must be. This is why we remain so passionate about social development through sport, offering our energy and resources to community initiatives, school sports and local clubs that enrich the lives of more than a thousand young people.

We have always said that it is not what we do that defines us, but how we do it. For us, sustainability is not an end state; it's the path that Valfondo is committed to walking. It's the roadmap that points us towards new frontiers and marks each milestone on our journey, keeping us moving in the right direction.



2. Valfondo.



2. Valfondo.

Presentation.

The Valfondo Group (hereinafter the Group, the Company or Valfondo), comprising Valfondo Holding S.L. and its subsidiaries, is a specialist company active in the real estate sector, predominantly focused on advisory and property management services. It develops and manages properties throughout the Iberian region, primarily in Spain.

At 31 December 2023, the Group was made up of the Parent Company (Valfondo Holding S.L.), five subsidiaries and three multigroup companies.



Our journey

Largest logistics transaction in Spain

Largest share capital increase in the sector

Largest refinancing deal in the Spanish logistics real estate sector

Portugal's highest-profile logistics project

Leading logistics developer and manager in Europe


Manager of groundbreaking sustainable investment vehicle

100% of properties certified (or with certification pending) by



Awarded a maximum five-star rating by



Listed on  Euronext

Consistently high occupancy rate across portfolio

2. Valfondo.

Purpose and values.

Valfondo is a family company, founded in 2002. Our purpose is to create value throughout the entire logistics development cycle — from project design to development and subsequent management — offering a full suite of services to a portfolio of blue-chip clients.

Our business model is built on sustainable management and excellent client service. We work closely with our clients to find the best solutions for them, never straying from the values that make us who we are.

Flexibility

Agile, responsive and evolving in step with market needs.

Commitment

Taking ownership of projects and giving them our all.

Innovation

Embracing tools and training that help us ramp up efficiency and elevate our performance with every passing year.

Sustainability

Everything we do has an impact on the planet, so we have pledged to apply our ESG principles to every aspect of our work.

Excellence

Striving to do better, day after day, recognising where there is scope for improvement and setting change in motion.



2. Valfondo.

Business model.

Our activity covers the entire value chain.



1.- Land search



- Drawing on deep sector knowledge, market insights and longstanding relationships in the logistics industry to search for investment and development opportunities
- Privileged relationships with top brokers in the sector
- A rich seam of opportunities within our own tenant base
- Stimulating demand by pitching new ideas to potential clients

2.- Urban planning management



- Completion of urban planning processes.
- We manage the urban planning process to ensure plots reach serviced development land status, so the permit stage can get under way.
- Processing planning permits. We manage all of the technical documentation required by planning authorities.

3.- Development



- Valfondo offers multiple channels for dialogue and aims to foster strong and long-lasting working relationships

4.- Project Management



- Project management, construction project planning and contractor recruitment.
- Our in-house technical team is the best in Spain, offering:
 - Flexibility to amend contracts
 - Capacity to pivot swiftly and efficiently when tenant requirements change
- Construction project management.
- Technical/financial monitoring and direction of ongoing construction works.



5.- Asset & Property Management



Our property management strategy is centred on delivering value to clients, retaining existing talent and optimising portfolio returns:

- Asset Management: we have a dedicated property administration and management team, focused on optimising portfolio returns and rental income and tracking investment.
- Property Management: our in-house project management team is on hand for the entire construction process. The same team will later take on responsibility for property management, offering a 360° service to our clients. The team provides a full post-sales service in partnership with our trusted suppliers, ensuring the best use of funds and drawing maximum value from property and business assets.

6.- Financial Management



- Exhaustive analysis of financing/refinancing options upon asset completion/stabilisation
- Negotiation and confirmation of contract terms
- Enduring network of relationships with financial institutions
- Continuous support from specialist finance and legal teams

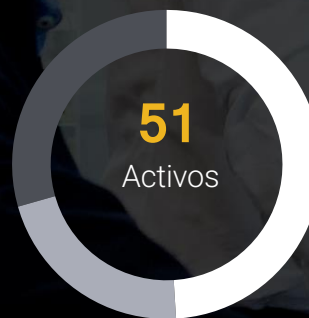


2. Valfondo.

In numbers.



- Floor area - operational assets: 957K m2
- Floor area – assets under construction: 349K m2
- Floor area – future developments: 594K m2



- 25 operativos (14 Big Box, 11 Last Mile)
- 11 en Desarrollo (5 Big Box, 6 Last Mile)
- 15 terrenos para futuros desarrollos

97%

Operational asset
occupancy rate

6 years

WALB (3)

19 years

WALT (2)

1.252 M€

Managed Capital.
Gross asset value
(GAV) (4)

(1) GLA: Gross Lettable Area

(2) WALT: Weighted Average Lease Term

(3) WALB: Weighted Average Lease Break

(4) GAV: Gross Asset Value in current state at 31.12.2023



Featured project

Illescas, a landmark addition to the Spanish logistics sector

This seminal project was designed and built to conform to BREEAM Communities standards, one of the world's most prestigious sustainable construction frameworks.

253 M€

Investment

421.859sqm

GLA

9

buildings in total

10.000

a 50.000sqm

Immediate project availability



57% lower energy use



Geomorphological landscape design in green spaces



50% reduction in water use



501 TC02 emitted per sqm



121,578 sqm of green spaces



Amenities include rest areas, sports facilities, children's play areas and dog parks



868 trees and 330 shrubs planted



Cycle path offering a safe green travel option to nearby urban areas, following the old drovers' road



Introduction of replanted olive trees and preservation of existing almond



Rainwater collection ponds embedded in landscaped areas



Operating performance

219K sqm

of built area delivered to Clients.

2

completed projects in Illescas comprising 140,737 sqm and 78,047 sqm.

121K sqm

of new lettings signed in 2023 for projects in Valencia, Zaragoza and Marchamalo

Available GLA:

697K sqm (plots + properties under construction without a signed lease agreement)

214,943 thousand €

invested in 2023

Breakdown of stabilised income at portfolio level, by location:

38,7 M€

Madrid

4 M€

Catalonia

2 M€

Others



ESG performance

In this section, the ESG performance of Montepino is presented. Montepino is a vehicle managed by Valfondo.

Valfondo set the goal that Montepino raises its GRESB score with every passing year. In 2023, Montepino was re-awarded a five-star rating, having upped its score by four points in every category.



G R E S B
★ ★ ★ ★ ★ 2023

2023 GRESB. Development Benchmark

Score

55	70	94	98
2020	2021	2022	2023



Out of 17

**Europe
Industrial
Non-Refrigerated Warehouse
Non-listed**

2023 GRESB Standing. Investments Benchmark

Score

54	76	88	92
2020	2021	2022	2023



Out of 10

**Europe
Industrial
Non-Refrigerated Warehouse Value-added
Tenant Controlled**



**LEED certification:
100 % properties certified or being certified**

Certified assets in 2023:
LEED BD+C Gold 5
LEED BD+C Platinum 1
BREEAM Communities 1



Renewal of Aragon Social Responsibility (RSA) Seal

Valfondo has been awarded the RSA Seal for the second consecutive year. Introduced under the Aragon Regional Government's Social Responsibility Plan, the seal recognises commitment to lasting positive action in the Aragon business community.



2023 Energy consumption

44,5%

Percentage of energy consumed outside of the organisation derived from renewable sources

13,5%

Percentage of renewable energy generated and consumed on-site

5.741

hours of employee training

+100 k€

of investment in training

≥90%

Recovered products and their packaging

0,06

Water consumption intensity (m³/sqm)

100%

of employees to receive at least one annual training session focused on corporate governance

6,4%

team absenteeism

91%

Recovered products and their packaging

1,87%

team turnover

100%

of contractors have passed our vetting procedure

0

number of complaints received

54

NPS



2. Valfondo.

Assets, Operations and Markets.

Big Box

Logistics centers positioned in prime locations (tiers two or three of major cities)

30 Big Box

1,695 M sqm GLA

x14

Operational

858K m²

Operational

x5

Under construction

291k m²

Under construction

x11

Plots

Last Mile

Last-mile distribution is the movement of goods from a distribution center to the end customer, where speed and efficiency are of the essence.

21 Last Mile

203K sqm GLA

x11

Operational

99K m²

Operational

x6

Under construction

58km²

Under construction

x4

Plots

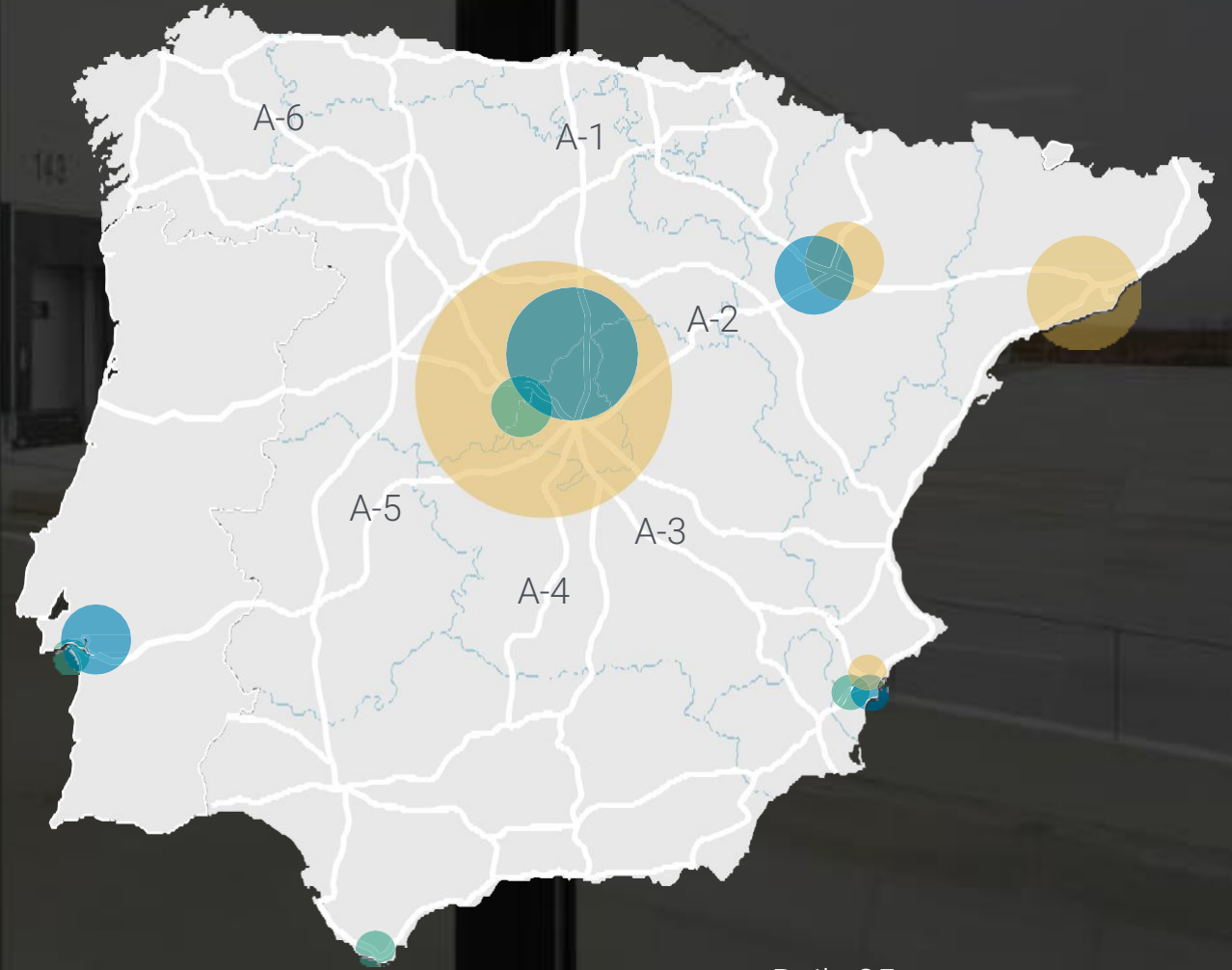


Ubicaciones geográficas

- Central area (Madrid, Guadalajara, Illescas and Toledo)
- Cataluña (Barcelona metropolitan area)
- Aragón (Zaragoza)
- Andalucía (Málaga)
- Valencia Region (Valencia and Alicante)
- Portugal (Lisboa)

Sectors

- Logistics activities: logistics, automotive, pharmaceuticals, textiles, food and drink, industrial, package handling, RD&I, e-commerce, publishing, editorial



- Built: 25
- Under construction: 11
- Plots: 15



Summary of assets by type and LEED certification

At the close of 2023, the assets portfolio managed by Valfondo had obtained LEED certification for 22 operational properties. In addition, the new logistics park in Illescas, currently under development, successfully passed the BREEAM Communities assessment. For more information on each of our assets, see Appendix 1: Overview of assets by type and LEED certification.

Assets certified in 2023

- 5 LEED Gold
- 1 LEED Platinum
- 1 BREEAM Communities

With 100% of our portfolio now LEED certified, according to GBC Spain Montepino retains the record for the most LEED certifications held by any company in the Spanish logistics sector.



Certifications 2023

Operational asset value based on LEED certification level *



Operational asset value based on CEE tier

	N° of assets	GAV (€)
A	14	472.864.000
B	10	402.732.000
C	1	13.698.000

* Only for operating assets with LEED certificate issued

3. Strategy.



3. Strategy.

SDGs.

The Company contributes to the attainment of the Sustainable Development Goals (SDGs) adopted by the United Nations in its 2030 Agenda through its implementation of initiatives and actions designed to encourage sustainability, as set out in its ESG Policy.

Valfondo's aim is to manage products and services that will lead to the achievement of the Sustainable Development Goals, and it impresses on its partners the importance of creating value in a sustainable way that will maximise results.





6- Clean water and sanitation

Blue water footprint of its assets and facilities is calculated and measures implemented to reduce it.

7 - Affordable and clean energy

The company is highly committed to reducing its energy use and it therefore strives to optimise energy efficiency at all of its properties.

8 - Decent employment and economic growth

The company believes that it is possible to manage its business responsibly while at the same time creating value for all of its stakeholder groups.



9 – Industry, innovation and infrastructure

The company strives to promote sustainable building and is committed to innovation as a tool to build resilient infrastructure projects.

10 - Reduction of inequality

The company's corporate culture seeks to reduce inequality by promoting an environment of diversity and inclusion in which everyone enjoys equal opportunities.

11- Sustainable cities and communities

The company is committed to the creation of social value and to ensuring that both its presence and its business activities are beneficial to local communities.





12 - Sustainable production and consum

Amid global alarm over the depletion of natural resources, the company has pledged to reduce, reuse and recycle as many materials as possible, embracing new techniques for more sustainable buildings with every passing year.

13 - Climate action

The company is deeply committed to supporting the fight against climate change. We have now introduced a GHG impact assessment and emissions reduction strategy, with targets looking forward to 2030.

15 - Terrestrial ecosystems

Before committing to purchase a plot of land, Montepino conducts a thorough environmental assessment to determine the potential impacts of development and verify that there are no protected areas in the vicinity that could be compromised by new construction.

16 - Peace, justice and strong institutions

We scrupulously uphold our Code of Conduct and zero-tolerance policy towards corruption and bribery in all of our activities, partnerships and contacts.

17 - SDG partnerships

The Company is actively involved in a range of joint initiatives with public and private organisations.



3. Strategy.

Strategy and ESG Policies.

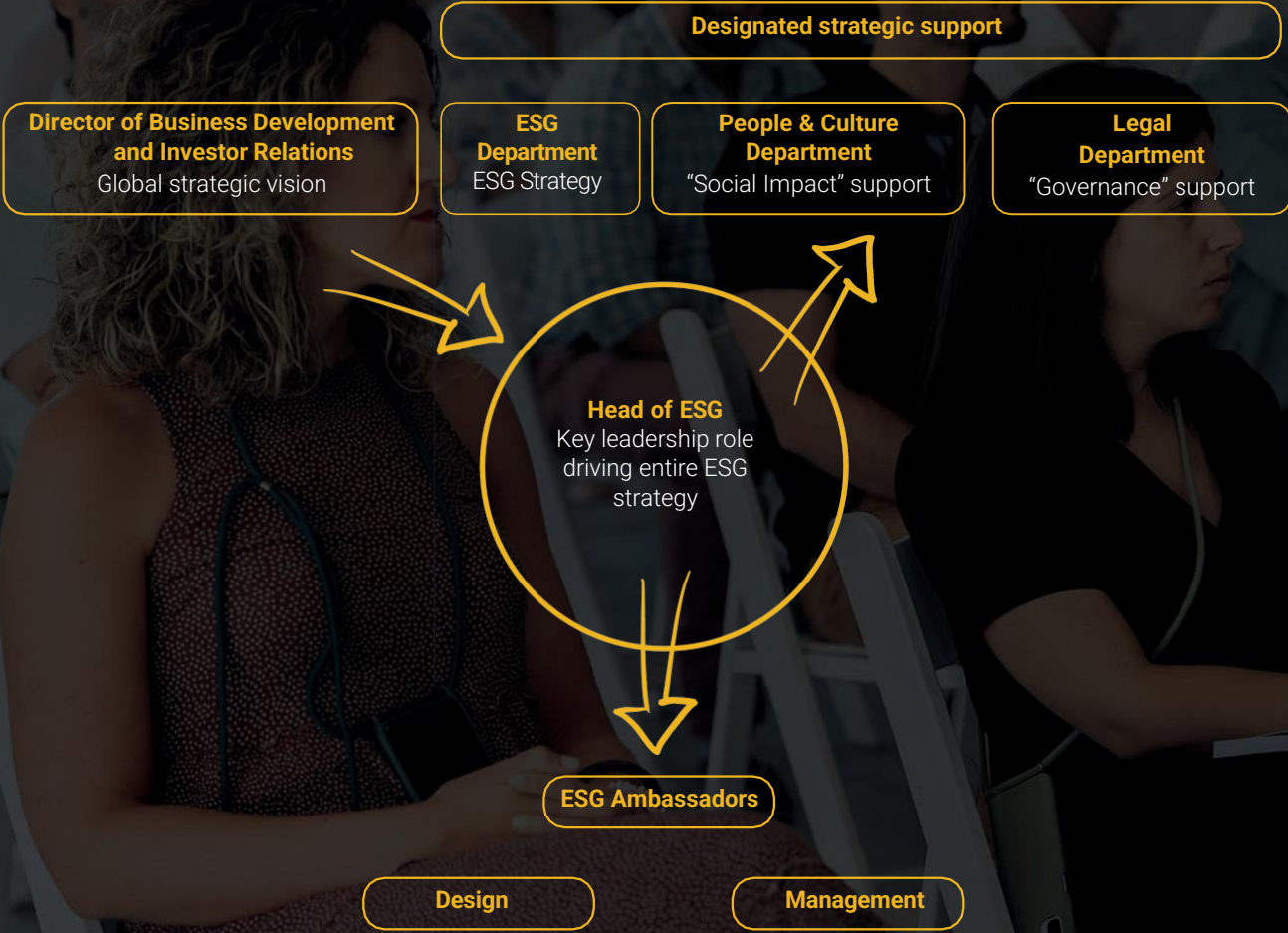
ESG in the organisation

Sustainability in Valfondo is a key strategic imperative and a unifying thread running through each and every part of the organisation. This overarching commitment is upheld by the Board of Directors and fully aligned with ESG principles (Environment, Society and Governance). To ensure that it is matched with positive action, our ESG department rigorously monitors both our progress towards our stated goals and our impact management performance. The department reports to the Management Committee of the Parent Company, which has direct recourse to the Board of Directors.

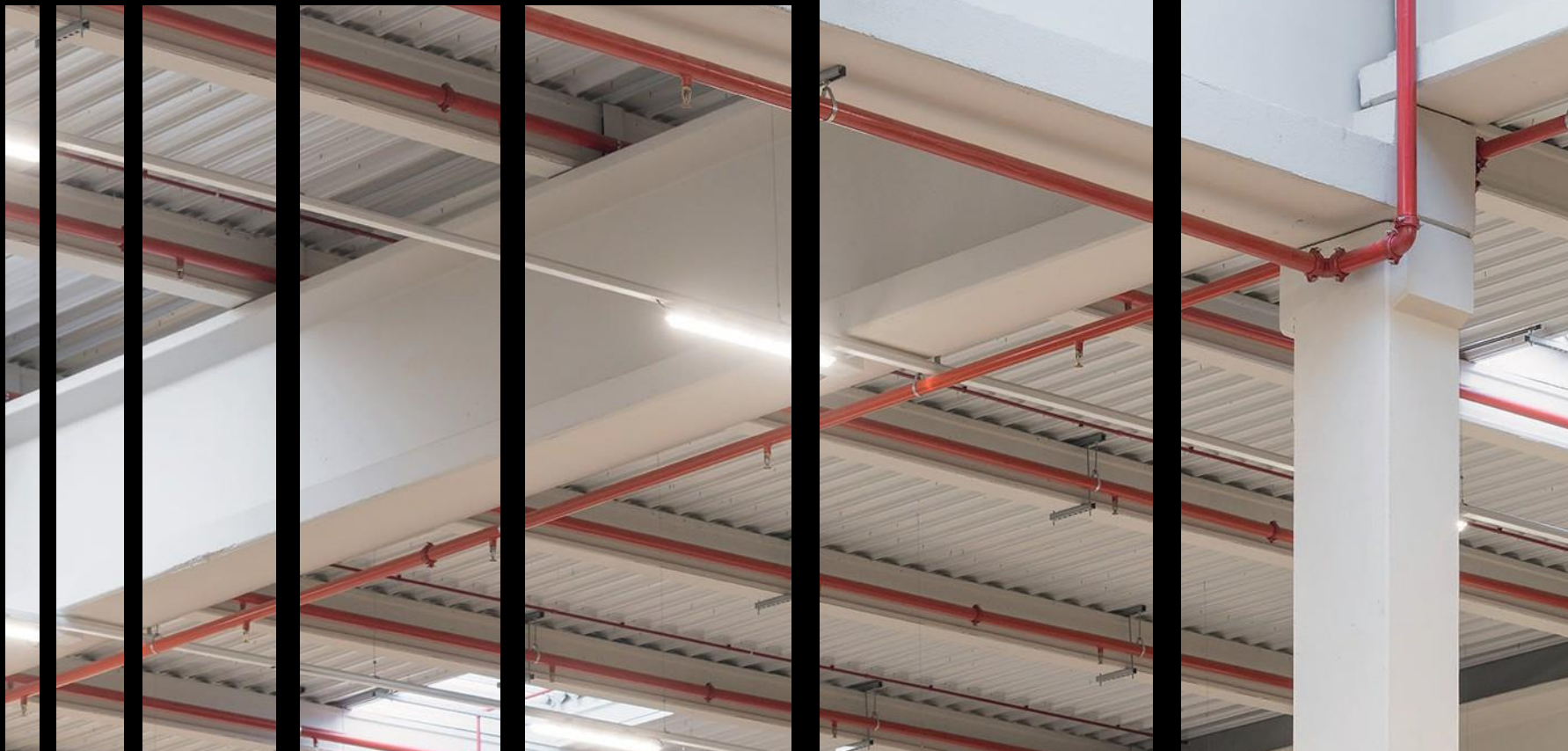
In 2023, Valfondo went one step further in our sustainability agenda, redesigning its organisational structure to bring the ESG department under the immediate supervision of the Director of Business Development and Investor Relations. This move has enabled a tighter integration between business and sustainability objectives. Furthermore, the new role of ESG Ambassador was created within the Asset Management and Project Development departments, tasked with facilitating more effective action towards our sustainability goals.



Organisational chart



4. Strategic commitments.



4. Strategic commitments.

Valfondo's ESG commitment is encapsulated in 5 strategic commitments

Corporate Governance

Ethics and integrity are fundamental to our operations and governance and enshrined in our internal policies.

Creation and management of Sustainable buildings

By tracking consumption levels and lowering energy demand, we can minimise the environmental impact and risks associated with our properties. We aim to secure recognised international certifications for all assets in our portfolio.

Building trust and championing communities

We want to be a positive force in our local communities, offering volunteering opportunities and supporting local economies through coordinated social action.

Client and investor satisfaction and loyalty

Transparent, proactive dialogue with all stakeholder groups inspires us every day to do better, refining our processes and improving our ways of working.

Investing in professional welfare and development

We continuously invest in both workplace health and safety and professional development opportunities for our teams, fostering a culture of well-being that lets the brightest talent thrive.



ESG Goals.

As part of its commitment in the area of sustainability, Valfondo set ESG goals in the vehicles it manages. The goals set out in Montepino are the following:



GLOBAL TARGET: Improve GRESB score \geq previous year

Commitment

2025

2030

Creation and management of sustainable buildings

- 15% reduction in GHG emissions compared to base year
- >60% consumption of renewable energy in operations
- >20% consumption coming from renewable energy in-situ
- 100% of assets with BMS, with records of consumption by sub-system
- 100% of projects with LEED certification credit score “Protect or restore habitat”
- >85% of waste diverted from landfill in the construction Phase

- 35% reduction in GHG emissions in comparison with the base year
- 100 % consumption of renewable energy in operations
- >35% consumption coming from renewable energy in-situ
- % of projects with maximum LEED credit score
- >90% of waste diverted from landfill in the construction phase

Inversión en el desarrollo y protección de nuestros empleados

- NPS \geq previous year
- 100% of co-workers carried out an annual performance assessment
- 100% contractor authorisation questionnaires
- N° of active initiatives during the year

Satisfacción y fidelización de clientes e inversores

- NPS \geq previous year
- 100% assets with issue reporting

Gobierno corporativo

- 0 complaints received/year
- 100% replies issued vs no. of complaints received
- 100% co-workers with ongoing training



Corporate governance.

Valfondo is committed to good management and ethical business. Our Compliance Department is responsible for ensuring that all policies and measures governing our corporate culture, protection for whistleblowers, supplier relationships and strategy for pre-empting corruption and bribery deliver maximum benefit and minimise harm.

Valfondo is intent on raising the bar for ethical practice in the logistics sector, always seeking to exceed legal requirements and embody the highest standards in everything we do. As part of our “Zero Tolerance” approach to corruption, we have developed a set of specific policies and procedures to guard against unscrupulous conduct.

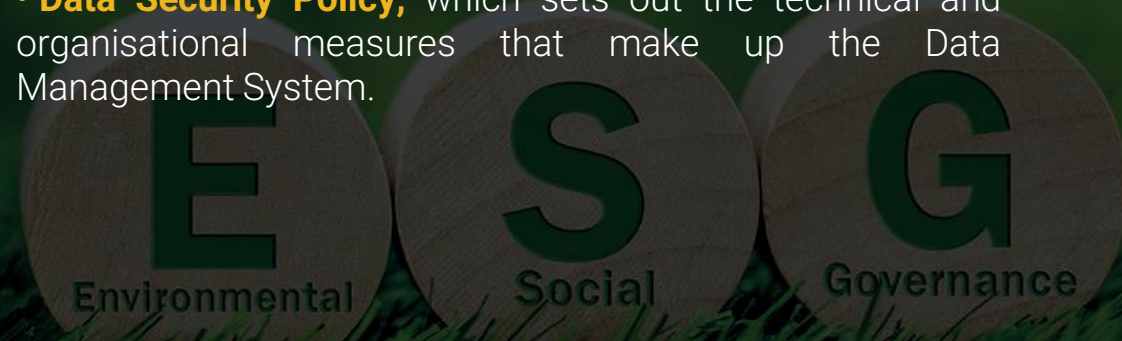
Our ESG Policy also provides a guiding framework for the company’s activities, future plans and relationships with stakeholders



Implementation of a compliance system

- **Code of Ethics**, which serves as a guide and reference document for all of the Company's directors, managers and employees, helping them and everyone who works with the Company to maintain and reaffirm the highest ethical standards while engaging in the Company's business activities.
- **Anti-corruption Policy**, which seeks to establish cohesive action by the Company and its stakeholders in order to promote free and fair competition in the marketplace through the creation, development and consolidation of ethically sustainable commercial policies.
- **Digital Code of Conduct**, which ensures the proper use of technical and IT resources, permits improvements in the communications networks and governs the processing of confidential information.

- **Handbook on the Prevention of Money Laundering and the Financing of Terrorism**. As a designated organisation under the terms of the Spanish Prevention of Money Laundering and Terrorist Financing Act, the Company has implemented procedures and tools for the prevention of money laundering. In 2023, the Company also commissioned a Report from an External Expert and implemented the relevant actions.
- **General Data Protection Policy**, which sets out the Personal Data Protection Management System.
- **Data Security Policy**, which sets out the technical and organisational measures that make up the Data Management System.



• **Policy on the use of privileged information and market abuse**, which establishes the rules of conduct that must be adhered to by the Company and by all the people covered by the policy with regard to the privileged information to which they have access.

• **Internal Reporting System Policy**, which establishes the general principles that govern the Internal Reporting System, in line with Spanish Act 2 of 20 February 2023, governing the protection of people who report regulatory infringements and combatting corruption.

• **Procedures, protocols and other tools by which the above policies are implemented**, which include an ethics channel offered by the company to report behaviour that violates the regulations, Code of Ethics, Internal Policies and the company's values.

Similarly, there is a Supplier Code and a supplier selection protocol which forms the basis for an approval form to ensure that this stakeholder group acts in accordance with the same values as those that are promoted by the Company.

Our policies can be found on the Company's website, and they have been passed on to all of the Company's and the Business Manager's employees, who may raise any queries they have in relation to these policies with the head of compliance.



Besides, in 2023 we have implemented anti-corruption and bribery, including regular updates from the Compliance Officer, approval of a new protocol for one-off payments and Quarterly monitoring of the work of each business manager department to verify compliance with our Anti-Corruption Policy.

Related with measures to ensure regulatory compliance and prevent unlawful behaviour, we subscribe to Investiga Pro, we have updated our Handbook on the Prevention of Money Laundering and Terrorist Financing, conducted a prevention of money laundering internal audit and gave trainings in cybersecurity and the prevention of money laundering and terrorist financing.

We have updated the section of our Supplier Selection Policy, Data Protection Policy and Information Security Protocol, introduced a new Information System Management Policy and Procedure and modernised our Ethics Channel. Lastly, the Compliance Officer's annual report on actions and results was drafted and presented, in addition to our annual report on the prevention of money laundering and terrorist financing

Client and supplier risk assessment:

Valfondo follows a clear financial risk prevention process to monitor the creditworthiness of each major client and supplier based on credit ratings provided by respected agencies (such as Axesor) and using different scales depending on the nature and consequence of the services required.

Meanwhile, we have continued to improve our ESG vetting procedure. Currently, an ESG vetting questionnaire is provided to all bidders. This must be returned as part of the supporting documentation, along with a signed copy of our Supplier Ethics Code. The company has the ambition to evaluate 100% of the contractors by 2025, achieving already the goal in 2023.

In a new initiative for 2023, all workers in our value chain now have access to an Ethics Channel for reporting actions or behaviour in breach of regulations, internal policy, our Ethics Code or our corporate values. No complaints or allegations were received from stakeholders, nor reported through the Ethics Channels.



MANAGEMENT COMMITTEE

Valfondo's Management Committee brings together all department heads, forming the cornerstone of our corporate governance. The committee is in constant contact with the rest of the team, working to develop, implement and monitor Valfondo's operational model and culture of ethics and compliance. It also serves as a source of information and advice for the Managing Director in reaching strategic business decisions.

Our comprehensive Training Plan includes specific sessions on our culture of ethics and compliance, which go beyond what is covered in general training. The objective is to ensure that managers are fully versed in the company's values, mission and vision, as they play a key role in diffusing our culture to the rest of the team. Our ESG manager is also invited to participate in relevant discussions.

MANAGEMENT COMMITTEE MEMBERS



Juan José Vera
CEO



Julián Labarra
Corporate Development Director



David Romera
Head of Investment and Asset Manager



Ben Alogo
International Business Development Director



Ramón Solano
CFO



Marta de la Serna
Legal Counsel



Ana Vera
Marketing & communication Director



Cristina Amoribieta
People and Culture Director



Jesus Morlans
Developments Director



Sergio Asin
Constructural Project Director



INVESTMENT COMMITTEE

Amid ongoing efforts to improve our risk management processes, an Internal Investments Committee was constituted in 2022. Its primary purpose is to sign off on investment opportunities that do not meet our usual minimum conditions or that incur risk (such as purchasing strategic plots or pursuing a turnkey development that shows promise despite falling short of certain criteria).

The process for submitting an investment for consideration is as follows:

While the Sales Department takes the lead, the following departments all contribute to the committee:

- CEO
- Sales
- Corporate Development
- International
- Finance
- Asset Management
- Design
- Legal

A proposal is presented outlining the potential opportunity: context and summary.

Main KPIs based on the proposed financial model. Assessment of risks and other critical issues.

Request for input and comments from directors, followed by open debate. Analysis of compatibility with corporate business strategy.

Decision on whether to proceed with the project and delivery of report outlining the case for going ahead.



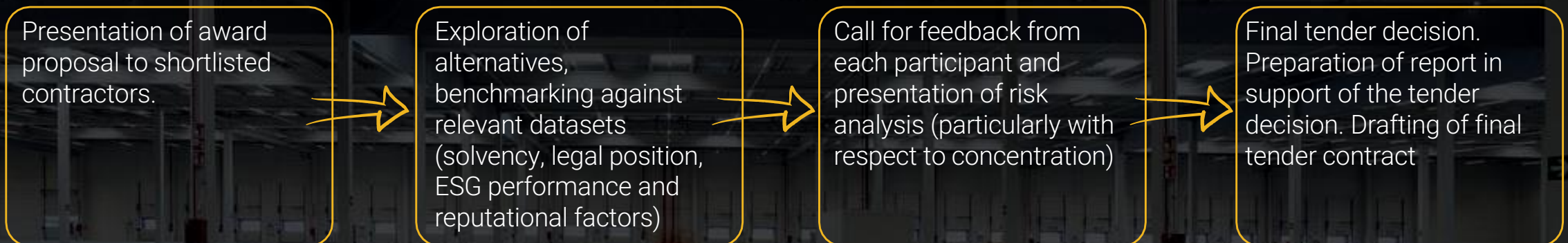
TENDER COMMITTEE

To ensure that all tender processes meet our high standards for good corporate governance, the company agreed to establish a Tender Committee to oversee contractor recruitment. Consequently, the tender process (which is managed by the Production Department) now culminates in a meeting of the Tender Committee, where proposals are evaluated based on the criteria established in our supplier selection policy, following prior examination by the relevant department.

All new building contractors and major suppliers must be approved by the committee.

While the Development Department takes the lead, the following departments all contribute to the Committee:

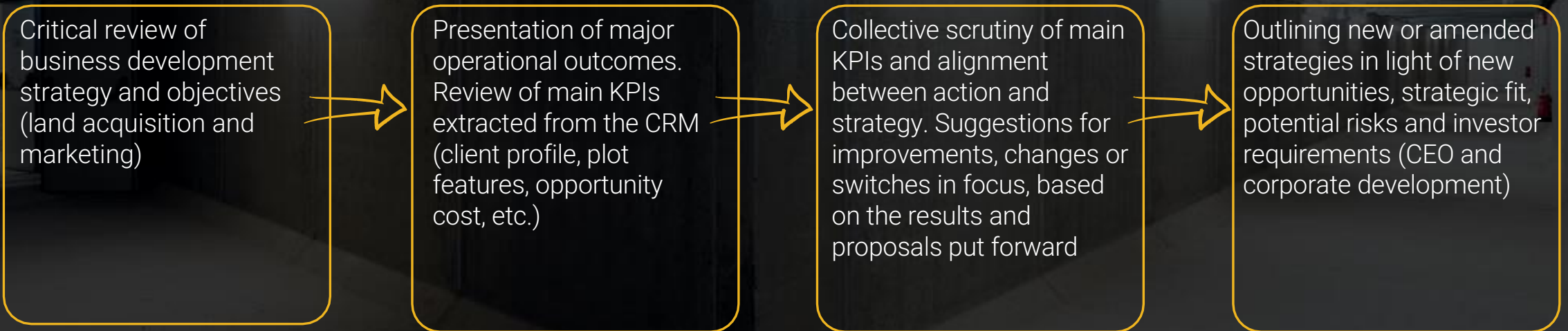
- Finance
- Asset Management
- International Development (optional)
- Ad hoc (where a major supplier has an existing relationship with another department, that department is invited to attend).



STRATEGIC ACQUISITIONS COMMITTEE

Responsible for reviewing strategies for land acquisition and marketing. While the Sales Department takes the lead, the following departments all contribute to the committee:

- CEO
- Corporate Development
- Asset Management
- Design



DEVELOPMENT STANDARDS COMMITTEE

The purpose of this committee is to identify best practices and opportunities for improvement during the construction phase. Led by the Construction Department, it is formed by the heads of the following departments:

- Sales
- Multidisciplinary Project Coordinator
- ESG
- Design

Presentation (by the Projects Department with support from the project coordinator) of the main KPIs to be achieved by works completion, including targets for expenditure, time frame, resource management, etc

Analysis of sales and design phases with a view to future improvements. Identification of replicable good practices. In-depth scrutiny of practices linked to ESG priorities

Formal selection of factors to be addressed during construction and formulation of an action plan for improved project management

Updating of sales parameters, integration of lessons learned into the good practice handbook and technical conclusions for the project closure meeting



Communication channels with stakeholders

Public bodies

Ongoing monitoring of regulatory developments relevant to our activities.

Our Team

Direct, continuous communication to foster team cohesion.

Local communities

Ongoing engagement to ensure a positive impact.

Suppliers

Vetting procedure to establish compliance with our Ethics Code and ESG Policy.

Investors

Quarterly reporting and annual shareholders meeting.

Clients

Permanent lines of communication with property users, plus annual tenant satisfaction surveys.

Competitors

Participation in forums, trade fairs and industry events. By doing this, we share experience and knowledge.



Creation and management of sustainable buildings

Our focus is on design and management of sustainable projects, offering our clients logistics properties considering climate change adaptation, mitigation, efficiency of energy, water and materials, and promoting biodiversity. These elements are studied carefully at every stage of development and construction.

One of Valfondo's decarbonisation targets is to generate 35% of our managed properties' electricity needs on-site from photovoltaic panels. An analysis of PV capacity has now been completed for each of our assets. Based on the outcomes of this study, in September 2023 we expanded PV production capacity at Marchamalo 1 by 700 kWp, reducing grid demand by around 20%.

We continue to include green clauses in all new lease agreements, requiring the purchase of renewable energy for all energy consumed on the premises, in line with Montepino's objective to be running the entire portfolio on 100% renewable energy by 2030.

Besides, multiple assets were built using low-emissions prefabricated modules and BREEAM certifications are now being pursued for certain properties. In Illescas, our Pradillos 2 industrial park has been certified under BREEAM Communities. As part of the certification process, we developed an Energy Efficiency Strategy that has cut consumption levels by 57%. Meanwhile, Illescas 2 is set to be the first logistics development to seek dual certification under both LEED and BREEAM.

We continue to carry out Lifecycle Assessments (LCAs) to calculate the embodied carbon of our projects. For the first time in 2023, we included the embodied carbon of completed developments in the carbon footprint calculations of the assets managed by Valfondo.

ENERGY

2022

2023

Consumption within the organisation*.	41,92	56,3 MWh (100% from renewables)
Consumption outside of the organisation*.	26.107,34 MWh	25.602,54 MWh
Percentage of renewable energy outside of the organisation*.	36,1%	44%
Percentage of portfolio's total energy needs derived from on-site renewable sources*.	10,5%	13,5%
Total electricity consumption (within and outside the organisation).	26.149,26 MWh	25.658,85 MWh

Fuel consumed

Fossil fuel consumption within the organisation*.	21.545,77 litres of petrol, 20.161,98 litres of diesel	26,751.41 litres of petrol, 10,248.65 litres of diesel
Fossil fuel consumption outside of the organisation*.	5.514,12 MWh of natural gas	7.948,67 MWh of natural gas and diesel
Total fossil fuel consumption (within and outside the organisation)	5.936,69 MWh	8.317,2 MWh



Consumption outside of the organisation

2022

2023

Percentage of grid energy consumed with REGO.	25,6%	30,9%
Percentage of grid energy consumed without REGO.	63,9%	55,6%
Percentage of renewable energy generated and consumed on-site	10,5%	13,5%
Total energy consumption (electricity and fuel) by built lettable area.	43,51 kWh/sqm	35,08 kWh/sqm

Fuel emission factors

Natural gas conversion factor (kwh/m3)	10,49
Diesel conversion factor (kwh/l)	10,9
Petrol conversion factor (kwh/l)	9,6



Greenhouse Gas (GHG) Emissions (TonCO2)

2022

2023 (GHG Protocol)

(ISO 14064-1)

Market based

Location based

SCOPE 1

99,260

85,996

SCOPE 2

4,401

0,000

15,371

SCOPE 3

6.641,843

42.848.082,00

45.042.119,00

There are two methodologies for calculating emissions from electricity consumption. The location-based method uses an emission factor based on the national energy mix, whereas the market-based method looks at the energy mix of the supplier. This year, Valfondo used both methods to achieve a fuller and more transparent picture. Both figures are presented in this report.

Direct emissions (Scope 1):

100% of these emissions are attributable to the company's transport needs. This includes the energy required to run our vehicle fleet.

Indirect emissions (Scope 2):

Includes electricity purchased by Valfondo's offices

Other indirect emissions (Scope 3):

Includes energy and water consumed and waste produced by tenants of operational platforms; materials, transport and construction waste from developments completed in 2023; and water consumed at the Company's head office.

GHG emissions intensity:	2022 (ISO 14064-1)	2023 (GHG Protocol)	
		Market based	Location based
Warehouse floor area (sqm)	737.689 m2		956.473
Scope 1 + 2 (kgCO2e/sqm)	0,14	0,09 (-36%)	0,10 (-24%)
Scope 3 (same scope - kgCO2e/sqm)	9,00	7,17 (-20%)	9,46 (+5%)
Total (same scope - kgCO2e/sqm)	9,14	7,26 (-21%)	9,57 (+5%)
Sources calculated for first time in 2023 (kgCO2e/sqm)			37,63 (+412%)
Total (kgCO2e/sqm)	9,14	44,89 (391%)	47,20 (416%)

Calculated using the market-based method, and adopting the same scope as in 2022, emissions by built area fell by 21% year on year. This year, emissions intensity is higher, as we have included the embodied carbon of developments delivered in 2023. Valfondo continues to work towards our 2025–2030 targets

Biodiversity and ecosystems

At Valfondo, we are working to establish measures to enrich biodiversity at the assets managed. This year the company took the following steps to enhance biodiversity at our sites:

Ciudad del Transporte Illescas Montepino, a new industrial park in Illescas fully developed by Montepino and managed by Valfondo, has been designed to meet the BREEAM Communities standard: the world's most prestigious assessment framework for sustainable urban design. The project will achieve a 50% reduction in water consumption and a 57% cut in energy use, with each building delivering an exceptional sustainability performance. Following a made-to-measure ecological strategy, landscapers have planted 868 trees and 330 shrubs on the site's 121,578 sqm of green space and created dedicated areas for rest and relaxation, physical activity, children's play and dog walking.

Besides, a cycle path offers a safe green travel option to nearby urban areas, following the old drovers' road. These green spaces have been designed by ecologists to function as biodiversity corridors, preserving crucial habitats for flora and fauna.

Furthermore, Valfondo has collaborated with the Universidad Complutense de Madrid and Urban Castilla-La Mancha for the geomorphological design and construction of artificial slopes, contributing to greater ecological and visual cohesion with the surrounding land.

In Lisbon, the Castanheira 1A project incorporates permeable paving and extensive green space to avoid large swathes of impervious ground.

BREEAM® | ES



Circular economy: Materials and waste

With respect to the circular economy and efficient resource management, Valfondo has set a target to divert 90% of construction waste from landfill of the assets managed by 2030.

Valfondo has a strict policy for sourcing construction materials. Our requirements follow the LEED framework to help us achieve the highest possible standards. The policy includes Environmental Product Declarations (EPDs) as standard, VOC restrictions for products used in building interiors and a full Lifecycle Assessment (LCA) for every building. In conformance with international standard ISO 14044, we aim to reduce GHG emissions by a minimum of 10%.

We also make every effort to reuse existing materials when feasible. At Ciudad del Transporte Illescas Montepino, we used leftover remnants of prefabricated concrete blocks to create landscaping elements..

Illescas 1C, Illescas 2A, Zaragoza 3A and Zaragoza 4 were all built using low-emissions prefabricated components. Structural components were assembled off-site, using materials and techniques that keep carbon emissions to a minimum, helping keep our projects' carbon footprint as small as possible. Prefab components manufactured in this way are 21% less carbon intensive than the industry standard, keeping 1,338.9 tonnes of CO2 out of the atmosphere.

The vast majority of Valfondo's activity waste is generated by Montepino's construction works, while new logistics developments take place. Consequently, Valfondo has established a series of targets for recovering construction waste and diverting as much as possible from landfill.

Alternatives include reusing or recycling components from demolished structures and repurposing surplus or leftover materials

The main action to tackle waste is contracting licensed carriers able to recover a significant proportion of each category of materials.

Valfondo outsources monitoring of waste management practices at all projects to Cocircular, a specialist firm. In 2023, we successfully recovered 91% of all construction waste.

Additionally, existing structures on the Zaragoza 3A site were demolished and reused, giving second life to materials that would otherwise have ended up as landfill

Waste generated from construction in 2023

91%

Percentage of waste recovered

16.586,39

tonnes



Water consumption and discharges

All water consumed at our company offices is drawn from the municipal grid. At our head office, specifically, total water consumption for 2023 came to 278 m3.

All of the managed projects incorporate measures to promote responsible water use, by reducing indoor and outdoor water consumption. All building services that connect to the domestic water supply are selected to achieve minimum savings of 40%. Meanwhile, a no-watering approach to landscape design is taken. We carefully select the most suitable drought-resistant species, prioritising those that are native to the region.

A comprehensive water strategy was adopted for the grounds of Ciudad del Transporte Illescas Montepino, including a pump

system that delivers water to collection ponds in green spaces throughout the site. These drainage features help offset the impermeable paving associated with development, reducing runoff and promoting laminar flow after rainfall events. They also help filter contaminants, encouraging sedimentation en route to the ponds (reducing water demand). Furthermore, the ponds act as wetlands and biodiversity corridors, and enhance the site's aesthetic and amenity value for users and the local community.

	2022	2023
Water consumption at the Company's head office (m3)	111	278
Water consumption in logistics operations (m3)	30.233,10	54.084,34
Water consumption intensity (m3/sqm)	0,04	0,06



Lasting and trusting commitment to the community.

We believe that we have a responsibility to all members of the communities where we work. Our People & Culture Department is responsible for ensuring that all policies and actions align with this commitment.

Our Social Impact Policy is designed to prevent and mitigate any potential adverse impacts, outlining the main building blocks of a positive community experience. The Social Impact actions are divided into 3 categories:

- **Community volunteering programme:** to offer direct support to vulnerable individuals and communities, including individual attention and resources.
- **Corporate volunteering:** to encourage our teams to take part in social initiatives with community benefits.
- **Partnerships:** to support projects that make a positive difference to communities in which we work.



A person in athletic wear is holding a basketball on a court. The image is dimly lit, focusing on the person's legs and feet. The person is wearing dark shorts and dark sneakers with orange soles. They are holding a basketball with both hands in front of them. The background is a basketball court with a hoop and backboard visible in the distance.

Responsibility for managing community engagement lies primarily with the People & Culture Department. The team meets regularly with the Management Committee to review objectives and monitor progress.

Hereafter, all Valfondo's community initiatives in 2023 are mentioned

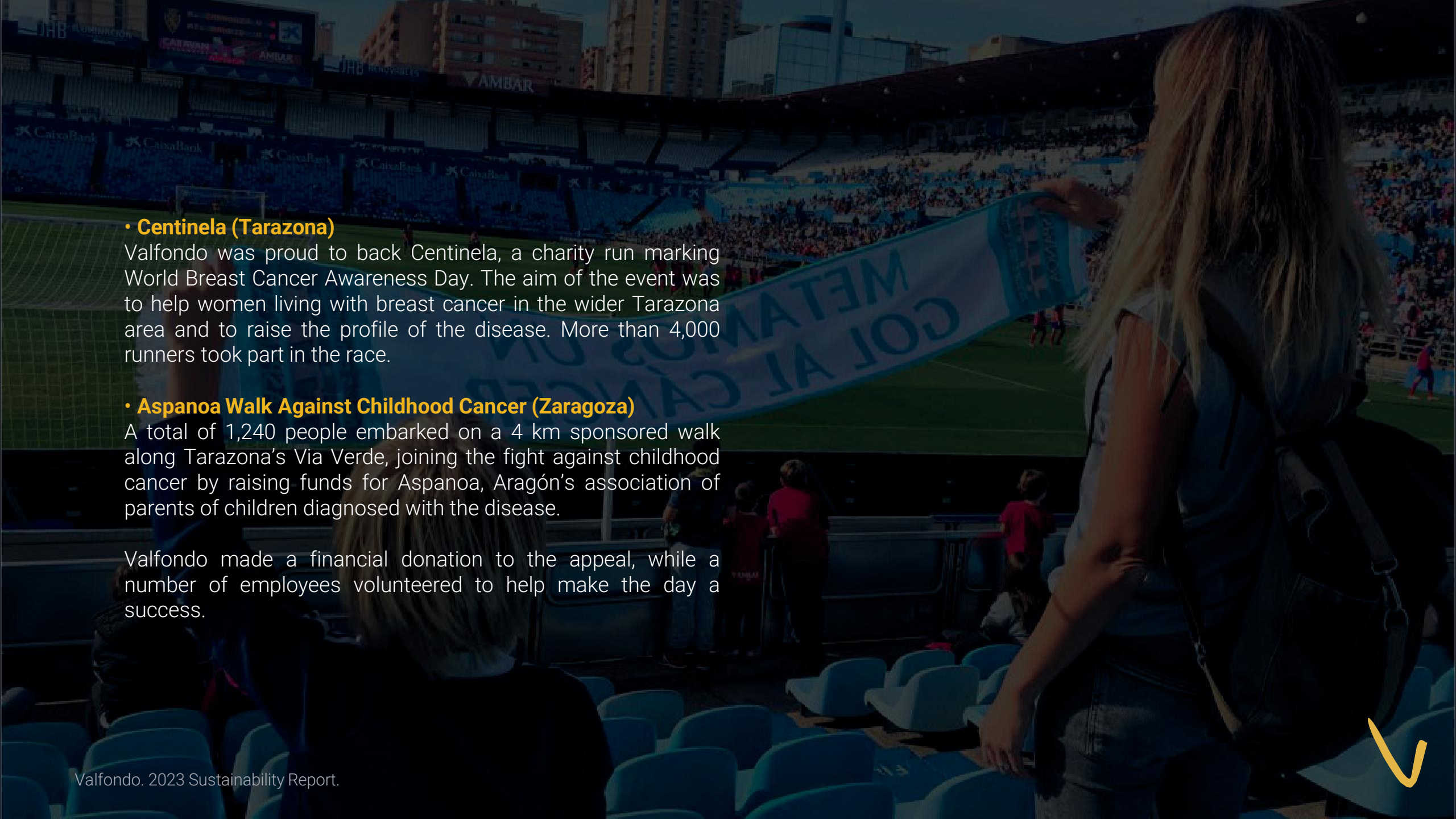
Club Helios (Zaragoza)

Helios is a private non-profit organisation that supports 17 different sports. In 2023, its basketball team was thrilled to qualify for the national championships in the Novice category. To help make their dream come true, Valfondo worked with Helios to cover the team's travel expenses to the competition venue.

• Chamber of Commerce (Zaragoza)

The Chamber of Commerce, Industry and Services of Zaragoza is a Public Law Corporation whose mission includes 1) organising a wide range of activities that promote or contribute to the resilience, vitality or advancement of business, industry and services in the region; and 2) taking a position on all matters of interest for the Aragon business community. In 2023, a fire broke out in the Chamber's headquarters, a building of significant heritage value for Zaragoza. To restore this iconic building, the Chamber launched a fundraising campaign, which Valfondo was delighted to support.





• **Centinela (Tarazona)**

Valfondo was proud to back Centinela, a charity run marking World Breast Cancer Awareness Day. The aim of the event was to help women living with breast cancer in the wider Tarazona area and to raise the profile of the disease. More than 4,000 runners took part in the race.

• **Aspanoa Walk Against Childhood Cancer (Zaragoza)**

A total of 1,240 people embarked on a 4 km sponsored walk along Tarazona's Via Verde, joining the fight against childhood cancer by raising funds for Aspanoa, Aragón's association of parents of children diagnosed with the disease.

Valfondo made a financial donation to the appeal, while a number of employees volunteered to help make the day a success.



Client and investor satisfaction and loyalty.

Valfondo is very aware of the importance of client and investor retention.

A loyal client base that generates repeat business is an unmistakable sign that we are delivering a good experience – a top-level company objective.

Making people happy is a cornerstone of Valfondo's corporate strategy. We conduct an annual satisfaction survey for our tenants, including questions on all aspects of our services and inviting ideas and suggestions for improvement.

The Company's NPS is calculated based on the results of an annual survey. The NPS is a performance indicator that reflects how clients perceive their overall experience. This year the NPS obtained was 54. The scale runs from -100 to +100, and so an NPS of 54 is still a very positive result.

Our focus on cultivating a positive working environment means that our workspaces are among the best in the market. This not only helps our clients retain staff, but also promotes higher levels of well-being and productivity. Our properties are designed to offer plenty of natural light, good interior air quality, efficient heating, communal rest areas and a full range of services, such as cafeteria with terrace, gym, public transport connections and electric vehicle charging points.

We stepped up our efforts to enhance user well-being, adding terraces with plants or accessible green spaces, bringing more natural light into our buildings and opening up views towards natural landscaped areas



4.6. Investing in our employee welfare and development.

Valfondo has a responsibility towards everyone who works for us, directly or indirectly. Our People & Culture Department is responsible for ensuring that all policies and actions align with this commitment.

Human resource management is a key area of company strategy, and so Montepino's corporate structure includes a single overarching department, People and Corporate Culture, to oversee both recruitment and our ways of working. There are two main lines of approach:

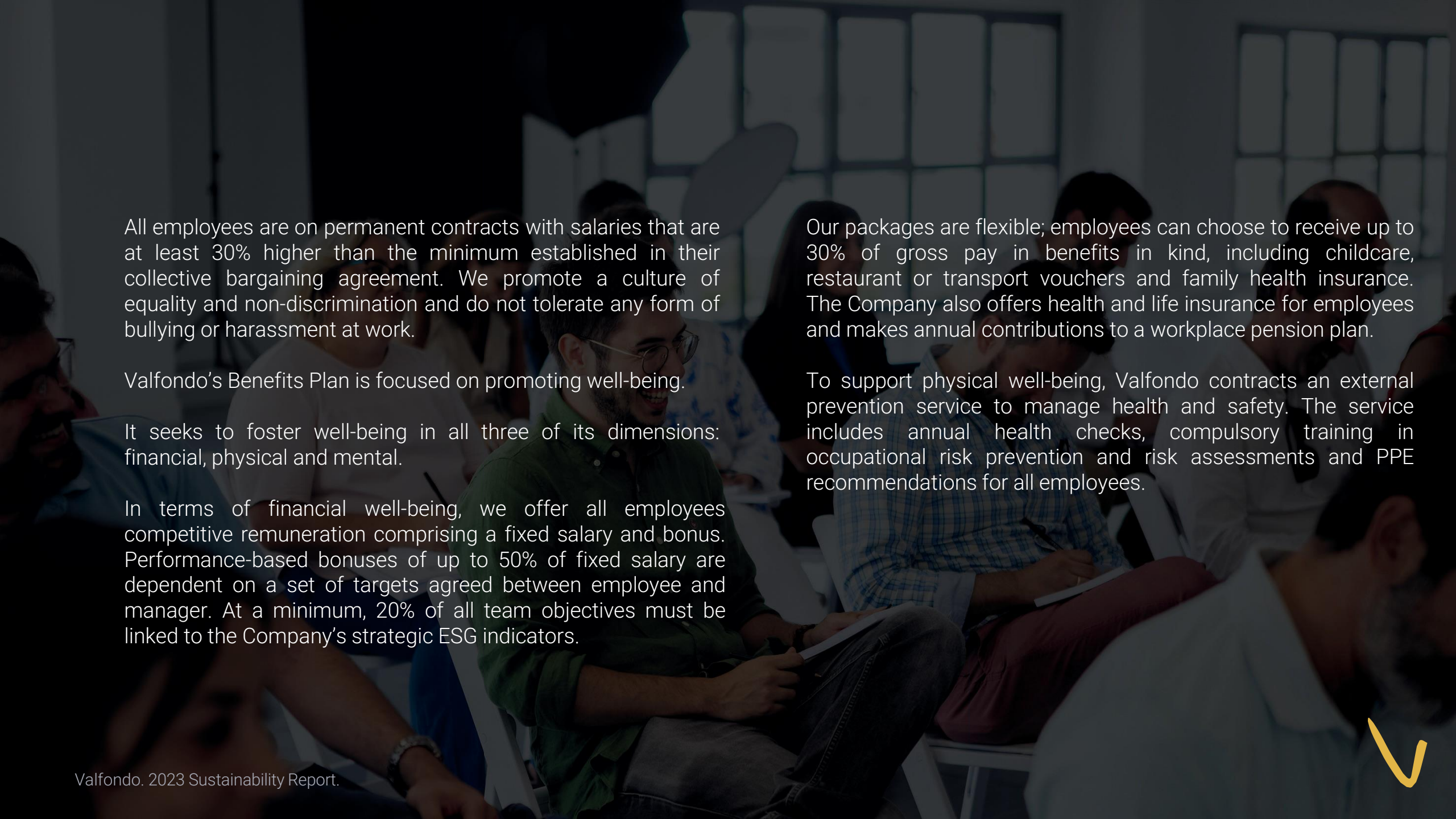
- A Benefits Plan designed to optimise our team's financial, physical and mental well-being. The aim is to ensure equality of opportunity, a uniform leadership model and a fair and transparent remuneration policy.
- A Professional Development Plan that defines the Company's approach to training and skills development.

The department's key objectives are:

- To check in with our team on a regular basis to prevent any problems from escalating.
- To ensure that all team members receive at least 40 hours of training per year.
- Working environment: to raise our NPS by 3%.
- To pursue policies that help us attract and retain talent, having an attrition rate of 0%.
- To determine bonus payments on a 100% individual basis, looking at annual targets and performance against ESG standards for each specific role.

In 2023 Valfondo employed 56 members of staff.





All employees are on permanent contracts with salaries that are at least 30% higher than the minimum established in their collective bargaining agreement. We promote a culture of equality and non-discrimination and do not tolerate any form of bullying or harassment at work.

Valfondo's Benefits Plan is focused on promoting well-being.

It seeks to foster well-being in all three of its dimensions: financial, physical and mental.

In terms of financial well-being, we offer all employees competitive remuneration comprising a fixed salary and bonus. Performance-based bonuses of up to 50% of fixed salary are dependent on a set of targets agreed between employee and manager. At a minimum, 20% of all team objectives must be linked to the Company's strategic ESG indicators.

Our packages are flexible; employees can choose to receive up to 30% of gross pay in benefits in kind, including childcare, restaurant or transport vouchers and family health insurance. The Company also offers health and life insurance for employees and makes annual contributions to a workplace pension plan.

To support physical well-being, Valfondo contracts an external prevention service to manage health and safety. The service includes annual health checks, compulsory training in occupational risk prevention and risk assessments and PPE recommendations for all employees.



The Company provides premium health insurance for all employees, with the option to add coverage for family members. Finally, we encourage our teams to care for their physical well-being through preventative health services, online yoga classes, padel and golf tournaments and charity runs. We promote mental well-being by offering volunteering, internal mentoring and job rotation schemes and upholding a blanket policy of equality and non-discrimination in the workplace. All offices are also Pet Friendly.

As part of our professional development approach, Montepino has a structured induction process for new starters, including a welcome handbook, rotations in all departments, one-to-one mentoring and regular check-ins to see how things are going. The Company also invites continuous feedback through performance evaluations and workplace satisfaction surveys. This year, we succeeded in raising our Net Promoter Score (NPS) by 3%.

Valfondo works tirelessly to dismantle inequalities, having instigated the following policies:

- All members of our team are entitled to full parental leave
- We follow a blind recruitment process as a hedge against discrimination
- Salaries are indexed to ensure fair and equal remuneration
- Career plans are mapped out on a role-by-role basis

Training

Support	270
Technical operative	4.297,50
Middle Manager	615,50
Director	558

Specific training by professional category:

Financial:

- VAT in international transactions
- Sustainable finance
- Digital signatures and invoicing
- What's new in tax
- Tax in real estate transactions
- Annual training budget
- CFA course

People & Culture:

- Understanding BlockChain
- ORP for managers
- Lights, camera, action: video marketing on LinkedIn
- Proptech
- Ubiquiti
- Open minds — Marian Rojas Estapé

Legal:

- Town planning
- Civil responsibility in BIM construction management
- Contracts and tenders in a BIM framework
- Innovations and trends in the legal sector
- Compliance

Design and construction works:

- Protection of logistics warehouses
- BREEAM new-build course
- BIM
- Online Revit MEP course





Asset, Property & Business:

- Real Estate Finance Bootcamp
- Specialisation course in Corporate Real Estate Management
- Financial analysis and management for properties and projects

Training in skillsets

- Project Management (tailored to each department)
- Power Automate
- Power BI
- Big Data for HR
- Microsoft Office 365 TEAMS
- Excel for professionals
- Planner
- Cybersecurity

Languages

- British English
- Online platform accessible in various languages
- Weekly English classes



Key Stats on Group Employees.

Employees covered by a collective bargaining agreement

	Male	Female
Real estate management and brokerage	30,36%	25,00%
Engineering and technical studies	17,86%	14,29%
Zaragoza offices	5,36%	7,14%
Overall total	53,57%	46,43%

By category

	Male	Female
Support	5,36%	5,36%
Director	12,50%	5,36%
Middle manager	5,36%	8,93%
Technical operative	30,36%	26,79%
Overall total	53,57%	46,43%

Por age

	Male	Female
<30	3,57%	3,57%
30-39	17,86%	25,00%
40-49	16,07%	10,71%
50-56	12,50%	3,57%
>56	3,57%	3,57%
Overall total	54%	46%

Employees by gender

	Male	Female
Overall total	53,57%	46,43%



We monitor progress towards professional development objectives through performance evaluations, workplace satisfaction surveys and continuous feedback from our regular meetings. The Company chooses to follow a uniform management model, providing a common framework for managers and preventing diverging approaches between departments. This is reported monthly/annually.

•Total number of employees and breakdown:

Total 56. Women on permanent full-time contracts: 26. Men on permanent full-time contracts: 30



These roles are based in Madrid and Zaragoza and provide all-round support to Montepino's vehicle.

100%

Annual performance reviews carried out

1,87%

team turnover

100%

covered by their collective bargaining agreement for workers. Due to the long-term nature of Montepino's vehicle, in the interests of stability these posts are filled by employees on permanent contracts

6,4%

team absenteeism

0

•Occupational accidents/accidental deaths

100k€

invested in employee training, with total 5,741 training hours

3%

increase in NPS



About this report

Contact:

Marta Esquivias

ESG Manager

m.esquivias@valfondo.com

C/Felipe Sanclemente 26 3º, 50001-Zaragoza (España)



Appendix 1: Asset summary by type and LEED certification status



OPERATIONAL

Asset	Type	Leed Cert.
Zaragoza 1	Last Mile	Gold
Zaragoza 2	Last Mile	Gold
Coslada 1	Last Mile	Gold
Cabanillas	Big Box	Silver
Alcobendas	Last Mile	Certified
Torija	Big Box	Gold
Marchamalo 1	Big Box	Silver
Toledo	Big Box	Silver
Guadalajara 1A	Big Box	Silver
Guadalajara 1B	Big Box	Gold
Guadalajara 1C	Big Box	Silver
Marchamalo 2A	Big Box	Gold
Marchamalo 2B	Big Box	Gold
Marchamalo 3	Big Box	Gold*
Sant Esteve A	Last Mile	Gold
Sant Esteve B	Last Mile	Gold
Castellbisbal 1	Last Mile	Gold
Coslada 2	Last Mile	Platinum
Castellbisbal 2	Big Box	Gold
San Fernando	Last Mile	Gold
Barberá	Last Mile	Gold
Alicante 1 Parla	Last Mile	Gold
Illescas 1A	Big Box	Platinum
Illescas 1C	Big Box	Platinum*
	Big Box	Platinum*

UNDER CONSTRUCTION

Asset	Type	Leed Cert*
Zaragoza 3A	Last Mile	Platinum
Guadalajara 1D	Big Box	Gold
Málaga	Last Mile	Gold
Ruiseñor B	Big Box	Gold
Alicante 2	Last Mile	Gold
Illescas 2	Big Box	Platinum**
Alicante 3	Last Mile	Gold
Castanheira A	Big Box	Platinum
Zaragoza 4	Last Mile	Platinum
Alaquas 1	Big Box	Gold
Alaquas 2	Last Mile	Gold
Guadalajara 2	Big Box	
Guadalajara 3	Big Box	
Ruiseñor A	Big box	
Guadalajara 4	Last Mile	* Certification in progress
Marchamalo 4	Big Box	processo
Marchamalo ZZCC	Big Box	** Double certification in progress
Zaragoza 3B	Big Box	
Pradillos M2	Big Box	
Pradillos M3	Last Mile	
Pradillos M4	Big Box	
Pradillos M5	Big Box	
Pradillos M6	Last Mile	
Castanheira B	Big Box	
Castanheira C	Last Mile	
Illescas 1B	Big Box	



