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Report on the activity of the Sustainability and Innovation Committee of MERLIN Properties, SOCIMI, S.A. during the 2024 financial year

1. Introduction

The organisation and competence of the Sustainability and Innovation Committee of MERLIN Properties SOCIMI, S.A. (the "**Commission**" and the "**Company**"), is regulated in the Regulations of the Company's Sustainability Committee.

The following main aspects in relation to the Commission are summarized with reference to this regulation:

1.1. Composition

(i) The Commission will:

(a) it shall be composed of a minimum of three (3) and a maximum of five (5) members, who shall be all external directors and, from among these, most independent;

(b) appoint a chairman of the Committee from among the independent directors who are members of the Committee;

(c) it shall appoint a Secretary and may appoint a Deputy Secretary, both of whom may not be members of the Board. In the event of not making such appointments, those of the Board of Directors shall act as such;

(ii) the renewal, re-election and dismissal of the directors who make up the Committee shall be governed by the agreement of the Board;

(iii) to date, the Commission has the following composition:

MEMBER	POSITION	CATEGORY	DATE OF APPOINTMENT OR RE-ELECTION AS A MEMBER OF THE COMMISSION
Ms. Ana García-Fau	President	Independent	May 9, 2024
Ms. Francisca Ortega	Member	Sunday	April 27, 2023
D. Emilio Novela	Member	Independent	May 9, 2024
Ms. Pilar Cavero	Member	Independent	April 27, 2023

The Company's website contains information on the professional profile of each of the members of the Committee.

1.2. How it works

The Commission will:

(i) it is convened by its President, either on its own initiative, or at the request of the President of the Council or any of its members;

(ii) it meets at least once a quarter, as well as when convened by its President, who must do so whenever the Council or its President requests the issuance of a report or the adoption of proposals and, in any case, whenever it is convenient for the proper performance of its functions;

(iii) it is validly constituted when the majority of its members are present, present or represented; y

(iv) Its resolutions are adopted by a majority of concurrent members, present or represented, with its President having the casting vote.

1.3. Main competencies

The Commission's main powers are:

(i) advise the Board of Directors:

(a) in the design and promotion of the corporate culture and values that drive responsible and sustainable business practices and a business strategy that integrates and includes the social, environmental and responsible behaviour aspects of the Company and its Group in accordance with the interests and expectations of its stakeholders in these matters, making proposals to the Board of Directors on recommendable changes to policies and regulations on responsible business practices and sustainability;

(b) in the formulation of the Group's sustainability strategy in its relations with stakeholders, including shareholders, investors, employees, customers, suppliers and communities in which the Group operates, and in its public publication and communication

(ii) to advise and supervise the communication and information to the market of any information or report in which reference is made to sustainability issues or matters within the competence of this Commission;

(iii) to promote innovation, especially in relation to digitalisation and technology, for the sustainable evolution of the Company and its group, by making proposals to the Board of Directors on action plans and their implementation, in coordination and consultation with the executive team;

(iv) to process, manage and report on those complaints that were referred to the Ethics Channel (canal.etico@merlinprop.com) and that, due to their nature, were assigned by the Coordinating Director and the Director of Internal Audit to the Committee

(v) to collaborate with the other committees of the Board of Directors in all matters related to matters within its competence;

(vi) promote the development and periodic adaptation of a sustainability plan or sustainability strategy of Merlin and periodically evaluate the degree of compliance with the defined objectives;

(vii) to promote the obtaining by the Company and its group of the national and international certifications granted in the field of sustainability, cooperating with the executive team in the plan to achieve this objective, as well as to monitor and promote the incorporation and adequate positioning of the Merlin Group in the most recognized international sustainability indices;

(viii) to know, promote, guide and supervise the objectives, action plans and practices of the Company in terms of (i) social responsibility, such as Human Rights, employee well-being, sponsorship or patronage actions, environment, biodiversity, fight against climate change, reduction of emissions, relations with communities, as well as efficient and responsible use of resources, as well as (ii) corporate reputation, brand image, intellectual capital and other intangible assets; e

(ix) to inform and recommend to the Audit and Control Committee, prior to its approval, the Company's non-financial information in relation to the information that is within its competence

2. Actions carried out by the Commission

2.1 Meetings

During the financial year 2024, the Committee has met on six (6) occasions (in particular, on 29 January, 19 February, 8 April, 24 June, 24 October and 16 December 2024).

All the meetings were attended (present, duly represented or through audiovisual means) by all the members of the Commission. In addition to these members, the Commission held on:

(i) January 29, had as guests:

(a) Mr. Fernando Ramírez, Ms. Teresa Urquijo and Mr. Manuel García who presented, in summary, (a) the evolution of the contents of the NFIS in aspects of Sustainability; (b) an update of the green bond programme, and (c) the degree of compliance in 2023 with sustainability objectives linked to the variable remuneration of directors and executives.

(b) The Willis Towers Watson team presented, in summary, an update of the sustainability objectives linked to the variable remuneration of directors and executives and the degree of preliminary progress of the analysis (in progress) that they were carrying out in relation to the metrics for 2024 associated with Sustainability.

(ii) 19 February, had as guests Mr. Fernando Ramírez, Ms. Teresa Urquijo and Mr. Manuel García, who presented, in summary, the proposal for ESG criteria for STIP 2024 and the degree of final compliance in 2023 with ESG criteria applicable to LTIP.

(iii) April 8, 2024 had as guests:

(a) Mr. Fernando Ramírez, Ms. Teresa Urquijo and Mr. Manuel García who presented, in summary, (a) an update of the "green financing"; and (b) a summary of the *roadshow* carried out in ESG aspects.

(b) Mr. Ontañon and Merlin's CISO (Mr. Juan Manuel Carmona) who presented an update on the ISO 27001 award process.

(c) Mr. Ignacio Rubio and Mrs. Elena Rodriguez, all of them from the Merlin technical team, who presented the different certifications of the LEED and BREEAM (e.g., AEO, AIS, WELL and similar);

(iv) June 24 had as guests:

(a) Mr. Fernando Ramírez, Ms. Teresa Urquijo and Mr. Manuel García who presented, in summary, (i) the environmental performance in Q1 24, (ii) the status on indices and (iii) the audited report confirming the allocation of green debt according to the eligibility criteria of the Green Financing Program.

(b) The people in charge of the *Building Management System* (BMS) and Alarm Reception Center (ARC) and cybersecurity project at Merlin, who presented the evolution of the development of these projects as well as an update on cybersecurity (and, in particular, the Netspoke Platform and the Sosafe Platform);

(c) Mr. Jon Navarro, director of internal audit at Merlin, who presented the new CSRD regulations.

(v) 24 October, which took place in the Adequa building and had as guests Mr. Fernando Ramírez, Mrs. Teresa Urquijo and Mr. Manuel García who, after the update and demo of the Alarm Reception Center and the CIC (integrated control center) of Adequa, presented, in summary, the update on *scorings,* environmental performance during the first half of 2024 *and* the NFIS reporting schedule.

(vi) 16 December featured as guests Mr. Fernando Ramírez, Ms. Teresa Urquijo and Mr. Manuel García who presented, in summary, (a) the sustainable Capex realized in 2024 and the sustainable Capex 2025 budget, (b) the achievements of 2024 in ESG aspects; (c) technological initiatives 2025-2029, (d) the state of development of the NFIS and (e) execution of the 2024 Social Plan and forecasts for 2025. Indicate that it was carried out in Plaza Ruiz Picasso and the revisions that were carried out there.

2.2 General actions

In its meetings during the 2024 financial year, the most relevant activities undertaken by the Commission, within the framework of its competences, have been:

(i) As recurring activities, typical of the functions attributed:

(a) the presentation to the board of the activities carried out by the Company in the field of sustainability and innovation and the internal organisation for the pursuit of the main objectives in these aspects;

(b) the discussion on the general strategy, progress and main challenges of the Company, in aspects of sustainability and innovation;

(c) the monitoring of the metrics/KPIs and positioning of the Company in benchmark sustainability indices and ratings (GRESB, CDP, S&P Global/ DJSI); y

(d) the recurrent review of the main aspects of Sustainability applicable to the Company.

(ii) As particular aspects, it has:

(a) The report on the Commission's actions during the 2024 financial year was approved;

(b) Favourably reported:

- to the Appointments and Remuneration Committee the EGS objectives linked to the short- and long-term remuneration systems (STIP and LTIP);

- the Annual Corporate Governance Report on aspects within the competence of the Commission;
- the Annual Report on Remuneration of Directors in aspects of the Committee's competence;
- the Statement of Non-Financial Information in aspects within the competence of the Commission;
- the proposed Sustainable Capex budget for the financial year 2024 and 2025;
- the proposal for 2025 sustainability targets; and
- the proposal for contribution to foundations/NGOs.

(c) Analyzed:

- areas of improvement in Sustainability indices;
- contributions and initiatives in matters of a social nature;
- Merlin's investment plan in aspects of sustainability and R+D; y
- the sustainability aspects to be reported in the presentation of results;

(d) Tracked:

- the innovation aspects of the Company and its technological inventory, including visits to CRA and CIC, among others;
- Merlin's environmental performance;
- the *Roadshows* and the *feedback* received from investors on aspects of Sustainability;
- the Company's position in Sustainability indices; and
- the evolution of Sustainable Capex.

(e) Revised the aspects, parameters and objectives of Sustainability for executive directors and management team applicable to their variable remuneration:

3. Action plan for the financial year 2025

For the financial year 2025, the Commission has defined, as main aspects of its action plan, the following actions, in each of the aforementioned areas:

1. Environment

   (a) To continuously monitor the Company's situation in (a) indexes/*scorings*, and (b) ISO, leed, breeam and other certifications.

   (b) Monitor the environmental impact in the process of construction and operation of data centers.

2. Innovation/technology

   To promote the application, in aspects of Sustainability, of computer and technological developments to improve the tasks attributed to the Commission and of other applications/tools in the innovation/technology environment to improve the efficiency of the Company's activity; this action will include, but is not limited to, the monitoring of the implementation in offices of Building Management System systems (computer systems that They control and automate the mechanical, electrical and technological elements of the buildings, such as: air conditioning, lighting, motorization of consumption (electricity, gas and water), surveillance and fire protection systems, among others). Understanding and monitoring of the use of predictive and generative artificial intelligence in the business, as well as its governance.

3. Social: increase in social actions by promoting visits to different foundations to learn more about the activities they carry out. Likewise, to reinforce supervision of the relationship and satisfaction of users, suppliers, employees and other relevant *stakeholders* of the company.

4. General

   Continuously monitor the following:

   (a) the budget in aspects of Sustainability, with particular attention to CAPEX/OPEX;

   (b) compliance with the sustainability objectives applicable to variable remuneration systems in the short and long term;

   (c) KPIs in Sustainability aspects, mainly those associated with green bonds

   (d) The social plan and technological innovation activities.

   Boost:

   (a) the development of *the equity story* in aspects of sustainability and innovation;

   (b) aspects of training on Sustainability and innovation for the Board of Directors.

(c) Participation in the review and proposal of the remuneration metrics associated with Sustainability and Innovation parameters for remuneration plans for 2025 and subsequent remuneration plans, in coordination with the CNR.

(d) Support the CNR in aspects related to the composition of the commission and necessary profiles in it given the changes planned in the council in 2026 (termination of mandates).

(e) Monitoring, and coordination together with the Audit and Control Committee, of non-financial and sustainability information and compliance with the obligations arising from the transposition of Directive 2022/2464 on corporate sustainability reporting (CSRD Directive)