Environment

We ensure environmental best practices
to effectively contribute to mitigating climate change

Goal and strategy

According to the World Health Organisation, climate change is one of the leading threats to humanity and puts at risk the progress made over the last 50 years in global development, health and poverty reduction.

Although our company does not have a significant impact on the environment, we recognise the important role that the private sector plays in supporting the mitigation of climate change, as well as the urgency of acting against it. In this context, we are committed to reducing our environmental footprint and improving energy and process efficiency in all countries where we operate.

Similarly, **we ensure the integration of responsible environmental judgement into our internal processes**, such as decision making, risk analysis in internal operations and investment. This strategy is set out in our **Environmental Policy**, which outlines the company's goals to ensure we act in an environmentally friendly manner.

In 2023 we have recovered the pre-pandemic level of economic activity. This year, without the limitations arising from COVID-19, we have expanded our offer by adding new gaming halls in accordance with our expansion policy, keeping our business and environmental strategy intact. **We want our gaming halls to truly reduce their footprint.** In this regard, we have continued to develop our strategic project called **Green Hall** to ensure that all of our gaming halls apply environmental best practices, with four areas of interest. Likewise, during 2023 we have launched the **Green Site** project consisting of the implementation of the sustainability model applied to our gaming halls and our corporate offices. Both projects focus on **four areas of interest**:
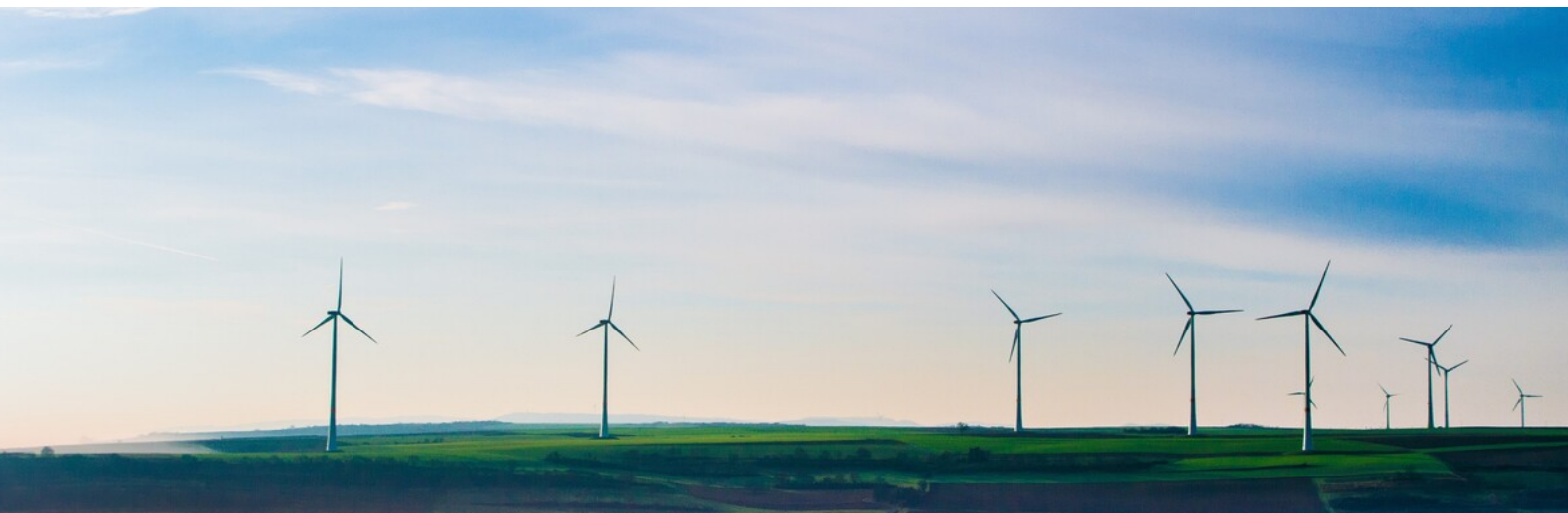:

| Energy efficiency and water use | Renewable energy | Waste management | New centres and renovations that are completely environmentally friendly |

Green Hall consists of a manual validated by SGS and whose application in our establishments ensures that any action or work be carried out with sustainability criteria in mind. Four levels of certification are identified depending on the scope of the action taken.

All of our facilities use the latest technologies to ensure rational water use and avoid waste, making our consumption more efficient. In terms of energy consumption, we want to make sure that all the facilities apply energy efficiency projects, especially savings in electricity consumption. It is also important for us to encourage the use of renewable energy, with a special interest in the installation of solar panels in our facilities located in sunny geographical places, as is the case for most of them. At the same time, we are committed to continuing to invest in IoT equipment to digitise our thermal comfort and energy management system to make it more efficient.

In addition, when it comes to waste management, we apply a robust waste management system in our gaming halls. We aim to prevent contamination and help reduce the environmental footprint of our operations. In this regard, we apply strict measures to optimise our waste generation in order to recycle it as much as possible and thus reduce waste.

Due to the characteristics of the activity, impact on biodiversity is not an aspect considered relevant in our environmental strategy, as these are gaming services and are located in urban environments not close to areas of special environmental protection.

With regard to noise and light pollution, CIRSA complies with the regulations applicable in all its locations to ensure that the possible impacts arising from the carrying out of its activity are minimised.

Given the nature of CIRSA's activity, coverage for environmental contingencies is included in the corporate civil liability policy, with coverage for environmental damage being €40 million.

During the year 2023, the resources allocated to the prevention of environmental risks have amounted to €2.8 million between air conditioning equipment, IoT, photovoltaic projects, etc. and more than €1.5 million in new construction and improvements under Green Hall sustainability criteria. In 2022, more than €2.8 million was allocated.

The environmental strategy is managed and supervised by senior management and is executed through the **Environmental Sustainability Committee**, a specific area of responsibility that operates in the markets where we have a presence.

Executive Chairman
— ESG Director
— Environmental Sustainability Director
— Technical Direction | Systems and Control Management | * FM Business Management | * FM Corporate Management

A responsible employee in each country in which we operate
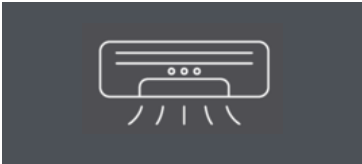
*FM: Facility Management

Actions and results

ENERGY EFFICIENCY AND WATER USE

According to the World Resources Institute, energy consumption is responsible for more than 70% of global greenhouse gas emissions. In our case, electricity consumption corresponds to 77.6% of the Company's total carbon footprint. Our global energy consumption in 2023 amounts to 199,292,161 kWh, while the energy consumption per gaming hall and per square metre is 468,923 and 560 kWh, respectively.

In this context, each site has applied different energy efficiency projects, such as switching from HVAC equipment to more efficient systems, remote heating management and, periodic energy monitoring, application of photovoltaic self-consumption. As for measures against light pollution, the switch from conventional lighting to LED technology has been made.

-18.3%

electricity consumption per m^2 of business surface area between 2015-2023

0.56

energy intensity MWh/m^2

In recent years, digitalisation has played a major role in energy efficiency. That's why we continue to upgrade and design custom equipment to monitor and manage our energy consumption remotely. In this regard, we are continuing with the IoT project, which involves more than 144 gaming halls from all countries. At the end of 2023 we have the following IoT tools in place:

51

remote air conditioning management systems
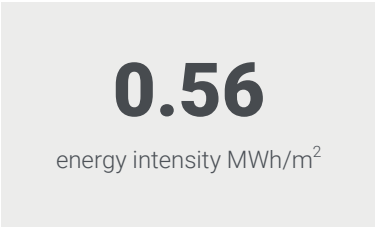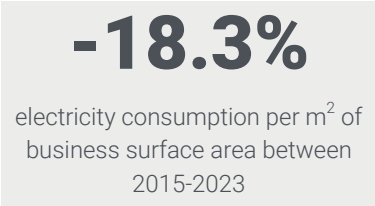

230

remote energy management systems

136

remote air quality management systems

The renovation of our HVAC systems continues with variable refrigerant flow systems, which allow significant savings in energy consumption. We continue to install energy recovery and remote management of these systems through trained technical personnel to always seek maximum efficiency.

Regarding water consumption, our impact is not considered significant. Our global water consumption in 2023 was 546,334 m^3. On average, our gaming halls use 1,285 m^3, while our consumption per square metre is 1.54 m^3. In 2023, data related to water consumption has been obtained with greater precision, thanks to the application of artificial intelligence tools.
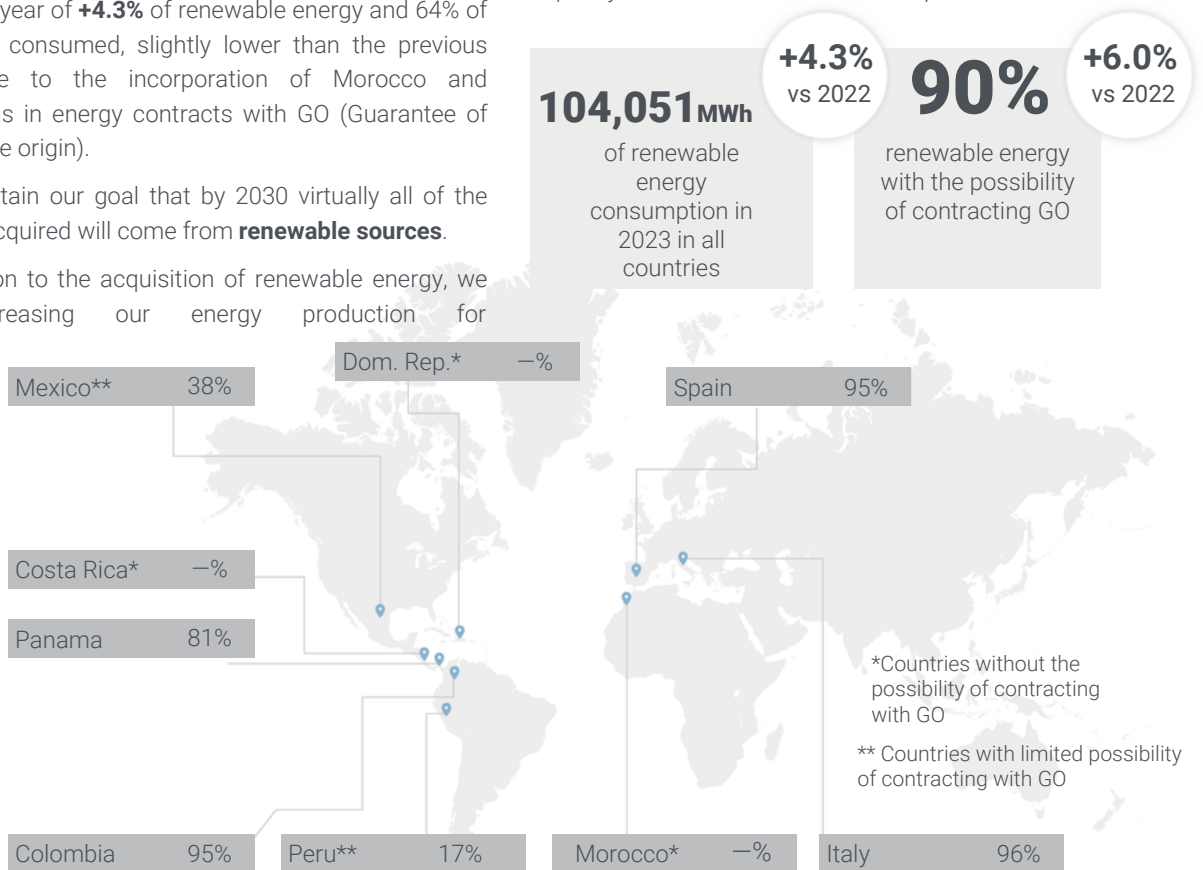
RENEWABLE ENERGY

Regarding specific electricity consumption (163,347,753 kWh) in 2023, we acquired 103,089,676 kWh in the retail electricity market from renewable energy sources, in addition to producing and consuming 961,909 kWh from our photovoltaic systems, which means an increase compared to the previous year of **+4.3%** of renewable energy and 64% of the total consumed, slightly lower than the previous year due to the incorporation of Morocco and limitations in energy contracts with GO (Guarantee of renewable origin).

We maintain our goal that by 2030 virtually all of the energy acquired will come from **renewable sources**.

In addition to the acquisition of renewable energy, we are increasing our energy production for self-consumption through photovoltaic systems. In this regard, in 2023, 7 self-consumption projects have been developed, with a total of 323 kWp installed and an increase in installed power compared to 2022 of 87%.

We will expand our medium-term self-consumption capacity in all countries in which we operate.

104,051MWh
of renewable energy consumption in 2023 in all countries

+4.3% vs 2022

90%
renewable energy with the possibility of contracting GO

+6.0% vs 2022

Mexico**	38%
Dom. Rep.*	—%
Spain	95%
Costa Rica*	—%
Panama	81%
Colombia	95%
Peru**	17%
Morocco*	—%
Italy	96%

*Countries without the possibility of contracting with GO

** Countries with limited possibility of contracting with GO

Our goal is to reach 95% renewable energy consumption by 2030

GREENHOUSE GAS EMISSIONS

In 2023 we have recovered the pre-pandemic level of economic activity. This year, without the limitations arising from COVID-19, we have expanded our offer by adding new gaming halls in accordance with our expansion policy, keeping our business and environmental strategy intact. Between 2015 and 2023, due to our efforts in reducing energy consumption and the use of renewable energy, we have been able to significantly reduce our **scope 2** location-based carbon footprint by 32%.

As part of our fundamental commitment to the decarbonisation of our operations, **we aim to improve our environmental impact also by introducing a policy** that encourages the use of hybrid and electric vehicles and, therefore, further reduces **scope 1** greenhouse gas emissions, generated, in our case, largely by the fuel consumption of our vehicle fleet.

-32 %
carbon footprint reduction of scope 2 in tCO_2 e per m^2

CO2

In parallel, in 2023, **45 charging points have been installed** in Spain that already allow our staff, customers and fleet to charge their vehicles at our facilities. With this, we pave the way for reducing of our **Scope 3** indirect greenhouse gas emissions.

In Italy we have doubled the weight of our fleet of sustainable vehicles. As a Group committed to a sustainable, fair and climate-safe future, we want to advance all of our **commitments to mitigate climate change**.

We remain committed to reducing our carbon footprint (market-based) by 65% through 2030 compared to our 2022 emissions, including our emissions per gaming hall and per square metre.

We have reviewed our forecasts and want to meet the challenge of achieving net-zero emissions by 2035 following the Paris Agreement guidelines.

Our carbon footprint in 2023:

tCO2e of GHG emissions – direct and indirect (market-based)	32,575
Greenhouse gas emissions (Scope 1)[1] tCO2e	12,770
Greenhouse gas emissions (Scope 2 - market-based)[2] tCO2e	19,805
Greenhouse gas emissions (Scope 2 - location-based)[2] tCO2e	44,341
Greenhouse gas emissions per gaming hall (tCO2e)	76.6
Greenhouse gas emissions per m2 (tCO2e)	0.09

(Intensity applies to the last two rows)

[1] Scope 1 greenhouse gas (GHG) emissions have been calculated using the Greenhouse Gases Protocol Corporate Accounting and Reporting Standard . Scope 1 includes the following fuels: natural gas, propane, butane, liquefied petroleum gas, petrol and diesel. Consumer data has been converted to GHG emissions using the emissions factors of MITECO (Ministerio para la Transición Ecológica y el Reto Demográfico [Spanish Ministry for the Ecological Transition and the Demographic Challenge]) .
[2] Location-based greenhouse gas emissions of Scope 2 have been calculated based on emissions factors of IRENA. Market-based greenhouse gas emissions have been calculated from the emission factors associated with the market instruments that CIRSA uses to supply electricity.

We include in this report the measurement of **Scope 3** in the company travel variable (journeys taken by our employees both by plane and by train).

Greenhouse gas emissions - business trips (tCO2e)	907

We have set ourselves a goal for the year 2024, and within the SBTI project, to expand our monitoring of Scope 3 emissions.

CIRCULAR ECONOMY AND WASTE MANAGEMENT

Waste management

We endeavour to strictly comply with current environmental legislation in all countries where we operate by adopting measures for continuous improvement and setting periodic objectives that are verified through audits. Data from 2023 shows that we have generated **896 metric tons of waste**, of which 528 metric tons come from our B2B manufacturing business processes and 368 metric tons from simple gaming activity.

By their nature, our industrial activities do not generate a significant amount of hazardous waste. The identification phase of the types of waste classified according to the **European Waste List (LER)** has begun. It is estimated that the amount of hazardous waste generated is less than 20 metric tons per year in all of our countries.

In the industrial process, the management of waste from electrical and electronic equipment (WEEE) is carried out with the company Ecoasimelec, which is responsible for the selective collection and management of the waste we generate.

To reduce waste generation and encourage recycling whenever possible, we have implemented an effective waste management system tailored to both the manufacturing and gaming activities. As an example, we include an identification seal on CIRSA slot machines to allow for subsequent recycling. This seal includes information on all components used (printed circuits, screens, plastics, electrical wiring, glass, etc.) to ensure proper disassembly and separation.

In addition, we ensure that customers and our staff recycle at our sites and make proper use of water while all items that can no longer be recycled are managed appropriately.

ecoasimelec

+91%
of our corporate and manufacturing waste is recycled

Consumption of raw materials

Due to the characteristics of the activity, the use of raw materials is not significant. Only for the manufacture of slots machines for the Spanish market are raw materials of a certain volume used. It should be noted that the company UNIDESA, their manufacturer, has **ISO9001 certification**.

The **consumption of raw materials** for the **manufacture of slot machines** for this year 2023 has been:

		plastic		wood		lock		
2023	→	**239**		**820**		**471**		Units: in Tn
2022		219		633		413		

On the other hand, at CIRSA we are aware of the environmental impact of excessive use of **office paper**. We have implemented various initiatives to reduce its use, promoting the use of digital technologies for document management (electronic documents and digital signatures) and responsible printing practices by promoting double-sided printing. In 2023 we have reduced consumption by 30% in Spain.

		paper	
2023	→	**16.5**	Units: in Tn
2022		23.5	

Food waste

Although in our industry catering is not the main activity, we carry out measures to avoid **food waste**. Good and effective waste management involves acting on the key processes of the operational chain. As a general rule:

The few expired inputs that may arise in the operation are generally perishable.	The losses that occur are mostly accidental (overcooking, changes requested by the customer, product falling.....)

In both cases they are not usable foods due to health regulations.

The main processes in the operational chain are described below:

- Request for F&B (food and beverage) orders by digitising the purchasing process through iCloud applications (Micros, G-Stock).
- Storing food efficiently by carrying out external safety audits.
- Control of storage and cooking temperatures by carrying out external safety audits.

- Maintaining effective inventories and carrying them out on a monthly basis.
- Monthly income projection working with production forecasts.
- Application of a balanced offer.
- Report and control of accidental losses.

CLIMATE CHANGE

As we mentioned earlier, although our company does not have a significant impact on the environment, we recognise the important role that the private sector plays in supporting the mitigation of climate change, as well as the urgency of acting against it. We are committed to reducing our environmental footprint and improving energy and process efficiency in all countries where we operate.

In this aspect, in addition to the strategic project called **Green Hall**, a set or rules that guarantees that any action is carried out under sustainability criteria to adapt to the possible consequences of climate change, during 2023 we have launched the **Green Site** project consisting of the implementation of the sustainability applied in the gaming halls to our corporate offices.

We encourage the **use of renewable energy**, the installation of **solar panels**, and investment in **IoT** equipment to digitise our energy management system and make it more efficient. We use the latest technologies throughout our facilities in order to ensure

the rational use of water. Finally, we are applying a robust waste management system.

We understand that, by combining all of these measures, we can quickly achieve our greenhouse gas reduction targets that we have set for 2030 and meet our target of NET ZERO by 2035. The environmental strategy is deployed through a specific department that operates in the markets where we have a presence.

In order to add strength to our NET ZERO strategy for 2035, we have begun the process of analysis and collecting information to join the **SBTi (Science Based Targets Initiative), expected to materialise in 2024**. This signifies the commitment that the company will take on with the definition of a plan of objectives to reduce greenhouse gas emissions based on the science necessary to meet the goals of the Paris Agreement (limiting global warming to 1.5ºC above pre-industrial levels).