

# Corporate Social Responsibility Policy

at

**Lar España Real Estate SOCIMI, S.A.**



Prepared by	Date	Approved by	Date
Corporate Management	10 December 2015	Board of Directors	20 January 2016
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## **CORPORATE SOCIAL RESPONSABILITY POLICY**

### **AT LAR ESPAÑA REAL ESTATE SOCIMI, S.A.**

#### **Foreword**

The Board of Directors of Lar España Real Estate SOCIMI, S.A. (hereinafter, “**Lar España**” or the “**Company**”) is responsible, among other functions, for determining the general policies and strategies of the Company, and within the framework of these functions the Board approved, at its meeting on 20 January 2016 this Corporate Social Responsibility policy (hereinafter, the “**Policy**”), which is part of the Company's internal regulations, is framed by Lar España's commitment to sustainable business development and the creation of shared value over the long term.

Likewise, and within the framework of the annual review of Corporate Policies, at its meeting on 20 December 2018, the Board of Directors of Lar España approved a new version of the Policy.

#### **1. Purpose**

The purpose of the Policy is to enshrine the fundamental principles and values underpinning the running and management of Lar España and its investees with a view to generating a business model capable of contributing to long-term value creation, satisfying the needs and expectations of its shareholders and generating socially-responsible externalities.

#### **2. General guiding principles**

Lar España shall pursue its business model in keeping with the guiding principles itemized below:

##### **2.1. Business ethics and integrity**

- Compliance with prevailing legislation and the company's internal codes of conduct, undertaking to this end ethical commitments to ensure that Lar España's activities are conducted in good faith.
- Respect for the United Nations Global Compact and the OECD's Principles of Corporate Governance.
- Respect and contribute to the protection of the fundamental human rights internationally recognized (in the United Nations' Universal Declaration of Human Rights and the Declaration of the International Labour Organization (ILO), among others), paying particular attention to the freedom of association and the right to collective bargaining; forced or compulsory labor; child labor; and workplace discrimination, with the aim of not being complicit in any form of abuse or violation of them, among employees, suppliers, contractors, collaborators, partners, competitors, customers, local communities and society in general.
- A zero-tolerance stance on discrimination on the grounds of age, race, skin color, gender, religious convictions, political views, nationality, sexual orientation or disability.
- A zero-tolerance stance on any manifestation whatsoever of harassment, whether physical, psychological or moral, and on any other form of conduct that intimidates or offends other employees.

- Prevention of market abuse and any form of illegal or fraudulent practice by means of establishment of preventative and corrective measures and the development of internal channels to permit the safe and anonymous reporting of any anomalies.
- Full and ongoing integration of good corporate citizenship practices into the guiding principles of the Board of Directors and its committees, the Company's strategy and its everyday management.

## **2.2. Creating shared value**

- To create value for the company's owners and/or shareholders with a view to ensuring the financial strength and sustainability of Lar España in the long run.
- To contribute to human, economic and environmental development so as to in turn foster the sustainable development and social progress of the communities in which Lar España operates.
- To cooperate with institutions, non-governmental organizations, private companies and other entities in pursuit of effective community work related with the development and construction business and with a strategic focus on education, all with the goal of contributing to the community's economic and social well-being in the medium and long term.
- To channel the charitable concerns and philanthropic nature of Lar España's employees by means of corporate volunteering and the proposal of specific charitable work initiatives.
- To promote communication and dialogue with the company's shareholders, employees, customers, suppliers and, in general, all of its stakeholders, with a view to understanding and meeting their expectations and incorporating their most pressing concerns into the Company's Corporate Social Responsibility policy.

## **2.3. Environmental management**

- To incorporate environmental criteria and conservation of water into the due diligence processes deployed when acquiring properties.
- To incorporate biodiversity conservation into its strategy, as an important element in decision-making in the planning, implementation, and operation of its facilities.
- To contribute to the well-being of customers, users, collaborators and employees, ensuring optimal air quality within their facilities, through the efficient use of air conditioning equipment.
- To contribute to the sustainable development cause by incorporating eco-efficiency criteria, promoting the rational use of natural and energy resources and fostering innovation and the adoption of cutting-edge technology when refurbishing properties.
- To contribute to climate change mitigation by means of carbon-light energy sources, the promotion of energy savings and efficiency and the application of new technologies in buildings.
- To ensure continuous improvement by fine-tuning the company's environmental management, minimizing environmental risks and fostering employee and supplier awareness and learning.

## **2.4. Building accessibility**

- To incorporate accessibility criteria into property refurbishment projects, not only with a view to complying with prevailing legislation but also in a bid to create safer and more efficient spaces for all of society, irrespective of their capabilities.
- To ensure universal access to the properties owned by the company such that they can be accessible and useful as safely, comfortably and autonomously as possible by all.

## **2.5. Business relationships**

- To ensure that product and service selection processes are not biased in any way, are transparent, objective and equitable.
- To articulate mutually-beneficial business relationships that generate strategic and forward-looking alliances, underpinned by the establishment of and compliance with Lar España's corporate social responsibility criteria.
- To factor corporate social responsibility criteria into business relationships.

## **2.6. Employees**

- To frame talent recruitment, selection and retention policies with equal opportunities, non-discrimination and diversity criteria and to foster measures designed to integrate minorities.
- To establish a compensation policy that enhances the ability to hire the finest professionals and reinforces the Company's human capital.
- To champion the upgrade of employees' training and skills and to prioritize career promotion by means of performance evaluation.
- To ensure a safe and healthy workplace.
- To facilitate work-life balance against the backdrop of equal treatment and employee engagement.
- To act as a facilitator of means and resources to guarantee the Health and Safety of its employees and third parties.

## **2.7. Transparency**

- A commitment to accountability by developing the indicators needed to deliver measurable information that helps set in motion initiatives designed to improve Lar España's products, services and management processes.
- A transparency pledge, to which end the company commits to compile and report relevant and reliable financial and non-financial information about the company's performance and activities on an annual basis.

## **3. Management objectives**

In order to make progress on compliance with its guiding principles established by this Policy, Lar España undertakes to articulate its management around:

- The diagnosis based on trends and best practices in Spain and abroad.

- The establishment of specific objectives and initiatives.
- The ongoing monitoring of compliance with the objectives so established by means of specific measurable indicators.

#### **4. Responsibility and organization**

The Appointments and Remuneration Committee shall be responsible for overseeing and reviewing compliance with the Corporate Social Responsibility Policy and monitoring social responsibility strategy and practices, and assessing the level of compliance therewith, before reporting to the Board of Directors who is responsible for decisions on these matters.