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Sustainability 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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SUSTAINABILITY POLICY AT LAR ESPAÑA REAL ESTATE SOCIMI, S.A.

1. Introduction

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 the Corporate Social Responsibility policy, which is part of the Company's internal regulations. 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 referred Policy, approving at its meeting on 15 December 2020 this Sustainability Policy (the “**Policy**”).

2. Purpose

This Policy is framed by Lar España's commitment to sustainable business development and the creation of shared value over the long term.

The purpose of the Policy is to enshrine the fundamental principles, commitments, objectives, strategy 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.

3. General guiding principles, commitments, objectives and strategies

Lar España shall pursue its business model in keeping with the guiding principles, commitments, objectives and action strategies aligned with the United Nations Global Compact, the OECD's Principles and the aspects contained in the United Nations' Universal Declaration of Human Rights and the Declaration of the International Labour Organization (ILO).

The following are some of the main commitments and objectives around which Lar España carries out its activity:

3.1. Business ethics and integrity

- Compliance with prevailing legislation and all the company's internal codes of conduct, specially its ethical code, undertaking to this end ethical commitments to ensure that Lar España's activities are conducted in good faith.
- 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.

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- Prevention of market abuse, the corruption 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 environmental and social sustainability into the guiding principles of the Board of Directors and its committees, the Company's strategy and its everyday management.
- To collaborate with the fulfilment and promotion of the 2030 Agenda and Sustainable Development Goals.

3.2. 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, tenants and, in general, all of its stakeholders, with a view to understanding and meeting their expectations and incorporating their most pressing concerns into the Sustainability policy. To this end channels for stakeholder communication and participation will be established in order to establish a permanent dialogue with them.

3.3. Environmental management

- To guarantee continuous improvement by optimizing environmental management, minimizing environmental risks and raising awareness, training and sensitizing stakeholders linked to Lar España.
- To incorporate aspects related to energy efficiency criteria, responsible water consumption, rational use of natural resources, waste management and certification according to sustainability criteria, minimizing environmental impact and promoting innovation and the use of the best technologies in the development of all of society's activities, such as promotion, management acquisition and renewal of its assets.
- To incorporate biodiversity conservation into its strategy, as an important element in decision-making in the planning, implementation, and operation of its facilities.

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- 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 promote the establishment of measures to support the fight against climate change through the use of renewable energies, the promotion of energy saving and efficiency and the application of the most appropriate technologies, as well as to provide for adaptation to the new conditions arising from climate change.
- To incorporate efficiency and operational excellence in the management of waste generated within the scope of the Company's control, paying attention to the principles of the Circular Economy.

3.4. Building accessibility

- Comply with current legislation on accessibility and promote continuous improvement through the implementation of its own Universal Accessibility Management System.
- Promote the incorporation of accessibility criteria in the real estate owned by the Company, with the aim of achieving in its assets environments that are more comprehensible, usable and practicable by all people, regardless of their abilities, in safety and comfort conditions and in the most autonomous way possible

3.5. Suppliers

- 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 Sustainability criteria.
- To promote, in commercial relations with suppliers, the adherence to commitments of sustainability of Lar España.

3.6. 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.

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- To promote equality and coexistence in diversity, whether of gender, culture, age, religion or any other kind.
- To facilitate work and personal-life.
- Maintain a continuous and fluid dialogue by establishing sufficient communication channels.
- To act as a facilitator of means and resources to guarantee the Health and Safety of its employees and third parties.

3.7. Fiscal Responsibility

- Commitment to tax rules and good practices.
- Comply with the Company's tax obligations.
- Avoiding the use of opaque tax or corporate structures.
- Develop a relationship of trust and collaboration with tax authorities.

3.8. 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.
- Employ responsible communication practices that prevent manipulation of information and protect integrity and honour.

4. Management objectives

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

- Diagnosis based on trends and best practices in Spain and abroad.
- Establishment of specific objectives and initiatives.
- Ongoing monitoring of compliance with the objectives so established by means of specific measurable indicators.

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- Monitoring compliance with sustainability policies, associated risks and their management, in particular related to non-financial risk, including that related to ethical aspects and business conduct.

5. Responsibility and organization

The Appointments and Remuneration Committee shall be responsible for monitoring the sustainability strategy and practices in environmental and social matters.

In turn, the Audit and Control Committee will be responsible for supervising compliance with this Policy.