

# Crime prevention policy

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



Prepared by	Date	Approved by	Date
Corporate Management	December 2015	Board of Directors	18 December 2015
Legal Department/Internal Audit Department	July 2022	Board of Directors	28 July 2022
Legal Department Internal Auditing Department	December 2023	Board of Directors	December 2023

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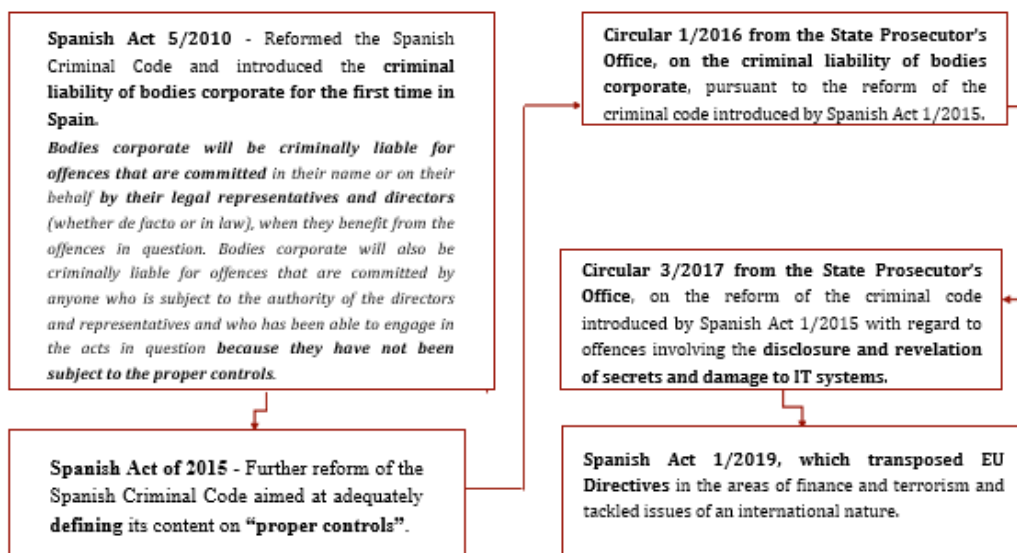
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## 1. PURPOSE, RATIONALE AND REGULATORY CONTEXT

LAR ESPAÑA REAL ESTATE SOCIMI, S.A. (hereinafter “Lar España” or “the Company”) is responsible for and committed to undertaking its business activities in full compliance with current regulations, with its employees avoiding any unethical or unprofessional conduct which may be prejudicial to the image of the Company or damaging to the wider community. This responsibility also extends to its affiliates and subsidiaries, as well as to third parties to whom specific aspects related to its management and administration are delegated due to their special characteristics.

Lar España is committed to ensuring strict compliance with current regulations governing its business and professional activities in any area that it operates. It shall not falsify any information nor adopt any illegal practices that may harm the Company’s reputation, thus respecting and contributing to its primary and ethical objectives.

All staff and members of the Company’s management and administrative bodies should conduct themselves pursuant to Lar España’s ethical principles, applying moral criteria that will allow each individual to act with honesty, veracity and transparency in order to prevent any legal breach or professional malpractice, pursuant to the principle of zero tolerance.



## 2. LAR ESPAÑA CRIME PREVENTION MODEL – ORGANISATIONAL AND MANAGEMENT MODEL

Lar España has therefore drawn up a crime prevention organisational and management model (hereafter “CPM”) with the following characteristics:

- The model is structured pursuant to Lar España’s various processes and potential criminal risks.
- For each process, the model identifies the criminal risks to which the Company is most highly exposed.
- Internal controls are also linked to each identified criminal risk in order to mitigate, prevent or reduce the probability of that risk materialising.
- The CPM features oversight pertaining to the Company’s internal financial control system which is of a preventative nature, reducing the probability of crimes being committed. This oversight includes controls associated with the management of Lar España’s financial resources.
- Internal controls mitigating, preventing or reducing the probability of each criminal risk materialising are generally implemented through internal policies and standards.

The aim of this policy is to define management guidelines, functions and responsibilities relating to the adoption, execution, updating, reporting and verification of the Lar España crime prevention organisation and management model.

The purpose of these guidelines is to provide reasonable assurance regarding the integrity and representativeness of the criminal risks included in the CPM, based on Lar España’s activities and those related to the suitability and operational efficiency of the internal controls mitigating such risk.

The applicable reference material covers all the policies, procedures and protocols established by Lar España.

### **3. SCOPE**

This policy document applies to all Lar España employees, executives and members of its Board of Directors. Applicability also extends to its affiliates and subsidiaries, as well as to third parties to whom aspects related to its management and administration are delegated due to their special characteristics.

### **4. STRUCTURE OF THE ORGANISATIONAL AND MANAGEMENT MODEL**

Lar España's CPM comprises a series of policies, procedures and manuals that make up the Company's basic regulatory structure, allowing it to detect, identify and react to the committing of certain criminal offences.

By way of a non-exhaustive summary, the following elements should be highlighted:

1. Criminal risk report.
2. Crime prevention manual.
3. Control matrix.
4. Business reporting systems (internal/external).
5. Ethical conduct and whistleblowing channel.
6. Code of ethics and conduct.
7. Periodic verification and CPM updating procedure.
8. Disciplinary system.
9. Training.
10. Ethics committee

### **5. FUNCTIONS AND RESPONSIBILITIES PERTAINING TO THE ADOPTION AND SUPERVISION OF THE CRIME PREVENTION ORGANISATION AND MANAGEMENT MODEL**

Pursuant to the responsibilities as stipulated in its Regulations and as committed proponents of the values set forth in the "Purpose, Rationale and Regulatory Context" section of this policy document, the Board of Directors of Lar España and its subsidiary companies is the maximum body of governance responsible for the effective adoption and implementation of the Company's Crime Prevention Organisational and Management Model, a role that it performs through and under the supervision of the Audit and Control Committee.

In compliance with this policy, the Lar España Board of Directors is also responsible for designating the body supervising the operation and enforcement of the model as well as the establishment and approval of its powers.

The management bodies of Lar España's affiliates are responsible for promoting the adoption of the CPM pursuant to the criminal liabilities and internal controls included therein, which must be applicable to each affiliate company, depending on its activity.

The management bodies of the Lar España affiliates shall formally delegate supervision and verification of the operation and enforcement of the CPM to the Grupo Lar Audit and Control Committee.

**The CPM Supervisor:** for the purposes of this policy, this is the management body responsible for the coordination of the evaluation, monitoring, updating and verification of the CPM. The body's duties are undertaken by the Legal and Internal Audit Departments, who act jointly under the single banner of 'CPM Supervisor'. The CPM Supervisor shall duly report on the results of the supervision and verification of the CPM to the management bodies of Lar España and each affiliate, especially in the event that significant aspects have been noted in relation to a breach of the internal control measures established therein.

Given the special characteristics of Lar España's management model in terms of the delegation to third parties of certain aspects related to the management and administration of the Company's activities and those of its subsidiaries with regard to the responsibilities attributed to the Board of Directors in its Regulations, and as the maximum body of governance responsible for the effective adoption and implementation of the Company's Crime Prevention Organisational and Management Model, a conservative approach is adopted with regard to the interpretation of any possible transfer of risk. The aim is to ensure that the most appropriate control framework is in place in light of these characteristics.

Lar España therefore requires that the companies with which it has a contractual management or service outsourcing relationship fully comply with current legislation, particularly in criminal matters, in order to prevent the possible commission of crime at its premises and ensure a sufficient and adequate control framework, pursuant to the principle of zero tolerance.

To this end, Lar España reserves the right to require that the companies that have adopted and implemented the Crime Prevention Organisational and Management Model comply with Lar España's CPM directives and principles, as well as to request any evidence necessary to demonstrate their adoption and implementation.

The Lar España CPM also includes internal control measures which are undertaken by and are the responsibility of the employees of other companies to whom the aforesaid roles have been delegated. In such circumstances, Lar España reserves the right to require that those responsible for these controls provide formal confirmation that they are carried out pursuant to that set forth in the CPM, as well as having the right to audit the effective implementation of the controls in question.

## **6. PERIODIC VERIFICATION AND UPDATING**

Lar España has a Procedure for the periodic verification and updating of the Model. This details the various phases of the verification and updating process and the different steps to be followed in order to make a general assessment of the CPM and ensure that the controls applied are working correctly, in such a way that any potential incidents that may be observed can be identified and rectified.

## **7. TRAINING**

Communication between and the training of Lar España employees, executives and members of the Board of Directors is essential in order to ensure an effective model, demonstrating the level of commitment and implication with regard to crime prevention. Training prevents or minimises the risk of illegal conduct in the undertaking of professional activities and duties.

Lar España and its subsidiary companies have implemented a training protocol in order to ensure that all their employees, executives and members of the Board of Directors are fully aware of their responsibilities and obligations.

## **8. CUSTODY OF THE DOCUMENTATION**

The CPM Supervisor shall safeguard the certificates and evidence substantiating both the implementation of the controls and their periodic review for a period of ten years.

Those responsible for implementing the controls shall safeguard the evidence used in the self-assessment of the internal controls for a similar ten-year period.

The custody obligation and the aforementioned periods are not only applicable to Lar España, but also to all those companies with which the Company has a management or service outsourcing contract, given the special characteristics set forth in Section 5 of this policy document.

Depending on the contractual relationship and the rights that Lar España reserves, the bodies overseeing the Crime Prevention Model and those responsible for controls in these companies with whom there is a contractual management or service outsourcing relationship, should also safeguard evidence of the effectiveness of the implemented controls for a ten-year period.

## **9. DISCIPLINARY SYSTEM**

The disciplinary measures to be applied will be proportional to the detected breach of regulations, pursuant to employment legislation and the applicable collective agreement, on the basis of the following criteria:

- The seriousness of the breach of regulations.
- The type of relationship that the offender has with the company and the applicable discipline.
- The person's professional status and the position that they hold.
- The damage caused to the Company or to any third party.

## **10. ETHICAL CONDUCT AND WHISTLEBLOWING CHANNEL**

The employees, providers, clients and any other person connected to the Group may use this Ethical Conduct and Whistleblowing Channel to give notification of any possible infraction, irregularity or wrongdoing that is occurring or which has occurred within the Company.



This notification shall be sent by post or through the Lar España Whistleblowing Channel which is accessible on the website at: <https://larespana.buzoncompliance.com/>

The Ethical Conduct and Whistleblowing Channel is a mechanism that enables wrongdoing of potential significance discovered within Lar España to be reported confidentially. The reporting party may identify themselves or, where appropriate, remain anonymous, and they may submit their report verbally or in writing, personally or remotely. The Channel may also be used by any internal or external interest group, pursuant to the legislation in force and the terms of Lar España's Internal Reporting System.

In order to ensure the most effective management of the Whistleblowing Channel, Lar España has set up an Ethics Committee to undertake the duties that result from its implementation, always under the supervision of the Audit and Control Committee.