



Sustainability Policy

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Scope and objectives

Castellana Properties SOCIMI S.A. (hereinafter referred to as Castellana Properties, or the Company) is a listed public limited investment company based in Spain. The Policy's scope covers its activity, which is focused on the acquisition, management, rehabilitation, and divestment of real estate assets, as well as the companies in which Castellana Properties has an interest.

Throughout this Policy, Castellana Properties formalises and incorporates environmental, social, and good governance principles into its management, as well as their integration into the Company's business model.

This policy establishes the principles and commitments related to sustainability, defined for its strategy development. It also includes the mechanisms and systems for the correct monitoring of the commitments defined in this policy.

Principles

The main principles which Castellana Properties' sustainability policy is based on:

- 1. Improving positive social and environmental impact:** Castellana Properties is committed to assessing and managing the significant economic, social, and environmental impacts it may have on society through the development of its activities.
- 2. Reducing sustainability risks:** An adequate sustainability risk¹ assessment to define the necessary measures for their management and mitigation.
- 3. Transparency and comparability of information:** Ensure transparency in the communication of Castellana Properties' ESG performance to attract investment and improve the company's positioning.
- 4. Supporting business objectives:** Given that sustainability is an aspect of business management, Castellana Properties' business model is based on an ESG strategy that enables it to achieve its current objectives.
- 5. Involvement of bodies of governance:** Environmental, social and governance management issues are among the responsibilities acquired by the Board of Directors.
- 6. Responsible investment:** Promote responsible investment by considering the UN Principles for Responsible Investment within the processes of investment, management, and divestment of assets.

Sustainability commitments

Based on its principles, Castellana Properties' sustainability commitments defined below consider the materiality of the issues for the different stakeholders.

- 1. Environmental management**
 - 1.1. To optimize assets' energy use and energy efficiency through audits, building management systems and continuous monitoring.
 - 1.2. To carry out appropriate environmental management of assets, reducing the impact and use of resources and waste generation.
 - 1.3. To assess the company's climate and environmental risks and assets, as well as their integration into the company's overall risk management system.
 - 1.4. To reduce the organization's carbon footprint and assets. Encouraging the installation of renewable energy in assets, energy efficiency and collaboration with tenants.
 - 1.5. To integrate circular economy principles into the company's management and assets as well as incorporate these criteria into the design, refurbishment, management of assets and relations with tenants.

¹ Castellana Properties defines "sustainability risk" as any environmental, social or governance event or condition that, if it were to occur, could have an actual or potential material adverse effect on the value of the investment. This definition is in line with regulation 2019/2088 on sustainability disclosures in the financial services sector.

- 1.6. To guarantee the indoor air quality of the assets, through the regulation of ventilation flows, the installation of air purification systems and the monitoring of air quality parameters.
- 1.7. To include strategies in the assets that enhance biodiversity, safeguard native fauna and flora, and urban naturing.
- 1.8. To certify assets under Castellana Properties management with sustainability certifications.
- 1.9. To reduce pollution from transportation, promoting the use of electric or low-emission vehicles by reserving preferred parking spaces and / or installing electric chargers.

2. Human capital management

- 2.1. To promote appropriate working conditions to ensure employees' well-being, an adequate working environment, disconnection from work and work-life balance.
- 2.2. To maintain a process of selection, retention, and promotion of employees under equal opportunity conditions. Furthermore, the company does not accept any kind of discrimination based on gender, race, colour, national or ethnic origin, religion, political opinion or age.
- 2.3. To ensure adequate procedures in the selection processes for Directors and employees that encourage diversity and integration of people within the workplace.
- 2.4. To define a training plan for employees, offer an attractive career plan and maintain skills within the organisation.
- 2.5. To encourage internal communication with employees through different communication channels, an internal communication plan and the promotion of personal relationships.

3. Relationship with the end customer and local communities

- 3.1. To integrate universal accessibility, health, safety, security and end-user wellbeing criteria in the design, refurbishment, and management of assets.
- 3.2. To invest in the local community and promote sustainable development as well as encourage economic growth by creating jobs and activating the local economy.
- 3.3. To collaborate with local organisations with the aim of carrying out social and support actions for the fulfilment of the Sustainable Development Goals in each location or region.
- 3.4. To ensure the correct functioning of communication channels and complaints systems for users and the local community among the centers owned by Castellana Properties.

4. Value chain management

- 4.1. To define criteria within the suppliers' selection and evaluation to convey Castellana Properties' principles of action and sustainability commitments.
- 4.2. To encourage dialogue and training in sustainability criteria for local suppliers, which will help to establish a long-term relationships with them as well as reinforce joint compliance with Castellana Properties' sustainability objectives.
- 4.3. To maintain dialogue with tenants on a frequent basis and conduct satisfaction surveys to ascertain their expectations.
- 4.4. To ensure the proper functioning of communication channels and platforms for the exchange of information with tenants.
- 4.5. To define sustainability clauses in tenants' lease contracts to convey Castellana Properties' sustainability principles and commitments.
- 4.6. To promote and have appropriate mechanisms in place to ensure compliance with Human Rights in accordance with the United Nations Universal Declaration and the various International Labour Organisation Conventions within the value chain.

5. Responsible management, ethics, and transparency

- 5.1. To promote, from the Board of Directors and Management, the sustainability policies necessary for correct environmental, social and governance performance.
- 5.2. To define controls and mechanisms to ensure compliance with regulations as well as be informed of future applicable legislation.
- 5.3. To make internal corporate governance regulations known so that they can be adequately followed by those responsible, including training for company employees.
- 5.4. To avoid any type of market abuse, corruption or insider trading through appropriate preventive and corrective measures, as well as the internal audit body.
- 5.5. To publicise the internal and external whistleblowing channel so that there are free and anonymous complaint mechanisms for any violation of human rights or the company's internal regulations.

Sustainability management framework

The company's sustainability management framework lays the foundation for a responsible investment scheme. Based on the principles of the UN PRI, the company is committed to incorporating ESG issues into decision-making processes for investment and other activities.

- To define a solid **structure** that guarantees compliance and monitoring of material sustainability aspects.
- To monitor **sustainability risks and impacts through monitoring indicators** of material sustainability aspects for the company.

The responsibilities that define the functioning of the sustainability policy are:

- The **Board of Directors** is responsible for approving the sustainability policy as well as other policies on the recommendation of the person responsible for defining such a policy. In addition, the Board must approve and monitor compliance with the sustainability strategy.
- The **Audit and Risk Committee** is the body in charge of supervising sustainability risks and impacts based on the monitoring of indicators. It also defines any controls it deems appropriate.
- The **ESG Committee** is formed by the professionals holding the position of ESG and compliance controller, human resources manager, CDO, senior energy and utilities manager and the CFO. This committee is responsible for suggesting updates to the sustainability policy for approval by the Board when deemed necessary, indicating updates to the ESG strategy and supervising compliance with them.
- **ESG Officer** is primarily responsible for coordinating and monitoring the action plan associated with the sustainability strategy. In addition, he/she monitors sustainability risks and impacts.

The main procedures and mechanisms associated with the sustainability policy are:

- An annual assessment on the sustainability risks and opportunities of Castellana Properties' activity.
- A system of specific and representative indicators for each operational area in line with this Policy as well as with the objectives defined by Castellana Properties.
- A system of communication and reporting of sustainability information through different channels of communication with key stakeholders. Specifically, an annual sustainability report in accordance with the standards, reference reporting frameworks and trends.
- Annual participation in benchmark sectoral sustainability indexes.

This Policy will be permanently published on the Castellana Properties' website.

www.castellanaproperties.es/

Approval of the Policy by the Board of Directors

In its duty of supervision, the Board of Directors of Castellana Properties SOCIMI S.A. approve this Policy and therefore assumes the responsibility derived from it, as well as the commitment to integrate it at all necessary levels of the organisation.

The Policy has been approved on the 16 of November, 2021.

Chairman of the Board of Directors

Castellana Properties SOCIMI S.A.