

# Code of Ethics and Conduct





## LETTER FROM LUIS PEREDA

*“More than 18 years ago, the idea of promoting social action within the company took shape. The plan was to respond to a motivation, and not a fashion, **to give back to society some of what it had given us**, and to provide the Grupo Lar team with a tool to channel those concerns. It was also a response to the conviction that **companies have a soul, or at least should have one, and that it is an obligation and a great challenge to strengthen it.***

*The prize we received for the best social action plan, awarded by the “Fundación Empresa y Sociedad”, and which was presented to us by HM King Philip VI, at that time Prince of Asturias, was the definitive push.*

***The ability to contribute our experience in other fields and to involve company collaborators, our Community, has been consolidated over the years as a multiplying and contagious element that has great added value.** Furthermore, rather than acting directly, relying on other foundations and specialized NGOs and delegating their know-how and work has become a fundamental pillar.*

*Therefore, **Grupo Lar's employees, when performing all their activities, must act in accordance with the company's Principles. I am aware that they will have to face difficult situations while carrying out their activities, which is why the principles, areas of responsibility and specific guidelines contained herein will help with the appropriate adoption of decisions.***

*It is impossible to describe all the potential ethical dilemmas we may encounter, so this Code is intended to help and strengthen commitment to our values. Our principles apply at all times to all employees of Grupo Lar, and to the organization in general.*

*I thank you in advance for your commitment to our Code of Ethics.”*



# INDEX

- Introduction .....4
- Scope of Application .....4
- Principles of Grupo Lar ..... 6
- Areas of responsibility of Grupo Lar ..... 7
- Compliance and sanctions ..... 16
- Complaints and communication channel .... 16
- Communication, dissemination and evaluation of the Code of Ethics and Conduct .....17
- Body responsible for the monitoring, consultation and interpretation of the Code..... 17
- Approval and implementation of the Code of Ethics and Conduct ..... 18
- Appendix – Conflict of interest procedure .....19**

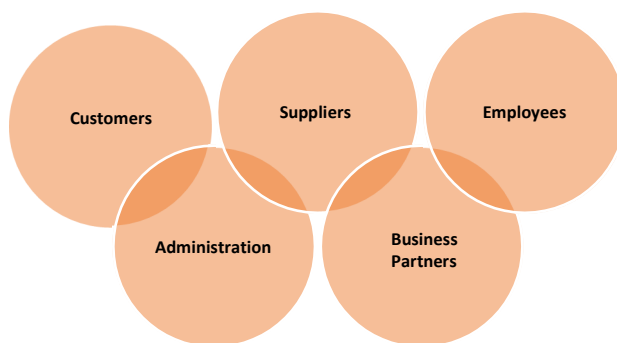




## I. Introduction

The Code of Ethics and Conduct (hereinafter the "**Code**") of Grupo Lar (hereinafter "**Grupo Lar**" or "Grupo") reflects our respect for people and laws, as well as the commitment and responsibility towards our employees and the rest of the stakeholders that make up the Community (customers, suppliers, shareholders, public administrations, business partners, amongst others). It constitutes the foundation of **Grupo Lar's** principles and ethical culture. Thus, this Code contains the catalogue of ethical principles of action and specific guidelines that must govern the behaviour of all Persons subject to it.

### COMMUNITY



The following sections provide clarity and guidance in areas that could generate ethical dilemmas. Exercising good judgment in a decision can sometimes be complex, and therefore guidelines are defined for action in situations that require corporate guidelines. In these situations, any

misconduct could compromise our ethical culture, damage the company's reputation and potentially lead to significant penalties.

### Purpose

The purpose of this Code is to provide **Grupo Lar** and its employees with a fundamental instrument which serves as a pillar of their actions and establishes the principles of conduct and specific guidelines to be observed both in professional development and in the relations of the Group with its employees and the Community. In this sense, the Code promotes the highest standards of conduct and ethics for the sustainable growth of the Group based on the corporate values and principles of **Grupo Lar**.

## II. Scope of Application

This Code of Ethics and Conduct applies to all Subject Personnel of **Grupo Lar**. Subject Personnel include all employees of the company and its subsidiaries.

Likewise, and without exception, the term Subject Persons includes all persons in the Group regardless of the position and function they hold, and specifically:

- The Board of Directors.
- General Management and Senior Management.
- Group employees including trainees.
- The Group's companies.
- Members of Boards, Advisory Committees or similar entities in **Grupo Lar** or in external companies representing it.
  
- As subsidiaries, we refer to all the companies in which **Grupo Lar** holds control of the company, regardless of where they carry out their activity.

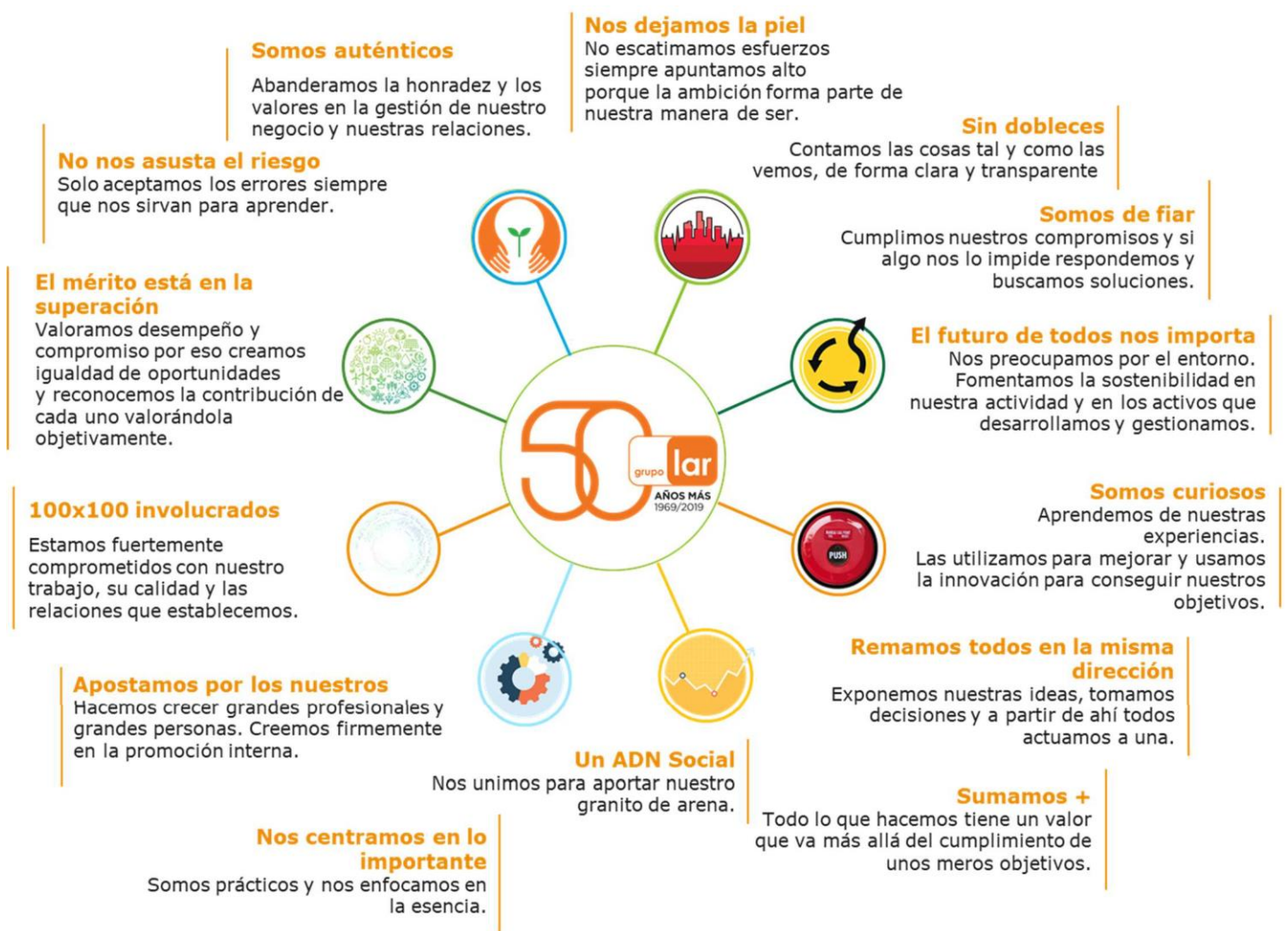
To the extent that rules of conduct set out in specific guidelines or regulations exist for individual units or enterprises, those rules should be applied in addition to the guidelines in this Code.

**Grupo Lar** personnel shall ensure that **Grupo Lar's** business and professional contacts are conducted in accordance with the ethical principles of this Code of Ethics and Conduct.



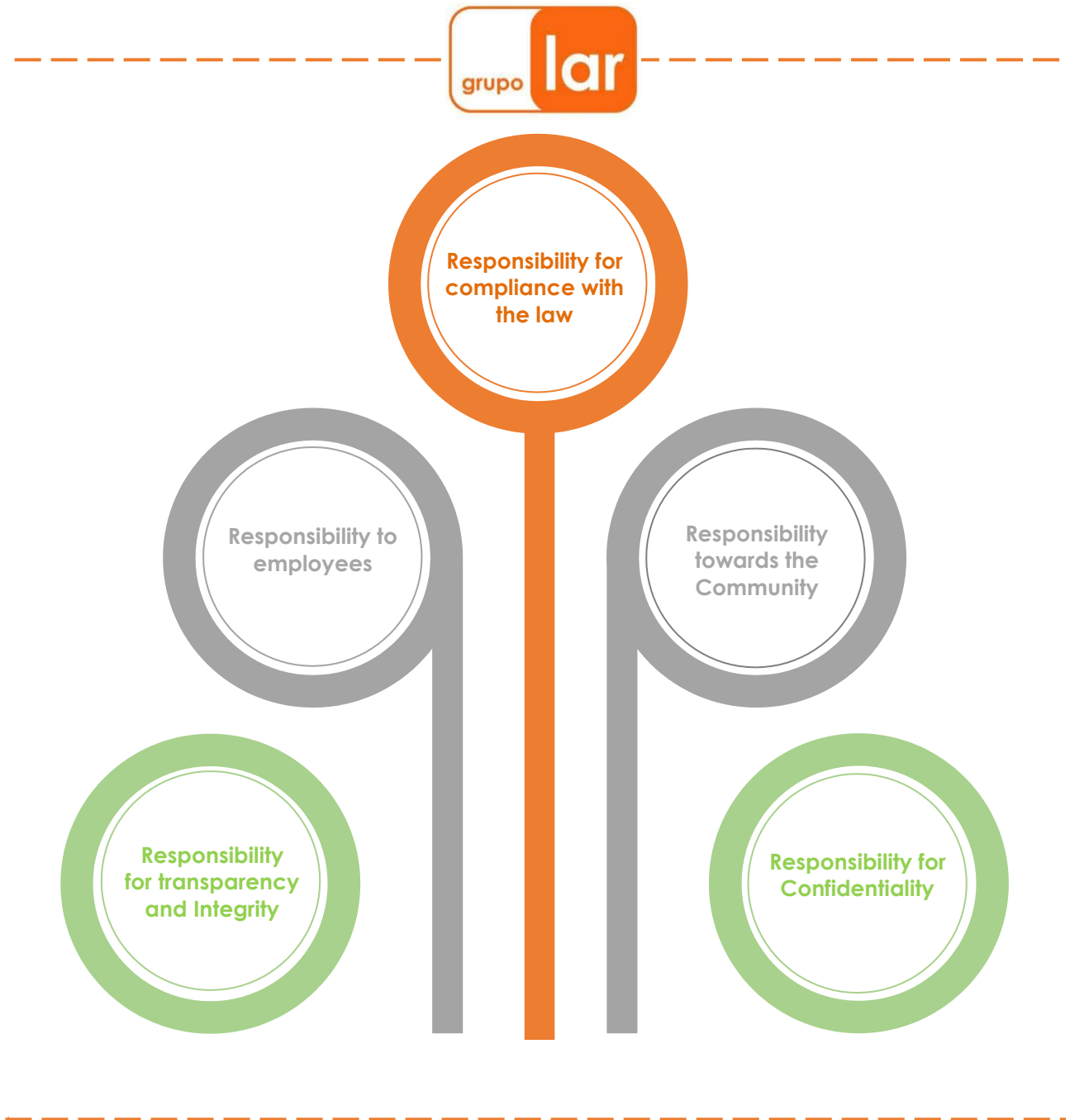
## III. Principles of Grupo Lar

Any action of the Subject Personnel must be guided by the principles established by **Grupo Lar**. The principles are the **backbone of the company and constitute the pillars on which the areas of responsibility and guidelines of conduct** established in this Code are based. **Grupo Lar** has the following **fourteen** principles:





## IV. Areas of responsibility of Grupo Lar





The organizational culture at **Grupo Lar** is a state of coherence between people, objectives, processes and the values of the company. The consequences of this commitment are shown in the quantity and quality of the work. In view of this, **the Group's philosophy is based on fourteen principles that underpin five areas of responsibility and constitute the basis of its behaviour.**

**Each of these areas of responsibility has specific guidelines that should serve as a guide in the development of our activity.**



### 1. Responsibility for compliance with the law

#### ➤ **Respect for legality and integrity**

The fundamental area of responsibility that governs any behavior of **Grupo Lar** is compliance with the law. All persons subject to this Code are obliged to respect and comply with the legal and control provisions applicable to the operations in which they are involved and independently in the country in which they carry out their activity. This also includes internal instructions and regulations, collective agreement regulations and occupational safety regulations.

Furthermore, **Grupo Lar** is against any action intended to circumvent such regulations .

Subject personnel must be particularly familiar with the laws and regulations affecting their respective areas of activity .

#### ➤ **Adherence to the Compliance Model**

**Grupo Lar** has an organization and management model for the prevention of crimes within the framework of the Group's actions. This model reflects **Grupo Lar's** commitment to crime prevention, regardless of whether or not there is a possible benefit for the company.

Likewise, **Grupo Lar** will prevent commitment of these crimes, will investigate the possible commitment of the same, and will collaborate in the compensation of the damages produced .







## 2. Responsibility to employees

**Grupo Lar** is made up of people who are its present and, above all, its future. Its greatest assets are all those who, day by day, participate in the collective project.

**Grupo Lar** knows that it is people who develop projects, and who make them memorable and unique. We want to surround ourselves with the best, most committed employees, to carry out our projects and to create a work environment based on collaboration, respect, effort and commitment to ethics, and work well done.

Directors are responsible for creating and maintaining a good working environment in the company. The involvement and commitment of the employees under their charge is one of the aims of every Director and they must contribute to achieving this through example and dedication.

Likewise, all **Grupo Lar** employees, through their behaviour, will promote the trust and teamwork that should characterize the company, both internally and in its external relations.

- Promote and guarantee a coexistence based on mutual respect

**Grupo Lar** will promote and guarantee a coexistence based on mutual respect among the group's employees.

**Grupo Lar** will not contribute through its activity to the violation of fundamental human rights or public liberties and will be aware of the importance of respecting them and of avoiding those conducts that are contrary to such rights. Likewise, **Grupo Lar** will in all cases act with respect towards its employees and guarantee that their rights are upheld.

### ➤ Equal opportunities

**Grupo Lar** will promote equal opportunities, carrying out a training and promotion policy that values effort and dedication and reaches all staff members.

In view of this, **Grupo Lar** is committed to providing the same opportunities in access to work and professional promotion, ensuring that objectivity presides over the recruitment, selection and professional promotion processes and that both the selection policy and

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*Relations with our Community and employees are based on mutual conditions of seriousness, rigour and respect.*

the evaluation of employees are rigorous and impartial, also promoting the training of its employees and fostering equal opportunities and career development.

➤ **Non-discrimination**

**Grupo Lar** will not tolerate discrimination or unequal treatment within its activity on the grounds of race, ethnic origin, gender, religion, ideology, disability, age or sexual orientation. **Grupo Lar** will thus avoid situations of discrimination of any description.

➤ **Health and safety at work**

**Grupo Lar** will guarantee safety, health and hygiene in the workplace. By virtue of this, **Grupo Lar** will promote a policy of health and safety in the workplace and will adopt the preventive measures established in this respect in the current legislation and any others that may be established in the future. The employees of the Group will carefully observe the rules related to health and safety at work, with the aim of preventing and minimizing occupational risks.



### **3. Responsibility towards the Community**

**Grupo Lar** assumes a general commitment with the Community, on the understanding that all those subjects with which **Grupo Lar** has a direct or indirect relationship, including the company as a whole, in any of the countries in which it carries out its activity, are included within the Community.

As a sign of this commitment,

**Grupo Lar** will act with integrity and, therefore, with absolute respect for the law of the different countries in which it operates.

➤ **Competition law**

**Grupo Lar** will ensure compliance with national and international antitrust rules, promoting the development of the market in free competition and expressly banning any prohibited practice in this area, as well as any act or conduct that may be considered unfair competition or contrary to such rules.

Thus, **Grupo Lar** undertakes to achieve its business objectives by ethical and legally irreproachable means, and to apply fair and legal competition systems .

➤ **Respect for the environment**

**Grupo Lar** assumes its responsibility for the protection of the environment and sustainability. Employees must respect existing environmental laws and guidelines. As a result, **Grupo Lar** employees are required to respect national and international standards on environmental conservation, censoring and prohibiting any practice or conduct contrary to them.

**Grupo Lar** is committed to respecting the legislation and regulations in force regarding the environment, transmitting and promoting good environmental practices among those subject to the Code, and encouraging their rational use.

Likewise, **Grupo Lar** is committed to respecting the rules of promotion and construction to develop its activity, and to protecting the sustainable planning of land.



#### 4. Responsibility for Transparency and Integrity

##### ➤ Conflict of interest

The Subject Personnel will abstain from any action or from promoting any initiative that could result in a conflict between personal interests and the interests of the company. Therefore, relations with current and future suppliers, contractors, customers, competitors or regulators must not influence decision making, which will always be independent and appropriate on behalf of **Grupo Lar**.

Subject Personnel shall be obliged to report any cases of conflict of interest, even in the event of doubt. The communication will be made to the hierarchical superior and, in all events, before the action that could generate the possible conflict is carried out.

##### ➤ Prohibition of bribery and corruption

**Grupo Lar** declares its rejection and prohibits any conduct related to bribes and/or similar practices, expressly prohibiting any unethical behaviour designed to obtain any benefits, advantages or compensation.

In this context, **Grupo Lar** will pay special attention to:

- Establishing adequate segregation of functions at all hierarchical levels of the Group.
- Ensuring proper accounting for all payments and transactions in business accounting.
- Having specific controls over economic transactions of a large or unusual nature, as well as over unforeseen extraordinary payments or collections or those made to bank accounts/entities opened in tax havens, checking at all times the real identity of the payer of the payment and the characteristics of the operation, among other aspects.

##### ➤ Gifts, hospitality and invitations

The purpose of corporate hospitality and gifts in a business context is to create cordiality and strong working relationships, not to gain an improper advantage. In no case shall they be made to obtain favourable treatment.

The acceptance of gifts in exchange for business, contracts or other exchange of business activity is prohibited and may be considered unlawful.

As a general rule, persons subject to this Code may not offer or give gifts, invitations or other benefits in the context of their professional activities.

In exceptional cases, gifts or presents that conform to social customs and normal commercial practices may be accepted, provided that they are of a symbolic or merely representative nature and of little economic value.

In the event of doubt, before accepting a gift or similar, your immediate superior should be informed. When it is appropriate (in the interest of the business relationship) to give gifts or invitations to certain persons, these should be made within the limits of what is appropriate and without seeking to influence business decisions in an unlawful manner.

The collective effort cannot have individual and/or exclusive beneficiaries. Therefore, employees who, because of their professional activity, are given any gift or present that is in accordance with social customs and usual commercial practices, and which are of a symbolic or merely representative nature and of little economic value, must make them available to the Company's General Administrative Services, which will proceed to award them,

after a draw among all the employees.

The same criteria shall apply when , in



accordance with the use or custom of the country, the non-acceptance of a gift or attention may be interpreted as an act of discourtesy or contempt towards the person making it.

#### ➤ **Hospitality and protocol trips**

As a general rule, persons included within the scope of this Code may not accept invitations to travel or other hospitality which might compromise their objectivity in the performance of their duties or influence the decision-making processes in which they are involved. As an exception, they are not affected by these limitations and, therefore, invitations to travel or receive protocol services may be accepted if they are made in accordance with

social customs and usual commercial practices, provided that they are or are deemed to be of benefit to the Company's commercial or business strategy, although they may only be accepted after prior communication with, and approval from the superior officer, who, in case of doubt, before accepting an invitation, shall inform his or her immediate superior.



#### ➤ Donations and Sponsorship

**Grupo Lar** will ensure that the Group's donations and sponsorships comply with the relevant legal provisions and internal regulations.

Consequently, **Grupo Lar** will only make donations to charitable or non-profit institutions .

Entities must be registered in the Registry of public utility entities and comply with current legislation.

#### ➤ Participation in public tenders

Persons subject to this Code who participate in proceedings of a public nature shall refrain from influencing or altering, or attempting to influence or alter, the ordinary course of such proceedings, and even less so with the intention of obtaining a favourable outcome or more beneficial conditions for the future.

#### ➤ Political or associative activities

**Grupo Lar** does not make donations or contributions, directly or indirectly, to political or trade union parties, organizations or committees, or to their representatives or candidates, with the exception of those required by law and the participation that those subject to the Code may make that do not interfere with the adequate performance of their professional activity outside working hours and the Group's facilities, and in such a way that it cannot be attributed to the company.

#### ➤ Prevention of money laundering and financing of terrorism

**Grupo Lar** has a Manual for the Prevention of Money Laundering and Financing of Terrorism. In this way, **Grupo Lar** declares its firm fidelity to the legislation on this matter, as well as its commitment not to carry out practices that may be considered irregular in the development of its relations with clients,

authorities and stakeholders, including those related to the laundering of money derived from illicit or criminal activities.

In this sense, **Grupo Lar** guarantees that the persons subject to this Code are aware of and strictly comply with the rules contained in the Manual on the Prevention of Money Laundering and Financing of Terrorism.

#### ➤ **Business assets**

All persons subject to this Code have an obligation to use the property that the company makes available with the



utmost care and diligence, protecting the company's assets from loss, damage, misuse and theft.

In this regard, **Grupo Lar's** assets include not only tangible assets and property but also intangible assets related to the company.

Furthermore, these business assets must be used only for proper business purposes and in no case for illegal business purposes, thus complying with internal regulations regarding the use of business assets.

#### ➤ **Good accounting, tax and public resource management practices**

The economic and financial information

of **Grupo Lar**, especially the financial statements, will faithfully reflect the economic, financial and equity reality, in accordance with accounting principles and international financial reporting standards.

For the normal development of the group's activity, it is indispensable that **Grupo Lar** have faithful, honest and precise records and information supports, so that decisions can be taken in a responsible manner. All books, records and financial statements shall reflect transactions and events accurately and precisely, and shall conform both to legal accounting principles and to the company's internal controls.

To this end, no person subject to this Code shall conceal or distort information from **Grupo Lar's** accounting records and reports that is complete, accurate and truthful. The improper alteration, concealment, destruction or falsification of documents may constitute an offense.

**Grupo Lar's** activity involves making decisions that have repercussions and impact on the tax environment. As a result, **Grupo Lar** is committed to complying with its tax obligations in all territories and jurisdictions in which it carries out its activities.

Consequently, **Grupo Lar** shall ensure that it avoids any conduct aimed at defrauding amounts owed to the Tax Administration

the Social Security or any other public body, or obtaining any type of advantage, tax or social benefit or subsidy in a fraudulent manner.

In this regard, all documentation submitted by those who are subject to the Code as justification for requested subsidies will be strictly accurate. The use and destination of the subsidy will be adapted exclusively to the purposes for which it was granted.



## 5. Responsibility for Confidentiality

### ➤ Data Protection

**Grupo Lar** is committed to respecting the national and international regulations on personal data protection, guaranteeing the application of internal procedures and external auditing standards, in accordance with the most demanding standards on the subject.

Furthermore, the Personnel Subject to this Code are obliged to respect and comply with the data protection regulations and to actively contribute to ensuring that confidential data and, in particular, personal data are not accessible to third parties. Personal data should only be collected, processed and used to the extent permitted by data protection regulations.

### ➤ Confidentiality and privacy

Persons within the scope of this Code are obliged to maintain the utmost confidentiality in relation to all internal affairs and information of or relating to **Grupo Lar**.

They should take special care to protect sensitive information and company secrets, avoiding leaving documents containing such information on their desks or other places accessible to third parties.

The information accessed must be protected from disclosure to third parties. Even when managed internally and before it is transferred within **Grupo Lar**, confidential information ( including trade secrets ) must be made available only to those employees who need it for the performance of their official duties and may not be used outside the performance of their duties.

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*Organisational culture at Grupo Lar is a state of coherence between the people, objectives, processes and values of the company.*

### ➤ **Insider and Third Party Information**

Personnel subject to the Code who, where applicable, have access to inside information (as defined by securities market regulations) must at all times comply with the legal restrictions applicable to this type of information for as long as it is considered inside information

Similarly, they shall maintain the confidentiality of information entrusted to them by their customers and suppliers, except where disclosure of such information is authorised or required by law.

## **V. Compliance and sanctions**



Non-compliance with legal and control provisions or contravention of this Code may damage the reputation of **Grupo Lar**. In addition, they may result in the imposition of public sanctions on the Group (administrative sanctions, fines or intervention in our business operations).

Failure to comply with the rules of this Code of Ethics and Conduct which, at the same time, constitute breaches in accordance with labour legislation, may give rise to the corresponding disciplinary sanctions in accordance with the applicable regulations and the rest of the civil and commercial obligations that the employee has contracted with **Grupo Lar**.

## **VI. Complaints and communication channel**



In addition, the Board of Grupo Lar has appointed the Group's Ethics Committee, composed of the Corporate Finance Director (Maribel Plaza), the Secretary of the Board (Javier Linares) and the Corporative Human Capital Director (Cristina Rodríguez), as the body empowered to channel possible complaints.

**Grupo Lar has this channel for complaints :**

<https://buzoncompliance.es/>

Any interested party may use the channel to report what they consider to be a breach of the Code of Ethics and Conduct or other mandatory rules of the Company, as well as to make any enquiries regarding compliance with the Code and regulations.



Reports may be made both anonymously and identified, in writing or verbally. Infringement files will be treated confidentially and with full discretion. The deadlines for the procedure for handling reports are detailed in the Internal Communication System and Complaints Channel Procedure, being of five working days for the notification of admission and three months for the subsequent investigation and closure of the complaint.

## **VII. Body responsible for the monitoring, consultation and interpretation of the Code**



**Grupo Lar's** Appointments and Remuneration Committee or, in its absence, the Board of Directors of Grupo Lar Inversiones Inmobiliarias, shall be the internal body responsible for updating, supervising and controlling compliance with the principles, values, guidelines and behaviour patterns set forth in this Code.



In addition, the Committee will resolve any doubts or queries that may arise from the application and interpretation of this Code.



## **VIII. Communication, dissemination and evaluation of the Code of Ethics and Conduct**

**Grupo Lar** will take the appropriate measures to disseminate and communicate the content of this Code of Ethics and Conduct to all those subject to the Code .

In addition, the local Board in each country will review the acceptance of the code of ethics by employees and prepare a report to be submitted to the Board of Grupo Lar.

## **IX. Approval and implementation of the Code of Ethics and Conduct**

This Code will come into force once it has been approved by the Board of Directors and must be communicated individually to all those subject to the Group's Code.

The Code was approved at the meeting of the Board of Directors of **Grupo Lar** on 27<sup>th</sup> January 2022.

## Appendix - Procedure for conflicts of interest

The Subject Personnel shall refrain from any action or promote any initiative that could result in a conflict between personal interests and the interests of the company.

Similarly, the subject personnel shall refrain from taking any action, making decisions or promoting any initiative that could give rise to a conflict between the interests of the company and those of the spouse or person with whom the subject personnel has a similar relationship of affection, ascendants, descendants or relatives within the fourth degree of consanguinity and up to the second degree of affinity.

Any conflict of interest shall be resolved in such a way that the interests of the company are not harmed, and in accordance with ethical and objective criteria.

Subject Personnel shall be obliged to report any cases of conflict of interest, even in the event of doubt. The communication will be made to the hierarchical superior and, in all events, before the action that could generate the possible conflict is carried out.

Conflicts of interest shall be resolved by Appointments and Remuneration Committee, and in particular, the purchase by any Director or their spouses or persons with whom they have an analogous relationship of affection, ascendants, descendants or related relatives within the fourth degree of consanguinity and up to the second degree of affinity), of a property or other real estate product marketed by **Grupo Lar**, including the acquisition of a stake with any percentage in special Real Estate Investment Funds or Vehicles promoted by the Group, must be notified to the Board of Directors of Grupo Lar Inversiones Inmobiliarias, indicating the conditions of the acquisition.

The purchase of a **Grupo Lar** property by other profiles must be duly authorised by the Board of the country .

Any contract for the provision of services or commercial transactions between an employee, his or her spouse or relative up to the third degree and any Group company must be authorised by the Board of Directors of Grupo Lar Inversiones Inmobiliarias.

The employment of a relative up to the third degree of an employee of any Group company must be authorised by the Board of Directors of Grupo Lar Inversiones Inmobiliarias.

