
Sustainable Real Estate Investment Policy

Grupo Catalana Occidente

Description of the Document

Title	Sustainable Real Estate Investment Policy
Description of the document	<p>The purpose of this document is to describe the Sustainable Real Estate Investment Policy of Grupo Catalana Occidente, S.A. and the Entities that comprise it (hereinafter “the Group” or “GCO” interchangeably).</p> <p>Likewise, this Policy aims to respond to an increasingly demanding European and national regulatory framework, which includes, among others, the United Nations 2030 Agenda, the Paris Agreement of the United Nations Framework Convention on Climate Change, the European Green Pact, the European Decarbonisation Strategy by 2050, Law 7/2021 of May 20, on Climate Change and Energy Transition, the Sustainability Disclosure Regulation (SFDR) and the Taxonomy Regulation.</p> <p>Finally, this Policy shall serve to reinforce the Group's commitment materialised in its Sustainability Master Plan and in its voluntary adherence to the main international initiatives such as the United Nations Global Compact Principles, the United Nations Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI) and the Sustainable Development Goals (SDGs).</p> <p>This Policy is part of the set of Policies that make up the Group's governance system.</p>
Party responsible	Sustainable Real Estate Investment Policy
Frequency of review	Annual, unless circumstances arise that make it advisable to carry out such review in a shorter period.

Version Control

Version	Carried out by	Validated by	Approved by
1.0	Sustainable Real Estate Investment Policy	Steering Committee	Board of Directors
	Date: November 2024	Date: November 2024	Date: November 2024

Disclaimer

This policy is a translation of its original version in Spanish. In case of discrepancy between both versions, the Spanish version will prevail.

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1. General Provisions

1.1. Objectives

The Real Estate Investments Management of Grupo Catalana Occidente, S.A. (hereinafter, **indistinctly, the “Group” or GCO**) is responsible for this policy and its updating and revision. This policy has been approved by the Board of Directors of Grupo Catalana Occidente, S.A. and **subsequently, the Group’s Individual Entities have adhered to it, by means of the corresponding agreement** by each of the corporate bodies.

The content of the policy must be revised annually, except when circumstances arise that make it advisable to carry out this review earlier. The aforementioned revision is carried out by the party responsible for the policy and includes the modifications that must be made. For the purposes of this revision, the party responsible for the policy draws up a report that is presented to the Board of Directors so that it can validate the suggested modifications to it, the modification of the policy being approved in the manner established by the Board of Directors.

As established in the Investment Policy, the Group invests technical provisions, funds derived from insurance operations, as well as uncommitted assets, in accordance with the following general principles: profitability, security, liquidity, dispersion, diversification and consistency, always taking into account the obligations assumed, as well as the financial market environment, and always under the principle of prudence.

Real estate investments, both direct and indirect, are part of the type of investments made by the Group.

The purpose of this Policy is to establish the general principles to be applied by the Group in the area of real estate investment management, in order to combine the principles described above with GCO's commitment to the creation of sustainable value for its stakeholders, and to the management of social, environmental and governance risks.

1.2. Scope of Application

This Policy applies to GCO, as well as to the Entities that comprise it, in the scope of all real estate investments made by the Group and managed by GCO Activos Inmobiliarios, S.L. (“GCO AI”).

Notwithstanding the foregoing, those Group entities that, due to their speciality or for any other reason, need to adapt this policy to their specific circumstances may approve an individual policy with the same purpose as this one, respecting its general framework.

1.3. Policy Governance

Board of Directors of Grupo Catalana Occidente, S.A. shall be responsible for this Policy and shall approve any changes or substantial revisions. It shall also monitor the effectiveness of this Policy and the commitments contained therein.

In addition, the Audit Committee is responsible for supervising GCO's performance in relation to Sustainability issues, including the Sustainability Master Plan and its corresponding and relevant updates. In turn, the Sustainability Committee shall act as coordinator and supervisor

of the different issues included in the Policy, ensuring its consistency with the Group's general policies.

GCO's Real Estate Investment Management is responsible for the preparation of this Policy and its annual update and review. To this end, it shall have the collaboration of the Legal-Corporate General Management and the Investor Relations, Rating and Sustainability Unit within the Financial Management.

The contents of the Policy shall be reviewed by the GCO Sustainability Committee with an annual periodicity, when circumstances arise that make such a review advisable in a shorter period.

Revisions to this Policy shall be approved by the Board of Directors of Grupo Catalana Occidente, S.A. at the proposal of GCO's Sustainability Committee, and the other Group Entities **described in the "Scope of application" section shall be informed of such** revisions.

1.4. Internal communication

This Policy shall be communicated internally and externally. The following communication process is defined:

- Once the Board of Directors of Grupo Catalana Occidente, S.A. has approved the Policy and any subsequent amendments, the Investor Relations, Rating and Sustainability Unit shall be responsible for distributing it together with the rest of the Group's Sustainability Policies.
- The Policy shall be published on the Intranet Portals of the Group's Entities so that the entire organisation is aware of it.
- **Externally, the Policy shall be published on GCO's corporate website, under the Sustainability section.**

2. Action framework

GCO's position in favour of a sustainable economy is aligned with leading national and international standards:

- Sustainable Development Goals (SDGs) and Agenda 2030 of the United Nations. Specifically, the activity carried out by GCO and the work conducted from Occident and Mémora Foundations are aimed at contributing to the following SDGs:
 - Goal 1: End of poverty
 - Goal 3: Health and well-being
 - Goal 4: Quality education
 - Goal 5: Gender equality
 - Goal 8: Decent work and economic growth
 - Goal 10: Reducing inequalities
 - Goal 11: Sustainable cities and communities
 - Goal 13: Climate action
 - Goal 16: Peace, justice and strong institutions
 - Goal 17: Alliances to achieve the goals.

- Paris Agreement of the United Nations Framework Convention on Climate Change, which aims to keep the global average temperature increase below 2°C with respect to pre-industrial levels, and to limit the temperature increase to 1.5°C.
- Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage.
- European Green Pact and European Decarbonisation Strategy by 2050 (The European New Deal).
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 (Taxonomy Regulation).
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector (Sustainability and Non-Financial Disclosures Regulation or SFDR).
- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards sustainability disclosures by companies (CSRD Directive) in accordance with its transposition regulations.
- Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on due diligence by companies in matters of sustainability and amending Directive (EU) 2019/1937 and the Regulation (EU) 2023/2859 (CSDDD Directive), in accordance with its transposition regulations.
- Organisation for Economic Co-operation and Development (OECD) Sustainability Guidelines for multi-national companies.
- Law 7/2021, of 20 May, on climate change and energy transition.
- Recommendations of the Task Force on Climate-Related Disclosure (TCFD) on climate change.
- Good governance code for listed companies of the Spanish National Securities Market Commission (CNMV).

The Group is also a member of leading initiatives and organisations that seek solutions aimed at promoting sustainability:

- Principles of the United Nations Global Compact.
- United Nations Principles for Responsible Investment (PRI).
- Principles for Sustainable Insurance (PSI)

3. General principles

GCO shall prioritise the development, construction and operation of real estate assets that respect the general principles of sustainability, both in terms of resource consumption and environmental and social impact.

The following are established as general sustainability principles for this area:

1. Efficient use of resources, prioritising the use of sustainable and/or recycled materials, recyclable materials or materials with low environmental impact.
2. Prevention and reduction of environmental impacts on the environment, taking into account the life cycle of the materials and resources that make them up, from the design phase to the disinvestment phase.

3. Efficient use of energy, with special attention to the operation phase of the building. Likewise, within the design phase of any action, the implications for future consumption shall be taken into account.
4. Implement renewable energy generation systems to increase self-consumption in buildings.
5. Contracting supplies from renewable sources (green energy).
6. The efficient use of water, implementing systems that reduce consumption, as well as the use of rainwater or grey water, which will reduce the building's water footprint.
7. Minimising waste generation, both in the construction or refurbishment phase and in the operation phase, with integrated solutions in the management of the building.
8. Responsible waste management, facilitating its reuse or recycling.
9. The promotion of sustainable mobility, enhancing the value of those buildings that are well connected to urban infrastructures, as well as promoting and facilitating the use of sustainable means of transport.
10. Encouraging biodiversity in the spaces occupied by the buildings, as well as in their surroundings.
11. Ensure compliance with all updates to environmental regulations and standards affecting real estate activity.
12. Ensure accessibility for all people with disabilities.
13. Design user-oriented buildings with healthy environments, natural light, air quality control, etc.
14. Ensure that the people who provide services in the buildings have fair working conditions, offering a safe, healthy and respectful working environment.

4. Implementation strategy

The Group has established the following principles of action to implement this Policy:

4.1. Classification of assets according to compliance with general sustainability principles

Assets shall be classified according to compliance with the general sustainability principles:

1. Strategic Assets that comply with the general principles of sustainability.
2. Strategic Assets likely to comply with the general principles of sustainability, if adaptation plans are undertaken.

3. Non-Strategic Assets and/or which do not comply with the general sustainability principles.

4.2. Measures on Strategic Assets in the portfolio

In the case of the properties in points 1 and 2 of section 4.1 above, the necessary measures shall be implemented to ensure compliance with these principles in the short and medium term.

The main measures to be carried out would be:

1. Application of the Environmental Management System based on ISO-14000, based on continuous improvement processes.
2. LEED or BREEAM energy certification. These internationally recognised certifications guarantee a high level of compliance with sustainability standards, as well as a review of areas for improvement. The following goals are set:
 - For buildings in operation - LEED Silver or Gold in use/ BREEAM Very Good or higher.
 - For buildings to be refurbished or rehabilitated - Leed Gold or Platinum.
3. AIS Certification. Implement the improvements proposed by the AIS certification, with the aim of making buildings accessible to all people with disabilities.
4. Installation of photovoltaic panels and/or other energy generation systems, which will increase the self-consumption of the buildings, and therefore reduce the electricity supply of third parties.
5. Promote sustainable mobility by installing parking facilities for bicycles and other personal mobility vehicles, as well as chargers for electric vehicles. The use of public transport shall also be encouraged, through Mobility Plans in coordination with real estate customers.
6. Incorporate the general principles of sustainability into the investment selection criteria that set the annual CAPEX programme in the properties, ensuring that planned investments shall be aligned with them.

Include in the CAPEX programme specific improvements to facilities that imply an improvement in energy efficiency. In particular, building envelopes should be analysed, aiming at their optimal performance.

7. BMS (Building Management System). The exploitation of the data provided by the BMS should facilitate the identification of opportunities for improvement in the Group's buildings, as well as in the facilities of real estate customers.
8. Establish communication and coordination channels with real estate customers to align strategies for improving the energy efficiency of buildings. Data provided by BMS and other platforms shall be shared to help customers meet their sustainability targets.
9. All properties shall have a waste space to facilitate proper waste management.

10. Green clauses shall be included in the standard lease agreement to promote cooperation with the real estate customer to ensure that the building is used and managed in a sustainable manner.
11. Design the actions to be carried out in refurbishments or renovations placing the needs of the occupant at the centre. In this way, spaces that respect people and generate healthy environments shall be achieved.
12. Constant updating of regulations, environmental standards, technological innovations, as well as best practices in the market, which shall make it possible to analyse their implementation with the aim of maintaining a high level of compliance with the general principles of sustainability.

4.3. Non-Strategic Assets and/or which do not comply with the general principles of sustainability.

In the event that a property does not comply with the general principles of sustainability, and it is difficult or it is not economically viable to implement improvements to enable compliance, GCO shall include it in its portfolio of assets earmarked for divestment.

4.4. Investment in new real estate assets

The incorporation of new real estate assets into the portfolio must meet the following requirements:

- Preferably it shall have Leed Gold, BREEAM Very Good or similar certification. If not available, a detailed and quantified analysis of the improvements necessary to achieve them shall be carried out prior to the purchase, which shall be applied subsequently to the acquisition.
- An analysis of compliance with the general principles of sustainability must be included in the due diligence process of the asset.