



Corporate Social Responsibility Policy

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MERLIN PROPERTIES, SOCIMI, S.A.

Corporate Social Responsibility (CSR) Policy

INDEX

1.	Introduction	3
2.	Scope	3
3.	Goals	3
4.	General principles for the management of the CSR	3
5.	MERLIN commitments in CSR	4
6.	Validity, monitoring and updating of the Policy	7

MERLIN PROPERTIES, SOCIMI, S.A.

Corporate Social Responsibility (CSR) Policy

1. Introduction

This document is part of the scope of the policies of corporate governance of MERLIN Properties SOCIMI, S.A. and its group of companies (hereinafter, "MERLIN", "society" or "entity").

The Board of Directors of MERLIN, in accordance with the provisions of article 4 of the regulations of the Board of Directors, in its version of April 2015, has the responsibility of approving, among other things, this "*Corporate Social Responsibility Policy*".

The policy responds to the goal of MERLIN of reporting on corporate social responsibility commitments (in hereinafter CSR) that assumes with its stakeholders, thus aligning itself with the recommendations of the Code of Corporate Governance of Listed Companies dated February 2015.

2. Scope

CSR policy is applicable to the Board of Directors, managers and all employees of the entity, without exception, regardless of their position, responsibility or geographical location.

Likewise, MERLIN will use this policy as a tool for awareness-raising among its external collaborators, sharing its commitment to CSR with all those actors with which it interacts.

3. Goals

The goal of this policy is to establish the principles that define the performance of MERLIN with its stakeholders to achieve responsible management of its activities. Through this policy it pursues:

- Formalize the company's commitment to CSR in line with the best existing recommendations for listed companies.
- Lay the groundwork to establish relationships of trust with stakeholders and integrate CSR into the company's strategy.
- Take an exemplary role among external counterparts.

4. General principles for the management of the CSR

MERLIN aims to manage responsibly its activity, ensuring the attainment of sustainable goals and the creation of shared value for its stakeholders, while at the same time guaranteeing strict compliance with the legislation as well as the international standards to which the company adheres.

In this context, the commitment of MERLIN cannot be other than the achievement of sustainable profitability that guarantees the success of the business and takes into account the expectations of its stakeholders. Additionally, this growth has to be achieved without detriment to the environmental, energy and management system performance of the organization, minimizing the impacts that may occur on the environment, backing the integration of sustainability into the processes of development, and repositioning of assets.

MERLIN PROPERTIES, SOCIMI, S.A.

Corporate Social Responsibility (CSR) Policy

This commitment to the responsible management of activities is reflected in the six corporate values of MERLIN: ethics and corporate responsibility; economic performance; respect for the environment and urban balance; objectivity and integrity; respect for human rights and protection of assets. Also, it is aligned with the *Code of Conduct*, as well as other tools and approved policies that guide the activities, such as:

- *Control and risk management policy.*
- *Environmental management policy, approved within the framework of the implemented and certified management system following the ISO 14001 rules.*
- *Policy of communication and contacts with shareholders, institutional investors and proxy vote advisors.*
- *Code of relationship with public administrations.*

5. **MERLIN commitments in CSR**

MERLIN takes on a voluntary basis, within the framework of its activities, the following commitments:

a. Shareholders and investors

- Maintain sustainable levels of distribution of dividends, in line with the *Dividend Policy* approved.
- Provide truthful, complete, clear, and timely information that enables them to make decisions of investment in the most balanced manner and with the appropriate evidence.
- Comply with the provisions of the *Regulations of the Board of Directors* with regards to the relationship of the Board with its shareholders.
- Comply with the *Policy of communication and contacts with shareholders, institutional investors and proxy vote advisors.*
- Pursue differentiation, identifying business opportunities that add value in the operations.
- Pursue compliance with the highest standards of quality and sustainability in the course of the business.

b. Tenants/clients

- Aim at their maximum satisfaction, well-being and comfort, ensuring the quality and safety of buildings, a design tailored to their needs, maximum efficiency in the equipment and systems of the property and accessibility for all individuals, providing as well optimal conditions of ventilation, acclimatization, ergonomics, lighting and indoor air quality.
- Provide personal attention, ensuring the existence of interlocution mechanisms that ensure the identification and response to their needs.

MERLIN PROPERTIES, SOCIMI, S.A.

Corporate Social Responsibility (CSR) Policy

- Provide value-added services that enhance your experience in the occupation and use of the property.
- Ensure fair, transparent and negotiations adapted to reality and circumstances of each of them.

c. Employees

- Comply with the labour legislation and the human rights enshrined in national and international legislation.
- Ensure equal opportunities and diversity, promoting the integration of people and groups with different capacities at the company.
- Ensure a compensation level for employees according to their professional skills and aptitudes, remunerating their efforts fairly, rewarding efficiency and commitment to the professional project.
- Promote their training and development in the daily life of its activities, fostering the internal transmission of knowledge, the adoption of new responsibilities and access to complementary training programmes.
- Foster the integration of new professionals, providing them with the necessary tools to develop their abilities in a motivating work environment.
- Promote a stable and safe work environment to ensure the well-being of the employees in the performance of their duties.
- Facilitate the balance between the professional and personal life, fostering it amongst the employees.
- Maintain a fluid and horizontal communication that will ensure that they are informed of the strategy and performance of the company and that their concerns are being heard and answered by the right people, regardless of the organizational changes, establishing sufficient communication channels with the employees.
- Ensure awareness and compliance with the *Code of Conduct* by all employees of the company.

d. Environment

- Make compatible the growth of the business with the respect and protection of the environment, preventing pollution and safeguarding the urban balance.
- Maximize the efficiency and quality of the real estate portfolio through the active asset management of them, optimizing the consumption of energy, water and other resources necessary for its functioning, promoting the use of renewable sources and sound management of generated waste.
- Promote the minimization of environmental impacts throughout the life cycle of the properties, including criteria for adapting to climate change, in the process of development and redevelopment of properties, by applying design and procurement of products and services that consider improving environmental and energy performance and that strengthen the resilience of assets to adverse climate events of particular incidence.
- Maintain a process of continuous improvement in the environmental and energy performance of buildings through the implementation of internationally recognized certifications with regard to environmental management, efficiency and sustainable building.

MERLIN PROPERTIES, SOCIMI, S.A.

Corporate Social Responsibility (CSR) Policy

- Work in a way jointly with tenants and other counterparts to minimize the environmental impacts arising from the activity of the company at all stages of the asset lifecycle.

e. Local communities and Society

- Forge relationships of trust and transparency.
- Evaluate potential impacts prior to the inception of any project, reinforcing the positive and mitigating, to the extent possible, the negative; considering, in particular, possible effects on the issuance of particles, light pollution or noise.
- Provide traceable, timely and understandable information through media accessible to all individuals.
- Identify and implement alternatives to foster the development of local communities through the presence of the company's assets in them.
- Keep in the best possible conditions those outdoor spaces associated with the properties that are by its characteristics of free use and enjoyment by the community.
- Ensure the availability of information and resources to achieve the objectives and the environmental and energy action plans.

f. Suppliers

- Foster transparency in the contracting process.
- Ensure compliance with the internal policy of payment terms, meeting the provisions in the rules against delinquency in commercial transactions.
- Develop channels and communication tools that allow them to transmit their concerns.
- Ensure compliance with the rules on health and safety in the processes of development and real estate works, assuming the subsidiary liability of the company and proper monitoring of the work performed.
- Extend among them the commitment to responsible development of activities, promoting the sustainability and maximum quality of products and services provided to the company.

g. Ethics, transparency and accountability in the activities

- Have a structure of internal control that ensures due diligence in the prevention of criminal offences and breaches of the legislation on the activities of the company.
- Identify the specific risks in the field of CSR and ensuring their proper management in the framework of the existing risk management integrated system, assessing possible mechanisms for mitigation or prevention, as well as for its adequate control.
- Annually publish a report on CSR matters, which, according to the main international standards, informs about the economic, environmental and social performance of the company and communicate in a transparent manner actions undertaken to comply, among other things, with the commitments set out in the present Policy.
- Develop all processes of internal and external communication in a responsible manner, preventing the manipulation of information and protecting the integrity and the honor of all employees and counterparties.

MERLIN PROPERTIES, SOCIMI, S.A.

Corporate Social Responsibility (CSR) Policy

- Ensure awareness and compliance with all codes, policies and other internal regulatory documents by all employees of the company.
- Comply with fiscal obligations, ensuring the transparency and cooperation with the tax administrations.
- Ensure the performance of an upstanding professional conduct by all the professionals of the company.
- Respect the privacy of employees and all those whose data are guarded by the company.

6. Validity, monitoring and updating of the Policy

This CSR policy has been approved by the Board of Directors of MERLIN, entering into force from that moment and remain in full force as long as there is no modification in it.

The Board of Directors, through its Committees, will supervise the correct implementation and compliance with all the principles of action and commitments it contains.

In case of modifications carried out in the CSR policy shall apply from the day following its communication all persons affected by the present Policy.