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Letter by Hercesa's CEO



Juan José Cercadillo Calvo,
CEO of Hercesa

If I try to find the words to explain the reason for this document, some material ones such as foundations, lines of action, structure, pillars... come up, together with some more conceptual words, such as why, for which purpose, with whom, for whom... However, looking at the word which acts as the title for this document, I can find the best explanation to this summary of our lifestyle which we want to share with you.

Ethical comes from the Greek term "ethikos". And yes, it contains our "h" for Hercesa, which can act as a signal of our connection to the concept of ethical behaviour which contains all of what I just mentioned: foundations of our company, our lines of action, the structure of our behaviour, the pillars of our decisions ...

But on top of that, the actual meaning of ethikos in Greek is character. And that just tops up our explanation of the meaning to us of honesty, justice, fairness, decency... The character of fitting in all of the above into the ethical and good willed concept of our business conscience, of why we do things, for which purpose, with whom, and above all, for whom....

This character derives from the primitive character which almost took away the energy of those who began this project 50 years ago in order to create an attitude to problems which would not allow shortcuts or economy of effort, or short-term advantages or prospects. This character obliged us to put our conviction of an exemplary behavior on top of absolutely everything, of absolute professionalism based on generosity, effort, and an unbreakable will to add value to the created product and to the people involved in the production and above all, in enjoying it.

This constant presence of our worry to remove any wrong behavior and promote and improve positive consequence of correct actions materializes today in this document, which is not a comprehensive one, but will probably grow and focus in more detail with the contributions of everyone and with all the experiences which we live every day, with the aim of finally becoming a practical help to solve many of the problems which we face on a daily basis as regards the base and the purpose of the decisions we make.

This summary in the form of a code of conduct sketches the right path which has driven us here and which intends to continue to lead the way to success of personal and moral fulfilment of all those who want to identify with our principles; it is the open book which I hope to continue writing by your side with the firm undertaking of preventing from any threat what has been and will continue to be for many years our business concept.

Thanks for your help and your commitment with our ethics.



“We like doing
our **BEST**, with
common sense and
professionalism.”

The **CODE OF ethical CONDUCT** of Hercesa establishes the moral ethical principles arising within the current regulations and all values held by our originally family based company with a traditional hands-on spirit and a forward looking attitude walking hand in hand with new technologies and digitalization.

That is its **PURPOSE**.

The company has an **ethical channel** so as to ensure the correct application of this **CODE OF ethical CONDUCT**.

In Hercesa, our conduct has always been responsible, but with this **CODE OF ethical CONDUCT**, we publicly reinforce our undertaking.

The Company has an ESG (Environmental, Social, Governance) Committee, which reinforces its ethical and social commitment.

APPROVAL AND REVISIONS

This **CODE OF ethical CONDUCT** came into force in February 2018.

Updates are made in line with legislative changes, however a review is carried out at least once a year.

The content of this ethical **CODE OF ethical CONDUCT** is complemented by the exhaustive content of the **Compliance Handbook** and its Risk Prevention and Regulatory Compliance document.

1. Moral ethical principles

Now in the 21st century, having an ethics code based on generally accepted principles is essential. Some of these principles are:

- Respect for legality.
- Respect for human rights and public liberties.
- Objectivity and integrity.
- Environmental protection and a well-balanced urban planning conception.
- Fight against corruption and extortion and anti-bribery program.
- Prevention of money laundering and terrorist financing, including legal developments.
- Data Protection: Respect and diligence with the use of personal data according to Spanish Organic Law 3/2018 and its Regulation.
- Policies against Market Abuse.
- Good Tax Practices.
- Equal opportunities between men and women, measures to achieve equality of LGTBI persons and non-discriminatory treatment.
- Comprehensive assistance and protection against gender-based violence.

After the approval of the behavior and action business guidelines, the interest groups around the organization shall adapt to the culture and Corporate Governance, which will allow us to adopt certain business conducts and relationships.





Respect for legality: All employees, managers, and directors need to comply with the current regulations. As a result, all actions will be based on the strict compliance with the law, both on a national and on an international level.

All of them need to be familiar with the laws and rest of regulations governing their daily tasks.

No employee will obey any order which breaches the legal system. In the same way, Hercesa Real Estate, S.L., hereon, Hercesa, will maintain its "Zero Tolerance" policy against crime.

Respect for human rights and public liberties: All actions carried out by Hercesa and by its employees shall always respect human rights and public liberties as included in the Universal Declaration of Human Rights.

Objectivity and integrity: Both the objectivity and the integrity are essential assets of Hercesa. Due to this, all of the individuals belonging to Hercesa perform their functions with objectivity, professionalism, and honesty.

Nobody will be unduly affected by his or her own personal interests or by those of third parties. In the same way, nobody will take part in any activity which may damage his or her assessment of the performance of his or her activities.

Environmental protection and a well-balanced urban planning conception: The maintenance and protection of the environment is a constant concern of Hercesa. All our actions are based on minimizing the environmental impact of our activities. In the same way, our premises, work areas, and equipment try to be as efficient as possible.

When carrying out our activities, we maintain as a principle a well-balanced urban planning conception, developed according to a sustainable growth model so as to

prevent us from depleting natural resources or saturating local or inter-municipal infrastructures.



Fight against corruption and extortion and anti-bribery program: All members of Hercesa will behave with public administrations (both on a national and on an international level) and in their relationships with individuals in such a way that it does not prompt any public clerk, authority, or individual to breach any impartiality obligation they may have or any legal standard.

Prevention of money laundering and terrorist financing: All members of Hercesa will comply with the current regulations on money laundering and terrorist financing, both on a national and international level so as to avoid and prevent both.

Due to this, any business relationships with individuals or companies not meeting such regulations or not providing sufficient information regarding its compliance will be avoided.

Particularly, special attention shall be paid to preventing any behavior that may be related to money laundering and terrorist financing. To this end, due diligence measures, identification of the customer, information and internal control with established measures will be put into practice and full cooperation with any competent authorities will be ensured.

Data Protection: All of the companies belonging to Hercesa meet the current regulations on personal data protection according to the stipulations of the Spanish Organic Law 3/2018 on Data Protection, as well as its Regulations. .



Policy against Market Abuse: Hercesa expresses its commitment to comply with stock market legislation and rejects the illicit use of privileged information. Likewise, all members of Hercesa must ensure the exercise of free competition in the performance of their duties. In this sense, unfair competition must be avoided, in particular the following behaviors:

- Exchanging confidential and non-public information of Hercesa, collaborators, suppliers, customers or third parties with competitors..
- Entering into agreements with competitors to fix prices or market conditions.
- Engaging in misleading advertising.
- Improperly obtaining information from competitors.

Good Tax Practices: Hercesa, in order to strengthen its social responsibility, is committed to good tax practices, with certain behaviors that go beyond the respect and strict compliance with laws and regulations, such as reciprocal cooperation based on good faith and legitimate trust with the Tax Agency and the application of responsible tax policies with the knowledge of the Board of Directors.

In this way, and following the approval in February 2019 of the UNE 19602 standard on Tax Compliance, Hercesa is committed to its implementation within the organization as soon as possible.

Equal opportunities between men and women, measures to achieve equality for LGBTBI people and non-discriminatory treatment: Hercesa is committed to complying with the equality plans established by law, in order to offer equal opportunities to all its human resources and not to discriminate against anyone for any reason.

2.

Why is it so important to comply with the CODE OF ethical CONDUCT?

Due to different reasons:

REPUTATION

Hercesa is considered a reference in the real estate sector and people trust our job.

Within a competitive economy, this trust needs to be maintained on a daily basis and we need to be credible, as we continuously make decisions which affect both ourselves and third parties.

To maintain this reputation among the society, we need to establish some procedures which ensure that all of our actions and decisions are lawful and legal.

We want to improve the visibility of our organization as regards interest groups (government bodies, shareholders, employees, creditors, competitors, and customers), conveying to the public opinion our sustainability and good corporate governance of our company and offering a higher comfort level.





LEGAL

The compliance of the law and rest of regulations which may affect the company will be the base of any action carried out by Hercesa, rejecting as a result any illegal conduct and establishing a true business ethical compliance culture.

CONTINUITY

An ethical management model is going to allow our business evolution by means of the creation of new opportunities, which ensures the continuity of the project and of the jobs of our employees and collaborators.

“Our **CODE OF ethical CONDUCT** and its regulatory compliance instrument, the **COMPLIANCE HANDBOOK**, set the bases for the company to turn 100 years old and far beyond.”

3.

Scope of Application

This Code is aimed at and binding for all companies belonging to Hercesa, as well as for all individuals belonging to it, i.e.:

:

- Directors and managers.
- Members of the administration bodies.
- All employees (including trainees).

In the same way, we will promote its wider application among temporary joint ventures and rest of associations or foundations where our company may take part as Fundación Hercesa.

Hercesa also extends the contents of this Code to the Legal Representatives of the Workers for their knowledge and participation.

Hercesa also undertakes to equally promote among all collaborators and suppliers with whom we may work all values and principles included in this Code.

Lastly, Hercesa undertakes to ensure that this Code is applied in all countries where it may operate.



4.

Our 20 basic conduct guidelines



1.

Equal opportunities, respectful and non-discriminatory treatment

Hercesa works with equality plans based on the principle of equal opportunities between women and men and does not tolerate any discriminatory treatment in the workplace. The absence of discrimination based on sex, race, origin, marital status or social condition is guaranteed at all times through the publication of the "Protocol for the Prevention of SEXUAL AND GENDER-BASED LABOUR HARASSMENT" in 2018. The company also has the "Protocol of Measures to Achieve Equality for LGTBI People" and the "Protocol on Harassment based on Sexual Orientation, Sexual Identity and Gender Expression".

We promote diversity and the professional and personal development of all our employees, ensuring equal opportunities in all actions. We guarantee an effective equal opportunity policy so that our employees can develop their careers based on their own merits.

All of those belonging to Hercesa, and particularly, those in managing positions, will promote relationships based on the respect for the dignity of all, creating and maintaining a respectful work environment and a positive work atmosphere.

Should any employee see any abuse, harassment, or bullying situation, or if any person is suffering it, they shall report it through the ethical Communication Channel, in order to conduct the corresponding investigation under strict confidentiality.

2. Professional Development and Training

In a constantly developing competitive economy, it is essential to have proper training policies. Due to this, Hercesa offers all its employees all the necessary resources and means to help them with their professional development, updating their knowledge and competences.

In the same way, our employees will take part in those training programs requested from them, doing their best to obtain the maximum benefit of them.

3. Health, Safety and Security in the Workplace

Hercesa considers it essential to establish and adopt the necessary preventive measures so as to prevent or minimize as much as possible any risks in the workplace.

Due to this, the applicable regulations on this issue will be conscientiously complied with, promoting a safe work environment in all places where the group develops any activities and in the same way, continuous training on this topic will be promoted and encouraged.

All employees need to know and comply with the health, safety, and security measures in the workplace, ensuring their own security and that of the rest of employees.

An improper use of alcohol, drugs, medicines, or other substances may decrease their performance at work and jeopardize the security of others. The employees shall not work under the influence of those substances and will not allow the consumption of certain substances which may affect their own safety or performance or that of their rest of colleagues. .



4. Privacy and Confidentiality of the Information regarding the Employees

Hercesa ensures the privacy of those individuals under this Code according to the terms established by the corresponding laws. In the same way, Hercesa undertakes to request and use just those details from the employees which are essential for a correct management of the company or which are compulsory according to the applicable laws.

Those employees who have access, due to their job, to information on other employees or third parties will respect and promote the confidentiality of such information, using it in a strictly professional way.

When an employee abandons our company due to any reason, such person shall return all the information and confidential material both on Hercesa, and on customer or third related parties which he or she may have obtained during his or her relationship with the company.

5. Confidentiality regarding third party information

Hercesa undertakes to preserve the confidentiality concerning the data of third parties, except for legal, administrative and judicial obligations. It also guarantees the



right of affected third parties to access, rectification, cancellation and opposition of the data in accordance with current regulations.

In the same way, the employees of Hercesa shall, in the development of their professional activity, keep the confidentiality of the data in the terms previously exposed and shall not make an inappropriate use of such information, keeping the due professional secrecy with respect to all non-public data and information known to them.

6. Use and Protection of the Assets of the Company

All individuals affected by this Code will ensure the good use and protection of the assets of Hercesa, in particular, of the premises, vehicles, and work equipment.

7. Conflicts of Interest

A conflict of interest is understood to be a situation where the fair judgement of any individual regarding his or her primary interest and the integrity of an action tend to be unduly affected by a secondary interest, usually, an economic or personal one.

For such purpose, any situation which may represent a conflict regarding the responsibilities of any individual affected by this Code and his or her personal interest shall need to be prevented, and the affected individuals shall refrain from taking part in any decision making process where they might hold a direct or indirect personal interest.

When facing any situation where a possible conflict of interest may arise, the affected



individuals shall need to inform the company by reporting such issue to their corresponding manager or to the ethical Committee.

8. Entertainment Expenses and Others

The use of assets and any expenditure will need to comply with the principles of need and austerity.

Any expenses which may arise from work related reasons (trips, meals, etc.) will be strictly related to work activities and shall always need to be substantiated by written evidence.

9. Commitment with the Group

All individuals subject to the stipulations of this Code will work in order to achieve the highest possible interest for Hercesa. As a result, all of them are obliged to preserve our brand and reputation and shall need to avoid and prevent any actions and activities which may damage Hercesa.

10. Use of information technologies, their treatment and confidentiality of content



When using computer equipment and means, all individuals subject to this Code will act according to the principles of due diligence and correction and will comply with all internal security or safety procedures.

When using computer or electronic devices suitable for their use by our employees, the following action guidelines shall need to be met:

- All security and access measures to the computer or electronic devices shall be followed.
- No software shall be installed in the computer equipment of the company, unless it is expressly authorized by such.
- Personal email or social network profiles shall not be used for business matters or correspondence.
- No programs used for business activities shall be reproduced or assigned for other different purposes, unless the company expressly authorizes it.

In the same way, Hercesa considers information and knowledge as two of their main assets, essential for business management, and as a result, subject to protection. The information owned by Hercesa will, in general, be regarded as reserved and confidential. All individuals subject to this Code will make their best to protect it.

The individuals subject to this document will only provide to the company truthful information, both on an external and internal level, and will never knowingly provide incorrect or imprecise information which may be misleading or confusing and professionals shall not speak on behalf of the company without authorization.

The economic-financial information will faithfully reflect the economic and financial status of the assets of the hi! Group, according to the commonly accepted accounting principles and the international financial reporting rules which might be applicable. All these details will be reported correctly whenever necessary.



11. Teamwork

All those who belong to Hercesa undertake to work in teams, collaborating in those tasks and with those individuals which they are told to in order to reach the objectives and goals of the company.

12. Customer or Supplier Relationships:

All processes for the selection of suppliers and contractors of Hercesa will take place under impartiality and objectivity terms.

The quality, opportunity, cost, and sustainability principles shall be applied in recruitment processes, always prioritizing the Hercesa principles. The knowledge and adherence to this Code will be promoted among the suppliers and contractors of the company.

The acceptance of gifts, meals, or other types of hospitalities from suppliers is forbidden, provided that, upon their acceptance, the final decision capacity of Hercesa is compromised or if it may affect any future decisions regarding such suppliers.

The relationships with other companies or customers will be also based in a high sense of integrity and business loyalty.

In this sense, the individuals belonging to Hercesa will refrain from offering, promising, or accepting gifts or presents to or from customers, suppliers or other individuals who may be related to our company in the future if those gifts are aimed at achieving any favor from those individuals.



Despite this, the delivery of promotional or marketing gifts is allowed, as well as of presents or hospitalities by the company in a normal business course, provided that they are acceptable and reasonable according to the applicable laws and that they are included within the ethical framework of our company, with a sufficiently limited value so that it cannot be ever considered as a bribery, kickback, etc.

For these purposes, we consider meals and other occasional hospitalities to customers and suppliers to be acceptable, provided that they adjust to local custom and courtesy.

Should it be necessary to carry out or receive any hospitality or gift which exceeds the established limits from an ethical point of view, this fact will need to be reported to the Ethical Committee so that it can be authorized in writing.

If any doubt arises, please inform the ethical Committee for guidance.

13. Relationships with Authorities

All individuals subject to this ETHICAL CODE OF CONDUCT will always respect and collaborate with public administrations, supervising bodies, regulatory bodies, etc.

No gift, promise, or offering of any kind of favor, payment, commission, presents, or compensations whatsoever will be allowed to any authority, public clerk, political party (either Spanish or foreign), or employees or directors of any public body in Spain or abroad.

This ban is applicable both for the case of a direct case, such as through an employee, director or company of Hercesa and for indirect cases through partners, collaborators, agents, brokers, advisors, or any other related party.



14.

Relationships with Political Parties

The collaboration, relationship, or membership with political parties or political foundations and associations, as well as any compensation or services to them, will take place, if they actually do, on a personal level by the individuals subject to this code, preventing any involvement of Hercesa.

Before the acceptance of any public position, the individuals subject to this Code shall inform their manager and the Human Resource Manager so as to be able to study possible conflicts of interest or restrictions in the exercise of those positions.

Any event which may take place related to this issue shall be promptly reported to the corresponding manager and, as should be the case, to the ethical Committee.



15. Solidarity

We promote teamwork with a collaborative open attitude, always looking for the global interest of the whole group and for social interest through collaboration.

16. Transparency

We provide all information required by the different administrative bodies in a completely transparent and fair way.



17. Integrity

We shall always act in compliance with all applicable laws and in good faith..

18. Responsible Leadership

We act with integrity and respect towards our team, our suppliers, and the whole environment of the company, leading a changing market with honesty.

19. Safety and Security

We move towards excellence, removing risks, with prevention as our best strategy.

20. Continuous Improvement

We promote the maintenance of talent within the company, always looking for new challenges and with an open mind to changes..

5. ethical Committee Members

Composición

The ethical Committee is a collegiate body consisting of the following individuals:



- D. Luis Guijarro
- D^a Laura Espliego
- D. Jesús Rodríguez
- D^a Mónica Cezón
- D. José Luis Sánchez
- D^a Laura Domínguez
- D^a María José Palma
- D. Ángel López
- D. Pedro Pardo
- D^a Asunción Núñez
- D^a Yolanda García
- D^a María Martínez

La selección de los miembros se basa en sus funciones multi disciplina-
The selection of members is based on their multi-disciplinary roles and
is aimed at being able to discuss any issues that may arise.

The characteristics which need to be met by the members of the **ethical** Committee are:

- Autonomy and independence, essential characteristics to be able to stay away from the activities which are to be controlled while they are performing their duties. .
- Professionalism.
- Devotion, ensuring compliance with the rules and implementing and updating them.
- Honesty.

The members of the Ethical Committee are obliged to ensure the strict confidentiality regarding the data and information which they may be aware due to the performance of their obligations described in this CODE OF **ethical** CONDUCT.

Functions

- Controlling and ensuring the correct operation, efficiency, and compliance of the risk prevention plan.
- Promoting a preventive culture based on the principle of "total rejection to illegal actions".
- Analyzing any legal amendments and rest of news which could affect the Company.
- Providing advice regarding ethical questions and doubts.
- Receiving, analyzing, and acting in case a complaint is filed.

- Guaranteeing that the principles of the **ETHICAL CODE OF CONDUCT** are spread, with the support of the Human Resource Department.
- Promoting the preparation and implementation of appropriate training programs, both onsite and online, for all members of Hercesa.
- Complying with the sanction procedures and proposing the application of the appropriate disciplinary actions to management, employees and third parties (suppliers).
- Regularly reviewing and updating, at least, once a semester, the Risk Prevention Model.
- Periodically informing the administration bodies of the executed activities, as well as of possible problems or issues.

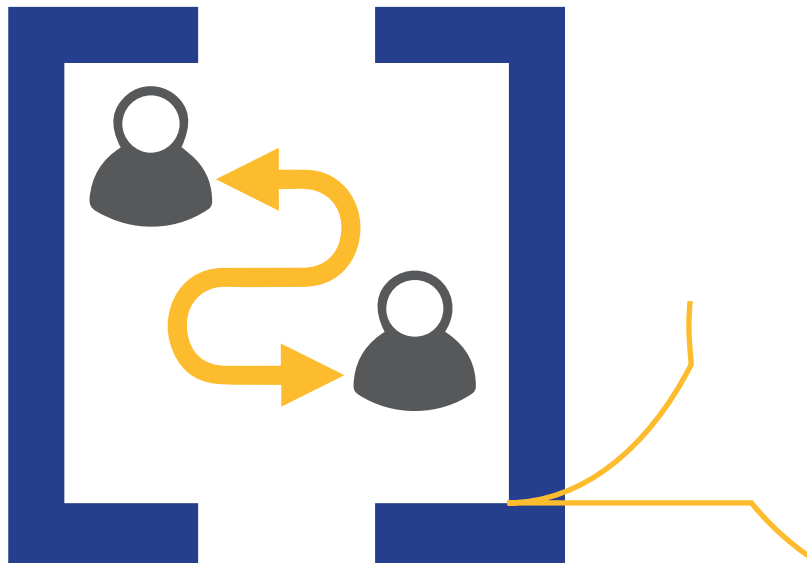
The Ethical Committee will organize a half-yearly periodic meeting, an extraordinary meeting whenever a situation requiring so is detected, and any additional meetings which might be called by any of its members so as to perform the previously mentioned functions, and in particular, to adopt the necessary measures for a better compliance of the stated objectives.

In order to ensure the highest efficiency of their corresponding activities, the Ethical Committee can freely access all documents of Hercesa which might be useful to it. In this sense, the managers for each area or department need to supply to the Ethical Committee any information requested from them on the activities of their areas related with any possible crime."

The Compliance Officer shall be responsible for ensuring strict compliance with all of the above..

6.

Ethical Communication Channel



Hercesa makes available to all its work environment, customers, employees, external personnel, consultants, suppliers, interns, etc., its Ethical Channel, through which they can contact the company, by name or anonymously, for issues related to Compliance in two ways:

- **Internal information channel** for communications on unlawful conduct and criminal offenses through this link:

<https://centinela.lefebvre.es/public/concept/2098003?access=Cgl5Ysh1b3gCHNbovnG45QKOSPIFaGmhHoyR3DRQ1tk%3d>

- Mail for inquiries and irregularities contrary to the ethics defined in this **Code of ethical Conduct**, to the attention of the Ethics Committee.

Hercesa

Plaza de Europa nº 3,
19002 Guadalajara..

Hercesa extends its commitment to all the countries in which it operates and the personnel of these countries can access to this Ethical Channel for their consultations, irregularities or communications on illicit conducts.

The channel is diligently updated in compliance with new legislation. Law 2/2023 of 20 February regulates the protection of persons who report regulatory violations and anti-corruption through the Ethical Channel that concerns us. With the approval of this law, the European Directive 2019/1937, known as "Whistleblower", is incorporated into Spanish law..

7.

ethical training and publishing



All the values, principles and standards set forth in this Code of Ethical Conduct are communicated in the following manner:

- **TRAINING**, all company personnel receive mandatory questionnaires to verify that all ethical messages have been received, assimilated, internalized and put into practice.

The Code of ethical Conduct is included in the annual Conventions as well as in all the Training Workshops.

- **PUBLISHING**, in the company's communications in all online and offline media aimed at the general public and customers in particular, the truthful publishing of all the moral and ethical guidelines proposed in this Code of Ethical Conduct is taken into account, with special emphasis on the issues of daily life, such as environmental issues.

Likewise, this Code is disseminated internally to all company employees so that they are aware of it and comply with it. The Collective Bargaining Agreement will ultimately be the rule to be applied in the event of non-compliance.

These training and dissemination actions are and will be constant, as it is necessary to update the contents in accordance with legislative and social developments.

The **ethical** CODE OF CONDUCT shows
us the way, the right track, the **ethical**
success track.



on the
right
track

Dates of interest of this Ethical CODE OF CONDUCT:

February 2018: approval by the Board of Directors of hi! Innovation Real Estate and in March 2018 by the Board of Directors of Hercesa Inmobiliaria S.A.

April 2019: 1st update

December 2020: 2nd update

May 2021: 3rd update

Decembre 2024: 4th update
