04
Responsible Corporate Governance

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The Castellana Properties Corporate Governance system is comprised of a series of tools and measures designed to promote value creation for all of the company's stakeholders, in line with its mission, vision and corporate values.

The articles of association, the regulations of the Board of Directors and General Meeting, and the internal codes, policies and procedures set out the principles guiding the conduct and decisions of the company.

As part of its commitment to environmental, social and governance sustainability, Castellana Properties conducts regular reviews of all its internal policies, codes, procedures and regulations, as part of its Corporate Governance system. This ensures company practices are aligned with the highest standards of ethics and corporate responsibility.

In FY22, coinciding with the launch of the first ESG Strategy, Castellana initiated an ambitious project to consolidate a comprehensive corporate governance framework. This effort included the implementation of a robust system of internal controls, and the creation of new policies that ensure transparency, accountability and sustainability in all operations.

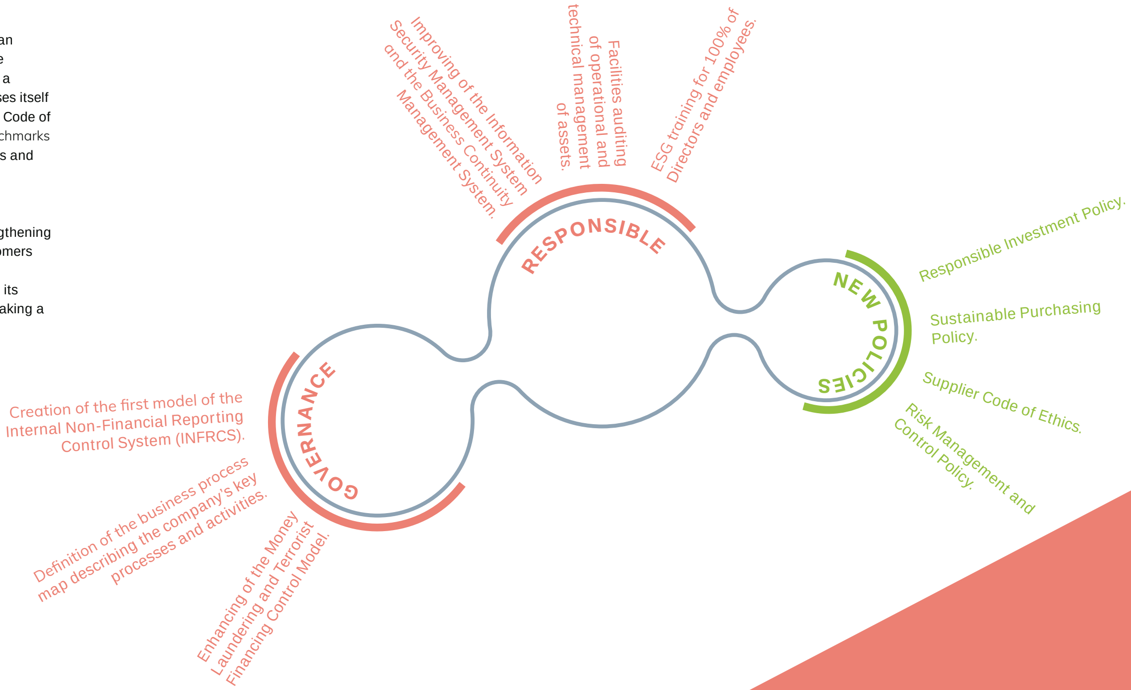
During FY24, this project was completed, laying a solid foundation for governance, risk management and compliance within the company. However, due to the dynamic environment in which it operates, the company is committed to continuously adapting and updating the governance framework to align it with new market trends, best practices and potential emerging corporate risks.

This process not only strengthens the ability to effectively manage risks and comply with regulations, but also reinforces dedication to ESG principles, enhancing long-term sustainability and corporate responsibility. Therefore, work continues on the improvement of the system, ensuring Castellana not only remains at the forefront in terms of corporate governance but also leads by example in the sector.

4.1 Key milestones

Castellana Properties recognises the vital importance of establishing an effective corporate governance structure. The company adheres to the principles of ethics, transparency and integrity, with the aim of having a positive impact on its investors and all stakeholders. To this end, it bases itself on a series of fundamental pillars, including its Articles of Association, Code of Ethics, Internal Policies and Internal Control System, which act as benchmarks to ensure the adoption of best practices in governance, business ethics and social responsibility in all areas of its activity.

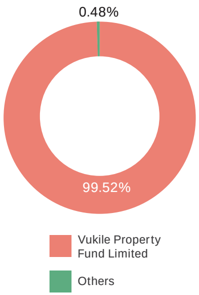
This Corporate Governance model has been essential in meeting the demands and expectations of the various stakeholders, thereby strengthening trust and relationships with shareholders, employees, operators, customers and communities in which Castellana Properties operates. In addition, the company is committed to maintaining and continuously improving its approach to corporate governance, driving sustainable growth and making a positive contribution to long-term economic and social development.



4.2 Capital structure

As of 31 March 2024, the capital stock of the Castellana Properties comprises a total of 101,151,999 ordinary registered shares, of a par value of 1 euro each, fully subscribed and paid up, of a single class and series, with equal political and financial rights, represented by book entries.

The shareholding structure of Castellana Properties is 99.52% owned by Vukile Property Fund Limited and 0.48% by other shareholders.



4.3 Governance structure

In order to reduce potential corporate risks, as well as to generate value for stakeholders, the Castellana governance system is regularly updated and reviewed to adapt to new ESG trends. For effective management, a robust governance system has been designed consisting of several areas integrating internal tools and procedures.

Composition of Corporate Governance

EPRA Gov-Board

General Shareholders' Meeting

Sovereign body of the Company representing the entire interest group. It is responsible for adopting resolutions on the matters set out in the applicable legislation and the corporate bylaws.

Board of Directors: Responsible for charting the course of the Company and overseeing its mission. Except in matters reserved for the General Meeting, it is the highest decision-making body of Castellana Properties. It is responsible for the definition, monitoring and follow-up of general policies, strategies and guidelines.

The members of the Board of Directors maintain diversity and heterogeneity in terms of education, experience and age, origin and gender, in line with the company's values.

This variety of profiles of the directors ensures that the decision-making process is enriched and pluralistic views are brought to the discussion of matters within their competence.

Castellana Properties has an internal communication system, maintaining confidentiality at all times in accordance with the laws in force in Spain, and respecting the privacy and data protection of all its members.

(*) Incorporation year of the directors

4.3.1 Board of Directors

EPRA Diversity-Emp

The Board is responsible for monitoring the implementation of the corporate short, medium and long-term strategy, leading and establishing the principles to follow. The integration of ESG criteria in this strategy contributes to the creation of value for all stakeholders, fostering diversity, profitability, and the integration of ESG risks.

During this financial year, 100% of Castellana Properties Directors received ESG training, fostering the integration of sustainability into the business model.

In accordance with the SOCIMI system, where specific issues or issues related to possible amendments arise, the company consults external advisors, who provide guidance on them and report to the Board of Directors on the most relevant aspects that require their attention.

In FY24, the composition of the board was changed from the previous year with the addition of Lucy Charlotte Lilley, who holds the position of an independent non-executive director and sits on the remuneration committee. Lucy has ESG responsibilities assigned, although she does not have individual responsibilities within the same governance bodies.

5,67 years

AVERAGE TENURE ON GOVERNING BODY

100%

TOTAL NUMBER OF NON-EXECUTIVE DIRECTORS WITH ESG COMPETENCIES

		2023	2024
	Number of directors	8	9
	Independent Board members	2	3
	International Board Members	50%	56%
BY AGE	Directors under 30 years of age	-	-
	Directors between 30 and 50 years	25%	56%
	Directors over 50 years old	75%	44%
BY GENDER	Male councillors	13%	22%
	Female councillors	87%	78%

TENURE OF COUNCILLORS

Laurence Gary Rapp
28 June 2017

Michael John Pott
28 June 2017

Alfonso Brunet Morales-Arce
8 March 2017

Jorge Morán Sánchez
7 June 2018

Guillermo Masso López:
7 June 2018

Nigel George Payne
13 July 2018

Débora Santamaría Serrano
27 November 2018

Laurence Richard Cohen
17 September 2019

Lucy Charlotte Lilley
31 October 2023

Laurence Gary Rapp

Mr. Rapp, graduated with Honors from the Universality of the Witwatersrand as well as having attended Wharton University's Business Executive Development Program.

For the past 11 years, Mr Rapp has been the Chief Executive Officer of Vukile Property Fund Limited, Castellana's majority shareholder. He has extensive experience in the financial services environment, spanning investment banking, private equity, retail banking and insurance and asset management.

He was previously director of Standard Bank, having headed the Insurance and Asset Management division and, prior to that, heading Strategic Investment and Alliances. Additionally, he is the former President of the South African REIT Association.

Alfonso Brunet

He has extensive experience in the real estate sector and, more specifically, in the retail segment. Alfonso began his career at CB Richard Ellis (CBRE) where he worked from 1998 to 2006 in different roles in the office sector until he took on the position of head of logistics and industrial assets where he ended up running a national leasing and sales agency.

In 2006, he embarked on his career and made the leap to the retail sector, first as Investment Director in the launch of a new specialist retail fund at the British company Pradera, and then leading it as Head of Spain, managing the Spanish office with assets worth 500 million euros.

Then, after more than 11 years, Alfonso decided to join Castellana Properties in 2017 as CEO of the company. Alfonso is also a Member of the Executive Committee of AECC, Treasurer of Apresco, and Secretary General of Asocimi.

Débora Santamaría

With a long career in financial auditing and corporate finance, Debora Santamaría Serrano holds a degree in Business Administration and Management from the University of Alicante, with a specialisation in Financial Management.

She has a solid track record in internationally recognised audit firms such as KPMG and PwC, where she held the position of Senior Manager. She has participated in audits of large listed groups, company evaluations, due diligence, IPOs, capital increases, financing transactions, credit ratings, M&A and ESG, in companies such as Iberdrola Inmobiliaria, Alza Real Estate, Metrovacesa and Acciona, among others. Following her experience at PwC, she joined Axiare Patrimonio SOCIMI, S.A. as CFO until 2018 when she joined Castellana Properties as CFO and Director.

She is a Chartered Accountant, a member of the Official Register of Chartered Accountants (ROAC), and a member of the Royal Institution of Chartered Surveyors (RICS). She has also completed various executive and director training programmes at ESADE. Women to Watch 2022 edition (PwC Talent and Diversity Programme). She is a director of Castellana Green.

Michael John Potts

Mr Potts was Chief Financial Officer of Vukile Property Fund Limited from its listing on the Johannesburg Stock Exchange in 2004 until his retirement on 30 June 2019. Prior to this, he was an independent advisor to Bridge Capital Company and focused on real estate transactions, property portfolio assembly, financial structuring and capital raising. Mr Potts was also a non-executive director of Synergy Income Fund and of Outspan International Limited, and chairman of the

Outspan audit committee. Mr Potts is a Chartered Accountant and holds an Accountancy degree from the University of the Witwatersrand and a Higher Diploma in Tax Law from the same university. On a personal level, he has taken environmental action by installing solar panels and batteries, cutting 7.4 tonnes of CO2 emissions and a saving of 2.5 tonnes in standard coal use in the last year. He has attended 3 ESG courses organised by the South African Institute of Chartered Accountants (SAICA) and the ESG exchange, and an Ethics session in the Practical session organised by SAICA.

Jorge Morán Sánchez

He has been a banker for 30 years. Former CEO of Grupo Santander United States and member of Santander Global Management Group. Previously, he was CEO of Morgan Stanley for Spain and Portugal. He has been a board member of non-financial institutions such as Vía Célere, Lafinca, Kimak, Boston University and a member of the advisory board of Columbia University's School of International and Public Affairs (NY), Alvarez & Marsal and Tikehau.

He holds a degree in Economics and Business Administration from ICADE (Madrid) and an Honorary PhD in Business Administration from Bentley University (MA).

Guillermo Masso López

As a director of Excem Capital Partners SOCIMI, independent director of Gesvalt Sociedad de Tasación and Senior Advisor-Partner of G&MS Corporate, he has more than 34 years of professional experience in Corporate Finance and Consulting in Spain, Europe and Latin America.

He has been a partner at Price Waterhouse Coopers Corporate Finance for 21 years. He has acted as Advisor on corporate restructuring, monitoring independent restructuring plans, and advising several boards in Spain.

He holds a degree in Economics and Business Studies, is a Chartered Accountant and a member of the Official Register of Auditors (ROAC).

He is a founding trustee and member of the board of trustees of the Sembrando Salud Foundation, which focuses on health care for communities living along the Amazon River with difficult access. He is also a member of the Ethics Committee of the first Social SOCIMI in Spain, Primero H Socimi, an innovative project with social impact that aims to generate greater access to affordable housing for people in situations of residential vulnerability.

Mr Masso Lopez has recently received training in the field of environmental, social and governance sustainability.

Nigel George Payne

He has been the independent non-executive Chairman of the Board of Vukile Property Fund Limited since 2012. He is also Chairman of Mr. Price Group Ltd and Independent Director of Bidcorp Group Limited. He is a Chartered Accountant, holds an Accountancy degree from Rhodes University and a Master's degree in Business Leadership from the University of South Africa.

He has responsibilities in the social field, is Director of the SASME Foundation, an NGO dedicated to developing and financing small and medium-sized enterprises with the aim of boosting economic growth and sustainable employment in the South African economy.

In addition, he has attended training courses on ESG reporting indicators given by PwC South Africa as well as attending and actively participating in training on the application of ESG corporate sustainability.

Laurence Richard Cohen

With a strong background in real estate asset management, corporate finance and financial management, Laurence began his auditing career at Fisher Hoffman (PKF) from 1996 to 1999. In 2000, he joined Grant Thornton in Johannesburg, where he worked as a Senior Corporate Finance Consultant for 3 years.

In 2003, he joined Hyprop Investments Limited, where he served as Chief Financial Officer until 2018. Hyprop is a commercial real estate investment trust (REIT) listed on the Johannesburg Stock Exchange (JSE).

During his time at Hyprop, Laurence was extensively involved in various aspects of real estate asset management, debt capital markets and the structuring of local and international deals.

He chaired the Accounting and JSE Committee of the REIT Association of South Africa, served on its Executive Committee, and was instrumental in the publication of the first Best Practice Recommendations (BPR) for the South African REIT sector.

In 2019, Laurence joined Vukile Property Fund Limited (Vukile) as chief financial officer. Vukile, also a commercially focused REIT listed on the JSE, is the main shareholder of Castellana SOCIMI SA.

Lucy Charlotte Lilley

Ms Lucy Charlotte Lilley is a chartered surveyor and independent non-executive director with extensive experience in the real estate sector. Lucy has been appointed as a non-executive director and member of the audit, remuneration and operations committees for a number of real estate companies and funds, including listed and regulated enterprises. Prior to this, she spent five years as an advisor and fund manager at Schroder Real Estate Managers (Jersey) Limited and eleven years as a portfolio manager at Land Securities in London. She specialised in shopping centres and retail parks between 2004 and 2015, and has commercial real estate experience in asset management, portfolio management and fund management.

In addition, she has worked in real estate investment, development and redevelopment in the UK and Europe, and has a strong understanding of financial and operational issues.

4.3.2 Selection of Directors

EPRA Gov-Select

The Appointments and Remunerations Committee is responsible for ensuring that the selection process of its members favours diversity of gender, experience and expertise. This variety of professional profiles strengthens and enriches decision-making based on recommendations for good corporate governance.

In addition, it ensures that selection procedures are free from implicit biases that could lead to discrimination, as reflected in the Company ESG Policy.

The proposal for directors is made in accordance with the principles established in the articles of association and in the Regulations of the Board of Directors. The Appointments and Remunerations Committee proposes candidates for independent directors, the remaining directors are proposed by the current members of the Board, following a report by the Appointments and Remunerations Committee.

The proposals must be accompanied by a report from the Board justifying the competence, experience and merits of the candidate. Furthermore, all candidates must be full professionals whose conduct and career path is aligned with the mission, vision and values of Castellana Properties. Finally, the appointment of Directors is approved by the General Meeting of Shareholders.

Nominations shall be adopted by a majority of the members present or represented at the meeting. In the event of a tie, the Chairman has a casting vote.

The Chairperson, Vice-Chairperson, Secretary and Vice-Secretary are elected by the Board itself following a report from the Appointments and Remunerations Committee. The vice-presidents are responsible for replacing the President in the event of impossibility or absence, which is why the President proposes the candidates.

In the event that the Chairperson of the Board performs executive functions, the Regulations of the Board of Directors establishes that the Board must, on a proposal from the Appointments and Remunerations Committee, appoint a Coordinating Director from among the independent Directors. The current Chairman of the Board of Castellana Properties does not perform executive functions, so a Coordinating Director has not been appointed.

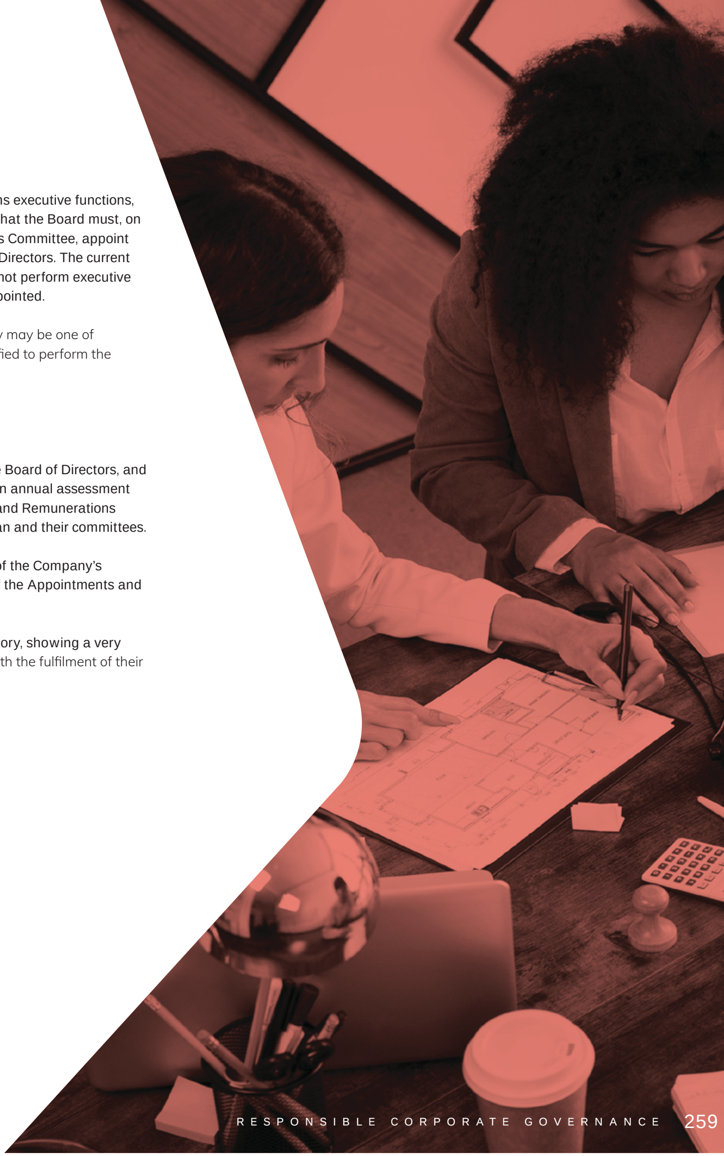
The candidate to perform the function of the Secretary may be one of the members of the Board or an external person qualified to perform the functions inherent to that position.

4.3.3 Assessment of the Board

In accordance with the terms of the Regulations of the Board of Directors, and ensuring the exercise responsible for its supervision, an annual assessment is performed following a report by the Appointments and Remunerations Committee, the Board itself, the Directors, the Chairman and their committees.

In addition, an annual evaluation of the performance of the Company's senior executives is performed, with the prior report of the Appointments and Remunerations Committee.

The results of the Council's assessment were satisfactory, showing a very high average assessment. This reflects satisfaction with the fulfilment of their roles and responsibilities.



4.3.4 Directors' remuneration

One of the main governance milestones for FY24 is the development of a Director Selection and Remuneration Policy (ESG), which is reviewed and approved by the General Shareholders' Meeting at least every three years, as a separate item on the order of business. The proposal for this policy is presented to the General Meeting by the Board of Directors, accompanied by a detailed report from the Appointments and Remunerations Committee.

This system, also defined in the Articles of Association, is designed to promote the long-term profitability and sustainability of the Company, ensuring fair payment in line with the dedication, qualifications and responsibility associated with the position.

The Castellana Properties remuneration system is based on the principles of transparency, competitiveness and capacity, consistent with the business model and ESG criteria.

4.3.5 Board of Directors committees

In order to strengthen the governance structure and ensure good practices, Castellana Properties has two committees set up as permanent internal bodies of the Board of Directors; the Audit and Risk Committee and the Appointments and Remunerations Committee.

Audit and Risk Committee

Powers:

To advise and propose within their scope of action.

Main functions:

To review and analyse the financial statements and information, reporting them to the Board, propose to the Board, for its later proposal to the General Shareholders' Meeting, the appointment of internal and external auditors, and supervise their work and ensure their independence, and to serve as communication between the Company and the auditors.

Nomination and Remuneration Committee

Powers:

To inform, advise and propose within its scope of action.

Main functions:

To propose the appointment, re-election or dismissal of independent directors, draw up the report on the proposal for the appointment or re-election of non-independent directors, and control and monitoring of gender diversity and remuneration issues.

4.3.6 Activities of the Board and its committees

	Number of	2023	2024
BOARD OF DIRECTORS	Meetings	6	6
	Attendance rate	89%	98%
AUDIT AND RISK COMMITTEE	Meetings	3	4
	Attendance rate	100%	95%
NOMINATION AND REMUNERATION COMMITTEE	Meetings	3	3
	Attendance rate	100%	89%

At the meetings of FY24, the following subjects were addressed:

Board of Directors

- Monitoring the activity and evolution of the business and new investment opportunities.
- Monitoring of the Company's corporate strategy.
- Analysis of financing alternatives.
- Formulation and approval of the Company's financial statements.
- Approval of the Company's budgets.
- Distribution of results.
- Monitoring of the Company's CapEx investments.
- Monitoring of the ESG strategy.
- Supervision of regulatory compliance.
- Monitoring and supervision of the various committees reporting to the Board of Directors.
- Appointment of a new member of the Nomination and Remuneration Committee.

Audit and Risk Committee

- Review of the individual and consolidated financial statements and analysis of the external auditor's audit opinion.
- Review of the internal audit.
- Review and supervision of asset valuations by external valuers.
- Review of the monitoring of EPRA best practices and other relevant ratios.
- Approval and updating of corporate governance and compliance policies and actions taken.
- Monitoring of the Company's risk map.

Nomination and Remuneration Committee

- Analysis of the staff organisation chart and staff turnover.
- Analysis of the results obtained in the 'Great Place to Work' Certification.
- Analysis of flexitime measures.
- Performance evaluation and proposals for objectives.
- Review of the fixed and variable remuneration system for the Board and the entire Company.
- Appointment of a new independent board member.

4.3.7 Management Team

Role	Responsibilities
Chief Investment Officer	Identify investment opportunities, including corporate mergers and acquisitions, asset acquisitions and divestitures, and the formation of strategic partnerships and JVs with third parties.
Chief Financial Officer	Perform the economic and financial management of the Company, control treasury and analysis and search for different financing alternatives, developing and maintaining an appropriate compliance culture. Implementation, supervision and maintenance of the Internal Control System and development of the ESG strategy and its execution.
Chief Operations Officer	Plan and follow up strategies to be followed in assets, carry out operational budgets of the assets and follow up on them, identify and evaluate opportunities for optimizing the performance of real estate assets. Maintaining the business relationship with tenants. Search for new tenants and opportunities for real estate assets and prepare value-added project proposals for the assets.
Chief Innovation Officer	Develop and implement the innovation strategy. Discover, analyse, prototype, test and implement new solutions that bring incremental improvements to the business or creation of new businesses.
Chief Development Officer	Carry out feasibility studies of refurbishments and extensions, manage Projects and Works in general and supervise facilities management to optimise their energy efficiency. Oversee facilities operation and maintenance, analyse energy and water saving measures, improve air quality and accessibility, and monitor the reporting of the environmental performance of the assets in different indices (regulatory and voluntary).
Chief Marketing Officer	Oversee and develop the corporate identity plan and communication strategy of the Company, as well as supervise the marketing for the various extensions and refurbishments carried out on the assets. Monitor and develop marketing for each of the shopping centres, including brand development, advertising, media planning, direct marketing, public relations, web/e-marketing, market research, and budget control.

Chief Executive Officer

Responsible for implementing the Board's strategy and overseeing all matters not reserved to the Board or its committees

EXCO

ALFONSO BRUNET
Chief Executive Officer

DÉBORA SANTAMARÍA
Chief Financial Officer

JULIO GARCÍA
Chief Operations Officer

PEDRO DÍAZ
Chief Development Officer

OMAR KHAN
Chief Investment Officer

CRISTINA MACARRÓN
Chief Marketing Officer

CARLOS GUINEA
Chief Innovation Officer

4.3.8 Committees

Executive Committee

MEMBERS	FUNCTIONS
Chief Investment Officer Chief Financial Officer Chief Operations Officer Chief Innovation Officer Chief Development Officer Chief Marketing Officer	Is composed of the Management Team. It supports the CEO in overseeing the operations and performance of the Company.

MEETINGS

It meets weekly, every Monday

Financial Committee

MEMBERS	FUNCTIONS
Chief Financial Officer Senior Corporate Finance Manager Accounting Finance Manager	Was created in FY23. It ensures sound economic and financial management of the Company, cashflow control and analysis and search for financing. It is also responsible for maintaining an appropriate compliance culture, developing and maintaining the Internal Control System and developing the ESG strategy and its implementation.

MEETINGS

It meets weekly, every Tuesday.

CapEx Committee

MEMBERS	FUNCTIONS
Chief Executive Officer Chief Financial Officer Chief Operating Officer Chief Development Officer Asset Managers Senior Corporate Finance Manager Financial Controller	It monitors the Capex's project budget, detecting deviations and proposing solutions

MEETINGS

It meets quarterly.

Innovation Committee

MEMBERS	FUNCTIONS
Chairman of the Board Chief Executive Officer Chief Innovation Officer Chief Investment Officer Chief Marketing Officer of Castellana properties General Director Treasury Director Head of Customer Analytics and the Marketing Communications Director of Vukile	It monitors the Company's innovation projects.

MEETINGS

It meets every two months.

Compliance Committee

MEMBERS	FUNCTIONS
Chief Financial Officer Senior Corporate Finance Manager Senior Compliance & ESG Controller	It ensures that the organization complies with all applicable laws, regulations, policies, and standards both internally and externally, guaranteeing the proper functioning of the Crime Prevention Model. Likewise, it is responsible of promoting ethical and responsible behaviour in all the operations and activities of the Company through the dissemination of the Code of Ethics.

MEETINGS

It meets, at least, every six months and reports to the CEO.

ESG Committee

MEMBERS	FUNCTIONS
Executive Director Chief Financial Officer Chief Operation Officer Chief Marketing Officer Chief Development Officer Environmental Head Head of Regulatory Compliance ESG Head	It oversees Castellana Properties' commitment to compliance with the ESG Strategic Plan, monitoring the same

MEETINGS

It meets, at least, every six months and reports to CEO.

Innovation Committee

MEMBERS	FUNCTIONS
CEO CFO CIO Castellana Properties: Investment Director Vukile Property Fund Limited: CEO, Group CFO, Group Head of Treasury, Senior Manager of Investments	Its main objective is to ensure the strategic and efficient management of investments and acquisitions in the retail sector, aligning each transaction with the objectives and needs of Castellana Properties and providing added value to its shareholders. It continuously analyses and monitors the market for investment opportunities in physical assets and real estate companies in the retail sector, valuing them prior to their materialisation to ensure profitability and complementarity with the existing portfolio.

MEETINGS

It meets every two weeks.

4.4 Good governance and business ethics

In addition, specific policies and manuals have been developed in a wide variety of key areas, the most relevant of which are the following:

- Castellana Code of Ethics and Conduct
- IT Governance Policy
- Money Laundering Manual
- Regulations of the General Shareholders' Meeting
- Regulations of the Board of Directors
- Internal Code of Conduct for the Securities Market
- Work-life balance, Remote Working and Digital Disconnection Policy
- Policy on the Use of the Complaints Channel
- Data Protection Policy
- Employee Engagement Programme
- Engagement with Local Communities Programme
- Director selection and remuneration policy (ESG)
- ESG Policy
- Integrated Environmental and Energy Management Policy
- Net Zero and Climate Change Policy
- Environment and Biodiversity Policy
- Sustainable Design Manual
- Health and Well-being Policy
- Circular Economy Policy

4.4.1 Compliance and Policies

Integrating best practices in good governance, business ethics and social responsibility in all of the Company's activities is a fundamental commitment for Castellana Properties. In addition to strict compliance with current regulations, the company strives to adopt standards of excellence in its operations and business relationships.

To support this commitment, Castellana Properties has a solid and well-defined corporate structure, which is based on the principles of Good Corporate Governance. This structure not only establishes clear guidelines for decision-making and risk management, but also promotes transparency and accountability in all areas of the company.

The company's governance structure is characterised by its drive and agility to respond to the ever-changing environment around it, and by being at the forefront in terms of regulatory development and corporate governance, as it is the structure that underpins the company's development and performance in all its operations. Along these lines, new policies have been developed during FY24, adapting to the current needs of the industry and its stakeholders:

- Supplier Code of Conduct
- Risk Management and Control Policy
- Responsible Investment Policy
- Responsible Purchasing Policy
- Board Selection and Remuneration (ESG) Policy

These policies serve as a guide for ethical and lawful employee behaviour, reflecting Castellana Properties' commitment to the protection of human rights, information security and respect for diversity and inclusion in the workplace. In addition, they are reviewed, keeping up to date with changes in regulations and best practices.

4.4.2 Internal Control Model

Castellana Properties has an Internal Control Model designed to meet the highest standards of quality and regulatory compliance. To achieve this goal, the Company has implemented a series of tools that are highly effective and reliable. These include:

POLICIES AND PROCEDURES

A set of clear, detailed policies and procedures that ensure consistency in the way daily operations are handled.

CRIME PREVENTION MODEL

Identification and documentation of the criminal risks that may arise from the activity of the Company and definition and implementation of the controls and mechanisms that make it possible to avoid or detect unlawful conduct.

MECHANISMS FOR PERSONAL DATA PROTECTION

Different policies are in place to ensure the correct processing of personal data and are evaluated on a regular basis.

QUALIFIED EQUIPMENT

A highly trained and experienced team in the implementation and maintenance of internal control systems, ensuring effective risk and opportunity management.

MONEY LAUNDERING PREVENTION MECHANISMS

The main mechanisms are available in accordance with the requirements established by money laundering prevention regulations, including a Prevention Manual, an Internal Supervisory Body (OCI, by its Spanish acronym), a representative before the SEPBLAC, and evaluations of the main clients in formal and economic terms by an external advisor.

FINANCIAL REPORTING CONTROL SYSTEM (ICFR)

A set of controls in financial processes to mitigate risks that could have a significant impact on financial information reported internally and to third parties. For each financial process, a cycle, flowchart and control matrix have been developed and the adequacy of the controls has been tested.

NON-FINANCIAL REPORTING CONTROL SYSTEM (INFRCS)

A Non-Financial Reporting Control System has been designed, ensuring the reliability of the company's information and performance, as well as responding to the different requirements and facilitating the reporting process, in line with the main current and future regulatory frameworks that will come into force in the coming years.

Code of Ethics

All decisions and actions of Castellana Properties are in line with the mission, vision and corporate values. To consolidate this objective, the company has a Code of Ethics which sets out its commitment to its stakeholders, as well as the definition of its values and principles that respond to business ethics and transparency in all areas of activity. The Company also has an ESG Policy and Internal Conduct Regulation. These instruments are extended to all persons involved in the development of the business and activities of Castellana.

The Code of Ethics and the Internal Conduct Regulation define the controls and mechanisms to ensure the principles and values of the Company.

Principles of the Code of Ethics:

- Complying with the law
- Living with integrity
- Transparency, anti-corruption and criminal compliance
- Acting as guardians of stakeholders
- Respecting others

All employees were trained in crime prevention measures and controls, including the Code of Ethics.

Aware of the impact that Castellana operations can have on its entire Value Chain, and the opportunity it has to promote the generation of a positive impact, both socially and environmentally, a new Suppliers Code of Ethics has been created in FY24, which establishes the red lines and principles that should govern all the company's operations. *See in detail in Chapter 6.7.*

Whistleblowing channel

Effective communication channels are essential to meet the needs and expectations of the various stakeholders. In this regard, Castellana Properties has established control systems and mechanisms designed to prevent, detect and respond appropriately to the risk of crimes being committed by any member of the organisation, for the benefit of all those involved.

The company has a Whistleblower Channel that complies with data protection regulations, accessible to all stakeholders. This channel, available on the company's website, allows any individual to report potential risks and violations of current law as well as internal company policies, in order to initiate investigations and facilitate appropriate dispute resolution.

The management of the Whistleblowing Channel is the responsibility of the Compliance Committee, which operates under a Criminal Compliance Model that establishes the company's principles of action at all organisational levels. This approach ensures Castellana Properties' transparency, accountability and commitment to compliance with applicable laws and regulations, as well as to the promotion of a safe and ethical working environment for all its employees.

> 100% of employees of Castellana Properties have signed the Code of Ethics

Internal Audit, Internal Control and Risk Management Plan

Due to the constant evolution of the market, companies face new challenges, for which the decision-making process must be streamlined, with an agile internal governance structure that allows them to adapt and respond to the new demands of their stakeholders. In order to do this safely, guaranteeing the sustainable growth of the company and minimising risks, Castellana has implemented during FY24 a complete Internal Audit, Internal Control and Risk Management Plan comprising five strategic projects:

1 Map of the company business processes

In order to strengthen internal control models, the company process map has been drawn up. This map allows for the optimising processes, integrating new technologies and detecting possible gaps in the scalability of the business, reinforcing the capacity to adapt and grow in a sustainable way in a changing business environment. To this end, the company's key processes, sub-processes and activities have been identified through workshops and interviews with all personnel, defining a corporate map (AS-IS) that marks the flow diagram of operations.

2 Definition of different key company processes

Different key processes have been defined and described through narratives and flowcharts to describe their scope within the company, and to create a process diagram that identifies the stages defined in each of them, promoting the control and traceability of information.

3 Operational effectiveness test of the Risk Map and the Crime Prevention Model:

A test of the operational effectiveness of the Crime Prevention Model and the Risk Map Control System has been carried out, with satisfactory results and confirming the company's capacity to identify, prevent and mitigate risks and crimes. The evaluation, conducted by independent auditors, highlighted the robust design, effective implementation, reliable data management and reduction of crime in Castellana thanks to these tools.

4 Facilities audit

As every year, an audit has been carried out on several of the assets to verify that the centres are aligned with the requirements and commitments of the company in terms of environmental performance (ISOs and certifications), operational (technical-legal maintenance, OCAs, HSSE, etc.) and development (licences and technical documentation).

5 Non-Financial Reporting Control System (INFRCS)

In this financial year, Castellana Properties has developed the first Internal Non-Financial Reporting Control System that ensures the reliability of the company's information and performance, in response to the different regulatory frameworks that will come into force in the coming years.

The aim is to ensure the traceability and transparency of ESG data reported by the company, facilitating data processing, and investing more time in working with the data, rather than in obtaining it.

Castellana has identified and defined the ESG data to be reported, indicating those responsible for obtaining it, its frequency, methodology, review and data conformity.

The model has been developed to adapt to the new Corporate Non-Financial Reporting Directive (CSRD), thus getting ahead of the regulatory timetable, and establishing in advance the necessary internal frameworks and procedures to successfully achieve the first report under this framework.

This system will continue to be implemented, becoming one of the most efficient tools for Castellana to improve its performance and ESG reporting.

Sustainable Purchasing Policy Framework

During FY24, Castellana has implemented a sustainable purchasing framework which is composed of several tools and procedures that will allow the company to establish the necessary sustainability requirements for any supplier that collaborates with the company.

Responsible purchasing policy

The Policy is created with the purpose of maintaining a relationship of trust and responsibility with its suppliers, which is why the principles under which the purchase of goods and services that guarantee the best conditions in the market are defined, both in terms of prices and sustainable development, safeguarding respect for Human Rights.

Furthermore, in order to guarantee that the purchasing process is carried out in a transparent and honest manner in accordance with Castellana's ethical principles and commitments, the policy details the procedures that anyone responsible for making a purchase should be aware of.

Being aware that part of the company's environmental impact is generated in the operations of its suppliers, the policy promotes those that develop products or services using energy efficiently and sustainably, and also prioritises those with environmental certifications.

Supplier Code of Conduct

To ensure that all collaborations and commercial transactions carried out by Castellana are aligned with the company's ethical commitments and values in terms of environmental and social sustainability, a Supplier Code of Ethics has been defined and implemented in FY24, which includes all the standards and requirements that Castellana follows throughout the entire Value Chain.

In addition to promoting compliance with the law, the Code is divided into 3 main blocks:

Environment: This details the environmental performance that the supplier must comply with in order to collaborate with Castellana, allowing it to improve and advance in the generation of a positive impact from its operations.

Transparency, anti-corruption and criminal compliance: This establishes the commitment to respect and promote criteria that guarantee compliance with current law applicable to each transaction.

Social Commitment: This lays the foundations in compliance with the International Labour Organisation (ILO), and the Charter of Human Rights, developed by the United Nations.

During FY25, the initiatives started in the previous year will be continued through the creation of an evaluation system that will enable the creation of a database of ESG-approved suppliers.

Anti-corruption

Companies play a crucial role in the fight against corruption and have a number of internal tools at their disposal to detect, prevent and address situations of fraud, bribery or corrupt practices. These tools range from stakeholder-accessible reporting channels to due diligence processes, risk mapping and audits.

For Castellana Properties, the prevention of corruption and money laundering is an issue of great importance, identified as one of the most relevant issues for its external stakeholders in the materiality analysis conducted for the company's new strategy. In addition, the company has a Criminal Offence Prevention Model, which has a detailed analysis of criminal risks in all areas of the company. This includes the evaluation of existing policies and controls, as well as the implementation of new procedures to effectively prevent and mitigate these risks arising from its activity.

To ensure prevention of criminal conduct and compliance with the law, the company has established an internal control structure and provides anti-corruption training to all employees. In addition, corruption risk assessments are carried out and integrated into the company's Management System. Any indications of corruption risks in company operations are identified and communicated in order to take the necessary measures.

The Code of Ethics and the Whistleblower Channel are key elements that reinforce Castellana Properties' actions against corruption, providing an environment in which employees feel safe to report possible irregularities and thus contribute to maintaining high standards of integrity and transparency.

Transparency

To demonstrate its commitment to ethical and transparent behaviour, as well as to be accountable to its stakeholders and prevent unfair practices, Castellana Properties has taken a series of measures that reflect its integrity and corporate responsibility. These measures include the publication on its website of the Articles of Association and the regulations of the General Shareholders' Meeting, the Board of Directors and the Internal Code of Conduct for the Securities Market, as well as its ESG Policy and Code of Ethics.

Furthermore, the Consolidated and individual Annual Accounts providing a detailed view of the equity and financial situation of the Company are audited by an external auditor and published on the company website. This process ensures the transparency and reliability of the financial information presented by Castellana Properties.

In line with this commitment, this ESG Report, which documents all of the company's actions and objectives in the areas of governance, social and environmental issues, has been verified by an external, independent entity. This process ensures the credibility and objectivity of the report, reinforcing Castellana Properties' commitment to the transparent disclosure of its sustainability and corporate responsibility performance.

Conflicts of interest

EPRA Gov-CoI

The probability of conflicts of interest within the governing body is low due to the simple structure of the company and the fact that, at the date of publication of this report, it only has one majority investor in the shareholding, with which there are no precedents of situations of these characteristics.

However, conflict of interest management is considered important for the company and to avoid such situations, it promotes mechanisms such as:

- Annual letters addressed to the Board, in which the Directors, in accordance with the provisions of Article 229 of the Recast Text of the Capital Companies Act regarding the duty to avoid situations of conflict of interest, report information on potential related persons, in accordance with Article 231 of the Recast Text of the Capital Companies Act.
- Incorporate the Conflicts of Interest Policy into the Code of Ethics; the purpose of which is to ensure that external activities or personal or family interests do not undermine the ability to make ethical and objective decisions in the area of responsibility. The policy outlines a number of activities that Company members should avoid engaging in, as well as steps to take in the event of a conflict situation.
- The Regulations of the Board of Directors and the Internal Rules of Conduct; they set out the mechanisms established to prevent and handle potential conflicts of interest, indicating a set of general principles of action.

The Board of Directors is responsible for reviewing the actions on conflicts of interest applicable also to its own members. In addition, all members of the Company are informed of the importance of communicating to their line manager if there is a potential risk.

- During FY24, as well as in previous fiscal years, Castellana Properties has not identified any conflicts of interest.
- Those arising in the future will be declared in the Conflicts of Interest Register of Castellana Properties.
- Castellana Properties does not make monetary or non-monetary contributions to political parties.

4.4.3 Risk management

Castellana Properties considers risk management to be of particular relevance for the fulfilment of Company objectives and regulatory compliance. Therefore, it identifies, analyses, evaluates, manages and communicates the risks associated with the Audit and Risk Committee so that they can be monitored.

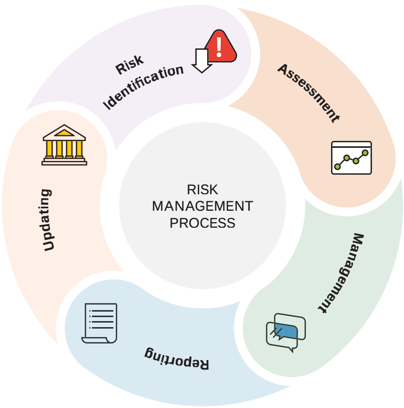
During FY24, the company continued its progress in extending and improving its risk management system, developing a Risk Management and Control Policy, which integrates the company's vision of risks into its management and strategy, reducing risks, assessing impacts and defining the necessary measures for their management and mitigation. It has been developed in accordance with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) - ERM (Enterprise Risk Management - Integrated Framework), which facilitates both the identification and assessment of the impact and the probability of occurrence of the various risks to which the company is exposed.

This new Policy sets out the assessment criteria that Castellana follows to identify the impact that the occurrence of risk could have on its operations. To this end, all the risks detected are integrated into the Corporate Risk Map, following COSO methodology, enabling the development of strategies to mitigate those considered necessary.

This Policy establishes the internal control systems that the company has in place to mitigate the potential effects of the risks identified, seeking to define the most appropriate response taking into account the activity on which it impacts, and the characteristics of the risk itself. The areas and manager responsible for implementing corrective actions to make the risk residual are identified.

As a milestone, the Risks and Opportunities related to Climate Change have been integrated into this policy, as a commitment by Castellana to recognise the importance that these may have on its company, equating them to another corporate risk. To this end, appropriate operational controls and strategies will be in place to mitigate these risks, in line with the recommendations set out in the TCFD report. *See in detail in Chapter 5.4.1. Climate Risks.*

In line with the FY24 internal audit plan, operational effectiveness tests of the controls implemented in the company to mitigate risks were carried out during the year. The result has been positive, concluding that all controls are effective.



4.4.4 Cybersecurity

Castellana is aware of the high risk that cyber-attacks pose to the company and its operations. Castellana's systems have evolved significantly in recent years, incorporating new network systems, services and applications. This has increased the complexity of the systems and widened the potential area of attack, and may lead to the need to manage additional network vulnerabilities, which has made the company aware of the new risks to which they are exposed.

For this reason, during FY24 the first steps have been taken in the development of a three-year Comprehensive Cybersecurity System consisting of the implementation of two Management Systems, an Information Security Management System and a Business Continuity Management System, and the implementation of different specific and annual actions to identify the current state of the company, correct possible failures detected, reduce the risk and improve the information security and cybersecurity situation.

Information Security Management System (ISMS)

An organized approach to managing sensitive information of the company so that it remains secure. Includes people, processes and IT systems through application of risk management.

Main milestones:

- Development of a comprehensive ISMS policy.
- Risk assessment and safety plan treatment.
- Development of security policies and procedures.
- Ensure that Castellana Properties meets the standard ISO/IEC 27001.

Business Continuity Management System (BCMS)

A framework that helps organizations prepare for disruptive incidents. Ensures that critical functions of the business continue operating before, during and after an interruption.

Main milestones:

- Business impact analysis (BIA) in functions or key business processes.
- Development of the Business Continuity Plan (BCP) and recovery strategies.
- Development and implementation of a comprehensive response plan to incidents.

In addition, following the success of the Cybersecurity Month held during FY23, which sought to raise awareness among all employees, this FY24 saw the implementation of Cybersecurity Week, in which various communication and training actions were carried out to improve the level of awareness of employees in this area, thus ensuring the protection of information and infrastructures of the company.