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Consolidated
Non-Financial
Reporting Statement

2024



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1. INTRODUCTION

The Consolidated Non-Financial Reporting Statement (hereinafter the "Non-Financial Reporting Statement", or "NFRS") has been prepared with the aim of providing significant information in relation to the activity of Hipoges Iberia, S.L. and its Subsidiaries (hereinafter, "Hipoges" or the "Entity" or the "Group"), in accordance with the requirements of Act 11/2018, of 28 December 2018, modifying the Code of Commerce, the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July 2010, and Act 22/2015, of 20 July 2015, on Accounts Auditing, regarding non-financial reporting and diversity.

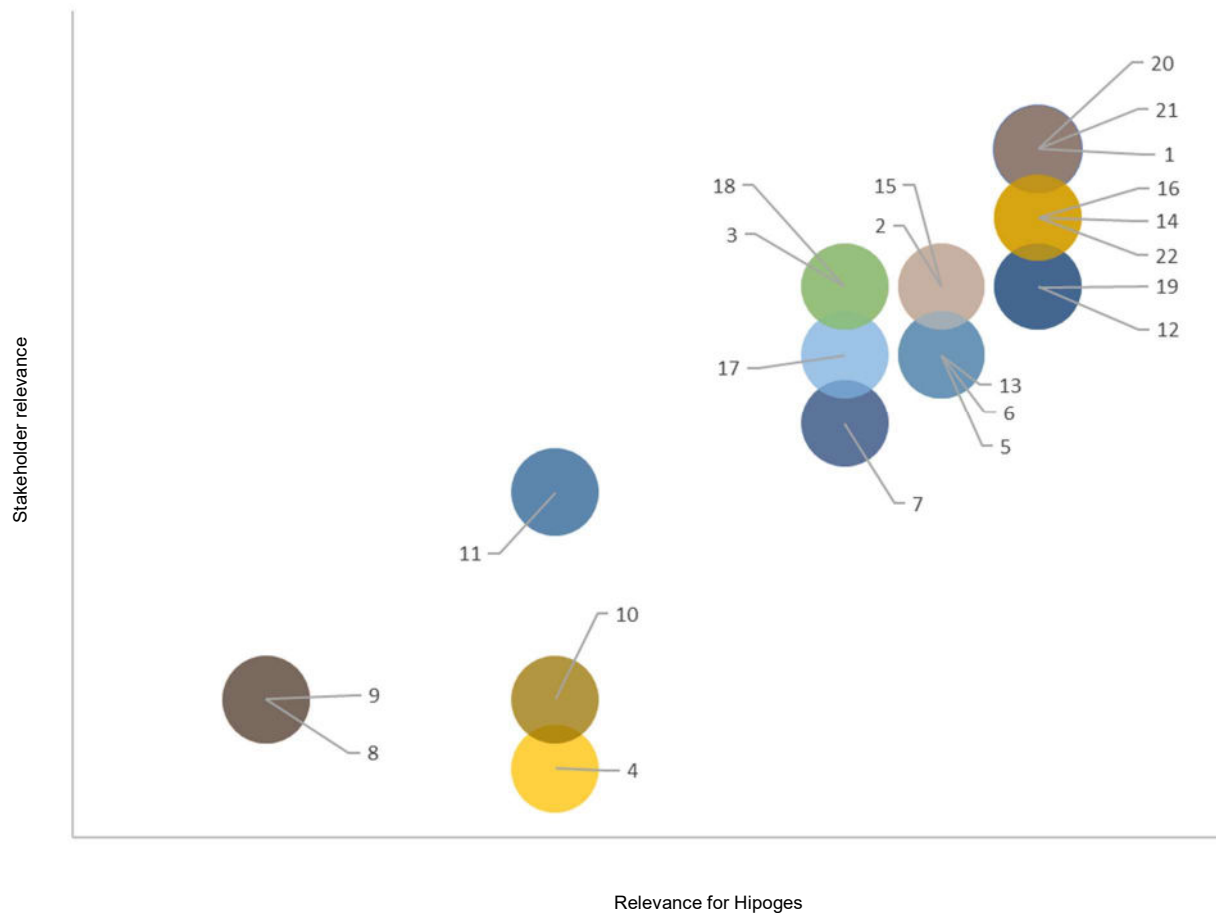
In preparing this document, the guidelines on the presentation of non-financial reports of the European Commission (2017/C 215/01) were considered in accordance with European Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups, as well as the Guide for the preparation of sustainability reports of the Global Reporting Initiative ("GRI Standards").

Through the NFRS, Hipoges aims to report on environmental, social, ethics and compliance, personnel and human rights issues relevant to the Group in the performance of its business activities. All of this is taking into account the impact that current military conflicts are having on each of these issues.

Thus, and in accordance with the Hipoges business model, different ESG (Environmental, Social and Governance) factors have been identified, such as those shown below:

1	Economic performance.
2	Market presence (scope, where the Entity operates, salaries, local Management Committee).
3	Indirect economic consequences of the Entity where it operates (economic development, services, infrastructure, job creation).
4	Procurement practices: procurement and purchasing from local suppliers.
5	Materials used in workplaces (consumption, toxicity, renewable, recyclable).
6	Energy efficient consumption (electricity, fuel, heating, cooling).
7	Efficient water consumption (source, quantity, reuse).
8	Impact on biodiversity by the facilities and activities of the Entity.
9	Emissions to the atmosphere and their impact on climate change (GHG: greenhouse gases).
10	Effluents and waste (quantity, quality of water discharged, type of waste and its management).
11	Environmental assessment of suppliers (consideration of environmental performance criteria in supplier selection).
12	Employment (quality, homogeneity by centre, churn rates, social benefits, right to leave and resume employment).
13	Relations between workers and management (collective agreements, consultations, negotiations).
14	Health and safety of employees at their workstations.
15	Training and professional development.
16	Promoting diversity and equal opportunities (gender, age, race, disability, sexual orientation, or other minority groups).
17	Human rights assessment (supply chain risk analysis).
18	Social action (focusing on social health, international cooperation, development programmes, investments).
19	Regulatory compliance in all areas (socioeconomic, environmental, service provision).
20	Anti-corruption and anti-bribery.
21	Corporate governance and ethical conduct.
22	Customer service and claims.

After analysing the relevance of these aspects both for Hipoges and its stakeholders (people from the organisation, the organisation's governance, investors and customers, as well as external stakeholders), the following materiality matrix was obtained:



Based on these results, it has been determined that the main issues on which information needs to be presented in this NFRS relate to personnel aspects, health and well-being at work, prevention of money laundering, ethics and compliance. In this regard, given the characteristics of the Hipoges business, the Environment area has been identified as a non-significant area.

Lastly, with regard to the analysis of materiality and the corporate perimeter, the report includes all entities comprising the Group.

2. BUSINESS MODEL

2.1 MISSION AND VISION

Hipoges was created in 2008 as an alternative to the traditional pre-existing management of financial assets. Anticipating the arrival of new market players and new service needs, the Hipoges Group is established with a clear **Mission and Vision**:

- **Mission:** Define and implement asset management structures adapted to the needs of our customers, and capable of responding to complex situations and in diverse environments, with special attention to sustainability, ethics and good governance.
- **Vision:** Be a leading international platform that provides comprehensive asset management solutions in a cost-effective, efficient and innovative manner.

Hipoges has defined values and pillars of action conceived and internalised throughout its human capital to help develop the “mission” and achieve the “vision” mentioned above.

The **4 values** of the Entity are:

- **Trust:** in relationships and through acts that inspire trust and confidence.
- **Commitment:** maximising capabilities to achieve goals.
- **Transparency:** clarity in actions, ideas and intentions.
- **Ambition:** improving day-to-day matters to meet objectives and exceed expectations.

The Entity's **3 pillars** of action are:

- **Business growth** - Achieve and maintain consistent growth in turnover from existing customers, new customers and market share, based on growing cash flows.
- **Business expansion and diversification** - Expanding the company's operations into different geographies and business lines, either through mergers and acquisitions or internal projects to explore market opportunities and reduce operational, macroeconomic and systemic risk.
- **Efficiency and margin improvement** - Initiatives to improve the group's EBITDA margin by maintaining a global internal awareness among all employees to always look for ways to improve the activities performed and to understand how the market and customer preferences/demands are evolving.

With offices in Spain, Portugal, Greece and Italy, and over 1,800 employees, Hipoges works for leading international financial institutions and investors specialising in the "distressed assets" sector.

2.2 LINES OF ACTIVITY

The business model comprises a set of business lines for the Entity, including additional services incorporated in 2024:

- **Advisory/Underwriting:** Hipoges is involved in the generation of opportunities through ongoing contact with the various relevant agents (investors and banks), draws up pricing and asset valuation models, and supports the customer in the investment acquisition process (and sales, if required), by providing support in the preparation of the binding offer, in the financing process, and with registration, delivery and takeover.
- **Portfolio management:** Hipoges dedicates specialist teams according to the type of assets throughout the entire investment recovery cycle. This area is mainly comprised of teams of lawyers and asset managers working on the resolution of debt and the allocation of guarantees where applicable, mainly on private portfolios, SMEs with a residential guarantee or without any guarantee, debt of large corporations such as Property Developers, and which are characterised by more higher-value and complex guarantees.
- **Property:** responsible for the management of all "Property Units" taken on by Hipoges with different returns strategies. The services include the entire registration and holding process, preparation for placing on the market, commercialisation, marketing of assets on platforms, and closure of transactions. The Global Management area is responsible for the standardisation of processes and procedures within Property, with the aim of achieving equitable ways of working between countries.
- **Support Operations:** department responsible for providing operational support, with administrative teams in the different asset management tasks, including the registration and judicial possession of property assets and the registration of different tasks in the system for case files.
- **Bank Servicing:** teams of lawyers and asset managers working on debt resolution and collateralisation, where applicable, on portfolios with bank debt. This service line is only implemented in Portugal.
- **Securitisation:** Hipoges offers its customers the possibility of securitising their investments through the public or private issuance of securities registered under the supervision of regulatory bodies.

- **Corporate services:** Hipoges provides a full and comprehensive management service for special purpose vehicle ("SPV") companies owning property assets that customers establish in Spain and Portugal when they invest in the acquisition of portfolios in those countries.
- **Property valuation services:** execution of property asset valuation reports under certified RICS methodology as well as valuations for regulated entities in Portugal subject to CMVM supervision.
- **Alternative finance:** team of analysts focused on providing an alternative finance platform operating in Portugal, providing services to the property development sector as well as providing access to flexible finance.
- **Management:** Management service for the different phases of the asset life cycle, with the aim of maximising the efficiency and quality of the service, as well as the communication of the management with the administrations and the management of all the inherent documentation.
- **Hotel Management:** A partnership was formed between Hipoges and KPI Hotel Management Services, a company with a successful track record in the management of Hotels & Resorts in Portugal. Hipoges is now able to address and provide all management services required by hotel asset customers.
- **Facility Management:** Hipoges acquired a majority stake in Cobo, a leading facility management company with more than 70 years of experience in providing facility services to major players in Spain.
- **Advice and Promotion RE:** Hipoges acquired a majority stake in Domus Residential Services (Domus RS), a Spanish-based residential property marketing, development and project management company with more than a decade of experience.
- **Mortgage brokerage:** Hipoges offers a platform for offering the best mortgage to asset buyers, with the aim of guaranteeing an intermediation service between individuals and legal entities interested in financing and banks.

Through these business lines, and additional lines that the Entity continues to analyse as part of the strategic plan, Hipoges aims to consolidate and improve its competitive position within the sector in markets where it already has a strong presence, such as Spain, Portugal, Greece and Italy, as well as to expand its activity into new international markets where it can create added value due to the opportunities they offer.

2.3 FUTURE

Over the last several years, the Hipoges group has transformed from a company with an almost total focus on the servicing market to a group with increasing horizontal business integrations and which today, with a large number of subsidiaries and different business lines, has a greater complementarity of service based on the fact that customers previously had to turn to other companies to complete the service.

In order to follow up on this growth, a number of initiatives are underway in the group to achieve the following milestones:

- Greater collaboration with the banking sector due to the growing interest that Spanish banks are showing in managing their own portfolios of non-performing loans ("NPL").
- Investment in technology with the aim of increasing the operational efficiency of processes through automation and greater flexibility.
- Adaptation of talent management models, developing the skills required and demanded by the market reality, attracting those profiles that provide the skills that cannot be developed internally, guaranteeing an inclusive and diverse working environment and focusing on employee experience, as levers of consolidation, growth and development.
- Intensification of Marketing work, gaining visibility, projecting the Hipoges brand as a byword on the market and actively participating in the dynamics of the markets where it operates or expects to operate.
- Monetise marketing investments in property assets by launching enhanced marketing platforms and improve external visibility of assets under management.
- International expansion of the group and contribution of value and expertise in alternative but potential markets due to the accumulation of distressed assets in the economy.

Finally, new initiatives are expected to emerge with the increasing consolidation of the Servicing market, mainly in Spain with the change of Sareb's contract in 2022, but also in other geographies with the changes in banks' contracting models for the management of their assets and the technological and innovation factor that will distinguish the best competitors in the market.

2.4 RISK MANAGEMENT

In relation to the risks arising from the above issues, Hipoges has a risk management framework composed of the following activities classified as essential:

- **Identification**, which includes a comprehensive and extensive analysis of the sectoral risks faced by the Entity.
- **Measurement**, performed by calculating possible probability and impact scenarios, the variables of which have previously been determined by Management. It is at this point that the “risk appetite” of the Entity is determined.
- **Prioritisation**, determining a Ranking on which to operate based on the criticality and manifestation of the risks identified.
- **Management**, defining this step as mitigation of the most important risks through the design and implementation of the respective controls: prevention, detection, offsetting and/or mitigation.
- **Reporting**, communicating the outcome of the mitigation to both the risk owner, and to the Risk Committee and the Entity’s Management Committee.
- **Supervision and monitoring**, ensuring that risks maintain an acceptable level of criticality by means of the periodic evaluation of mitigating controls, in other words reviewing their level of effectiveness. Related risk events are also monitored in case corrective actions are required.
- **Redefinition of controls**, which may arise if the level of effectiveness is not considered sufficient and the scope or objective of the control, or of the control activity, must be modified to ensure an acceptable minimum level.

Risk management has been identified as a primary factor in the growth and corporate strategy of Hipoges, so the scope includes not only corporate risks, but also criminal liability risks.

This function is currently undertaken by the "Risk Area", whose structuring and assignment of functions allows us to focus efforts on the aforementioned activities, which essentially comprise identifying, prioritising, managing and reporting the risks faced by Hipoges.

The list of risks identified by Hipoges is shown below:

Caption	Sub-heading	Risks
Business model	Description of the group business model	Rapid growth Macroeconomic outlook triggered by ongoing military conflicts Appropriate positioning when entering new markets
Information on environmental issues	Pollution	Given the activity performed by Hipoges, no relevant risks are identified in this regard
	Sustainable use of resources	
	Climate Change	
	Protection of biodiversity	
	Circular economy and waste prevention and management	Inadequate waste management
Information on social and staff issues	Employment	Talent attraction and retention Discrimination Pay gap Disconnection from work
	Working structure	Absence from work Lack of work-life balance measures
	Health and Safety	Non-compliance with the Occupational Risk Prevention Policy Insufficient training in occupational risk prevention and health and safety
	Labour relations	Employee job dissatisfaction
	Training	Inadequate training offered to new joiners Lack of continuous and individualised training Inability to mobilise and manage talent internally
	Accessibility	Accessibility of facilities for people with disabilities
	Equality	Lack of diversity in team membership Discrimination on the basis of sexual orientation or gender Workplace harassment Sexual harassment
Information regarding respect for human rights	Human Rights	Given the activity performed by Hipoges, no relevant risks are identified in this regard
Information on combating corruption and bribery	Corruption and Bribery	Unjustified benefits or advantages offered to some customers to the detriment of others
		Unjustified benefits or advantages received from third parties
		Bribes to public officials to obtain/expedite procedures
		Breach of money laundering prevention regulations
		Breach of the criminal model
Information about the company	Company commitment to sustainable development	Image and reputation of Hipoges Iberia
	Subcontracting and suppliers	Inadequate management and monitoring of supplier relationships
		Corruption and bribery in the purchasing process
	Consumers	Breach of data protection regulations
		Image and reputation resulting from inadequate customer and third-party service
	Tax information	Incorrect interpretation and application of applicable law according to applicable jurisdiction

3. SOCIAL AND STAFF-RELATED MATTERS

3.1 EMPLOYMENT

People management is particularly important at a service company like Hipoges, where people are the most valuable asset. Management that accompanies the business in its transformation enhances employees' commitment to the company's values and contributes to the development of their capabilities in a healthy, diverse and collaborative working environment.

The main aspects related to Hipoges staff are developed below.

Note: Employee disclosures include employees currently absent from work for any reason (including voluntary leave of absence). Professionals who provide services at one of the Hipoges companies but belong to another company (interns, professionals from temporary employment companies, etc.) are excluded.

3.1.1 Total number and distribution of employees by gender, age, country and professional classification

At the close of 2024, Hipoges had the following employees, whose gender and country breakdown is as follows:

2024 Gender distribution

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Total	604	874	108	151	27	23	13	7
	1,478		259		50		20	

2023 Gender distribution

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Total	591	820	123	172	30	26	12	7
	1,411		295		56		19	

By **age group**, the distribution of the workforce is as follows:

2024 Age distribution

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
30 or under	108	147	16	14	5	6	3	1
31 to 40	237	357	45	73	12	9	2	3
41 to 50	174	256	34	57	4	7	6	2
Over 50	85	114	13	7	6	1	2	1
Total	604	874	108	151	27	23	13	7
	1,478		259		50		20	

2023 Age distribution

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
30 or under	102	123	20	14	9	9	2	1
31 to 40	239	344	49	83	9	12	2	3
41 to 50	159	241	42	67	5	4	6	3
Over 50	91	112	12	8	7	1	2	0
Total	591	820	123	172	30	26	12	7
	1,411		295		56		19	

In terms of professional groups, the following table details the breakdown of the workforce by gender and country:

2024 Breakdown by professional category

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Staff and Middle Managers	568	858	101	148	25	23	10	7
Directors	19	12	6	2	1	0	0	0
Senior Managers	17	4	1	1	1	0	3	0
Total	604	874	108	151	27	23	13	7
	1,478		259		50		20	

2023 Breakdown by professional category

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Staff and Middle Managers	559	808	117	167	27	26	9	7
Directors	17	9	5	4	2	0	0	0
Senior Managers	15	3	1	1	1	0	3	0
Total	559	808	117	167	27	26	9	7
	1,411		295		56		19	

Using the **internal categories** employed at Hipoges, the employee data grouping all the countries is as follows:

2024 Breakdown by ungrouped category

	Men		Women	
	N	%	N	%
Junior	114	36%	201	64%
Specialist	279	36%	493	64%
Senior	156	45%	192	55%
Middle Management	155	51%	150	49%
Coordinator	92	49%	97	51%
Manager	32	46%	37	54%
Associate Director	31	66%	16	34%
Senior Management	48	72%	19	28%
Director	26	65%	14	35%
Chief	15	79%	4	21%
Managing Director	7	88%	1	13%
Total	752	42%	1,055	58%

2023 Breakdown by ungrouped category

	Men		Women	
	N	%	N	%
Junior	125	37%	215	63%
Specialist	280	37%	473	63%
Senior	153	46%	182	54%
Middle Management	154	53%	138	47%
Coordinator	98	48%	107	52%
Manager	19	59%	13	41%
Associate Director	37	67%	18	33%

Senior Management	44	72%	17	28%
Director	24	65%	13	35%
Chief	13	81%	3	19%
Managing Director	7	88%	1	13%
Total	756	42%	1025	58%

Finally, regarding the **years of service** at Hipoges, the following breakdown is given:

2024 Distribution by length of service

	Men	Women
Under 3 years	486	665
Between 3 and 6 years	165	232
Over 6 years	101	158
Total	752	1,055

2023 Distribution by length of service

	Men	Women
Under 3 years	540	701
Between 3 and 6 years	157	232
Over 6 years	59	92
Total	756	1,025

3.1.2 Total number and distribution of employment contract types

The distribution of **types of working hours and contract** is reflected in the following tables:

2024 Type of contract

	Men	Women
Permanent Contract	739	1039
Temporary Contract	13	16
Total	752	1,055

2023 Type of contract

	Men	Women
Permanent Contract	730	1002
Temporary Contract	26	23
Total	756	1,025

2024 Contract Type by gender and country

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Permanent Contract	601	867	100	142	27	23	11	7
Temporary Contract	3	7	8	9	0	0	2	0
Total	604	874	108	151	27	23	13	7
	1,478		259		50		20	

2023 Contract Type by gender and country

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Permanent Contract	586	814	104	155	30	26	10	7
Temporary Contract	5	6	19	17	0	0	2	0
Total	591	820	123	172	30	26	1	7
	1,411		295		56		19	

The percentage of permanent contracts is the most widely used type overall (98%) and particularly in Spain (99%). Temporary hiring is a formula more commonly used in Portugal, because the trial periods for less experienced profiles are not long enough to allow for assessing the fit and adaptation within the organisation, so temporary hiring formulas are used as an experimental period, which usually culminate in permanent contracts.

2024 Type of working hours

	Men	Women
Full-time	748	1,044
Part-time	4	11
Total	752	1,055

2023 Type of working hours

	Men	Women
Full-time	748	1,002
Part-time	8	23
Total	756	1,025

2024 Disclosure by age and type of contract

	Full-time	Part-time
30 or under	293	7
31 to 40	736	2
41 to 50	536	4
Over 50	227	2
Total	1,792	15

2023 Disclosure by age and type of contract

	Full-time	Part-time
30 or under	271	9
31 to 40	735	6
41 to 50	514	13
Over 50	230	3
Total	1,750	31

2024 Disclosure by contract type and professional category

	Full-time	Part-time
Staff and Middle Managers	1,725	15
Directors	40	0
Senior Managers	27	0
Total	1,792	15

2023 Disclosure by contract type and professional category

	Full-time	Part-time
Staff and Middle Managers	1,690	30
Directors	36	1
Senior Managers	24	0
Total	1,750	31

3.1.3 Annual average for permanent, temporary and part-time contracts by gender, age and professional classification

With regard to contract types, the annual average figures, calculated on the basis of the **average of permanent and temporary contracts at the last day of each month**, are as follows:

2024 Contract Type by gender (Average)

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Permanent Contract	601.5	851.8	102.1	146.5	28.0	24.4	10.7	6.4
Temporary Contract	3.0	6.8	13.6	12.8	0.0	0.0	2.0	0.0
Total	604.5	858.6	115.7	159.3	28.0	24.4	12.7	6.4

2023 Contract Type by gender (Average)

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Permanent Contract	573.0	766.6	102.6	149.3	28.0	25.8	7.8	6.9
Temporary Contract	7.9	20.1	18.3	23.3	0.0	0.0	21.8	1.8
Total	580.9	786.7	120.9	172.6	28.0	25.8	9.7	8.8

2024 Contract Type by age (Average)

	Spain				Portugal				Greece				Italy			
	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50
Permanent Contract	241.7	576.2	425.4	210.1	22.3	112.0	94.4	19.8	11.8	22.1	11.3	7.3	3.7	5.0	7.3	1.1
Temporary Contract	3.7	4.1	1.8	0.2	6.7	13.3	5.4	1.1	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Total	245.3	580.3	427.3	210.3	29.0	125.3	99.8	20.9	11.8	22.1	11.3	7.3	3.7	5.0	8.3	2.1

2023 Contract Type by age (Average)

	Spain				Portugal				Greece				Italy			
	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50
Permanent Contract	189.5	562.3	397.7	196.2	23.2	111.4	97.1	20.2	16.8	19.9	9.4	7.7	2.2	4.7	6.9	1.0
Temporary Contract	8.3	9.6	6.1	4.0	9.6	17.1	13.8	1.3	0.0	0.0	0.0	0.0	0.3	0.5	1.4	1.5
Total	197.8	571.8	397.8	200.2	32.8	128.5	110.8	21.4	16.8	19.9	9.4	7.7	2.4	5.2	8.3	2.5

**2024 Type of Contract by professional category
(Average)**

	Spain			Portugal			Greece			Italy		
	Staff and Middle Manageme nt	Managers	Senior Managers	Staff and Middle Manageme nt	Manage rs	Senior Managers	Staff and Middle Manageme nt	Managers	Senior Managers	Staff and Middle Management	Manage rs	Senior Managers
Permanent Contract	1,402.1	30.1	21.2	238.2	8.4	2.0	50.2	1.3	1.0	14.1	0.0	3.0
Temporary Contract	9.8	0.0	0.0	26.4	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0
Total	1,411.8	30.1	21.2	264.6	8.4	2.0	50.2	1.3	1.0	16.1	0.0	3.0

**2023 Type of Contract by professional category
(Average)**

	Spain			Portugal			Greece			Italy		
	Staff and Middle Manageme nt	Managers	Senior Managers	Staff and Middle Manageme nt	Manage rs	Senior Managers	Staff and Middle Manageme nt	Managers	Senior Managers	Staff and Middle Management	Manage rs	Senior Managers
Permanent Contract	1,296.6	25.0	18.0	241.8	8.0	2.0	50.8	2.0	1.0	11.8	0.0	3.0
Temporary Contract	28.8	0.0	0.0	41.7	0.0	0.0	0.0	0.0	0.0	3.7	0.0	0.0
Total	1,324.6	25.0	18.0	283.5	8.0	2.0	50.8	12.0	1.0	15.4	0.0	3.0

With regard to the type of working hours, the annual average figures, based on the same criterion as for the previous average, are as follows:

2024 Type of Working Hours by gender (Average)

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Full-Time	598.8	845.7	115.7	159.3	28.0	24.4	12.7	5.4
Part-Time	5.7	12.9	0.0	0.0	0.0	0.0	0.0	1.0
Total	604.5	858.6	115.7	159.3	28.0	24.4	12.7	6.4

2023 Type of Working Hours by gender (Average)

	Spain		Portugal		Greece		Italy	
	Men	Women	Men	Women	Men	Women	Men	Women
Full-Time	575.3	764.3	120.9	172.5	27.0	25.8	9.7	7.8
Part-Time	5.6	21.8	0.0	0.1	1.0	0.0	0.0	0.9
Total	580.9	786.2	120.9	172.6	28.0	25.8	9.7	8.8

2024 Type of Working Hours by age (Average)

	Spain				Portugal				Greece				Italy			
	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50
Full-Time	236.6	577.7	422.0	208.3	29.0	125.3	99.8	20.9	11.8	22.1	11.3	7.3	2.7	5.0	8.3	2.1
Part-Time	8.8	2.6	5.3	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Total	245.3	580.3	427.3	210.3	29.0	125.3	99.8	20.9	11.8	22.1	11.3	7.3	3.7	5.0	8.3	2.1

2023 Type of Working Hours by age (Average)

	Spain				Portugal				Greece				Italy			
	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50	30 or under	31 to 40	41 to 50	Over 50
Full-Time	191,9	564,9	384,7	198,2	32,8	128,4	110,8	21,4	16,8	19,9	9,4	6,7	1,5	5,2	8,3	2,5
Part-Time	5,9	6,9	12,6	2,0	0,0	0,1	0,0	0,0	0,0	0,0	0,0	1,0	0,9	0,0	0,0	0,0
Total	197,8	571,8	397,3	200,2	32,8	128,5	110,8	21,4	16,8	19,9	9,4	7,7	2,4	5,2	8,3	2,5

2024 Type of Working Hours by professional category (Average)

	Spain			Portugal			Greece			Italy		
	Staff and Middle Management	Directors	Senior Managers	Staff and Middle Management	Directors	Senior Managers	Staff and Middle Management	Directors	Senior Managers	Staff and Middle Management	Directors	Senior Managers
Full-Time	1,393.3	30.1	21.2	264.6	8.4	2.0	50.2	1.3	1.0	15.1	0.0	3.0
Part-Time	18.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Total	1,411.8	30.1	21.2	264.6	8.4	2.0	50.2	1.3	1.0	16.1	0.0	3.0

2023 Type of Working Hours by professional category (Average)

	Spain			Portugal			Greece			Italy		
	Staff and Middle Management	Directors	Senior Managers	Staff and Middle Management	Directors	Senior Managers	Staff and Middle Management	Directors	Senior Managers	Staff and Middle Management	Directors	Senior Managers
Full-Time	1,296.7	25.0	18.0	283.4	8.0	2.0	50.8	1.0	1.0	14.5	0.0	3.0
Part-Time	27.4	0.0	0.0	0.1	0.0	0.0	0.0	1.0	0.0	0.9	0.0	0.0
Total	1,324.1	25.0	18.0	283.5	8.0	2.0	50.8	2.0	1.0	15.4	0.0	3.0

3.1.4 Number of terminations by gender, age and professional classification

With regard to the number of **terminations** by gender, age and professional classification, the following breakdown is shown:

2024 Gender breakdown

	Men	Women
Dismissals	45	75
Voluntary Resignations	121	98
Non-renewal (expired or unsuccessful trial period)	25	27
Churn rate (% calculated against total workforce)	10.57%	11.07%
Churn rate (% calculated against total category)	25.40%	18.96%

2023 Gender breakdown

	Men	Women
Dismissals	42	40
Voluntary Resignations	113	104
Non-renewal (expired or unsuccessful trial period)	41	34
Churn rate (% calculated against total workforce)	11.01%	9.99%
Churn rate (% calculated against total category)	25.93%	17.37%

2024 Breakdown by age

	30 or under	31 to 40	41 to 50	Over 50
Dismissals	18	33	45	24
Voluntary Resignations	55	80	52	32
Non-renewal (expired or unsuccessful trial period)	12	22	14	4
Churn rate (% calculated against total workforce)	4.70%	7.47%	6.14%	3.32%
Churn rate (% calculated against total category)	28.33%	18.29%	20.56%	26.20%

2023 Breakdown by age

	30 or under	31 to 40	41 to 50	Over 50
Dismissals	3	30	24	25
Voluntary Resignations	49	88	50	30
Non-renewal (expired or unsuccessful trial period)	15	24	24	12
Churn rate (% calculated against total workforce)	3.76%	7.97%	5.50%	3.76%
Churn rate (% calculated against total category)	23.93%	19.16%	18.60%	28.76%

2024 Breakdown by professional category

	Staff and Middle Managers	Directors	Senior Managers
Dismissals	117	3	0
Voluntary Resignations	215	3	1
Non-renewal (expired or unsuccessful trial period)	52	0	0
Churn rate (% calculated against total workforce)	21.25%	0.33%	0.06%
Churn rate (% calculated against total category)	22.07%	15.00%	3.70%

2023 Breakdown by professional category

	Staff and Middle Managers	Directors	Senior Managers
Dismissals	80	2	0
Voluntary Resignations	215	2	0
Non-renewal (expired or unsuccessful trial period)	75	0	0
Churn rate (% calculated against total workforce)	20.77%	0.22%	0.00%
Churn rate (% calculated against total category)	21.51%	10.81%	0.00%

The above data show that a similar number of women and men leave the Entity, with the highest figures corresponding to men.

Generation Z people account for the highest churn percentage. This trait is very characteristic of younger people in the labour market in general, with very short-term career ambitions and aspirations.

The data also shows high stability in the Entity's management team.

3.1.5 Remuneration policy

Hipoges develops a remuneration policy based on the following principles:

- **Results-oriented:** recognition of excellence.
- **Loyalty:** recognition of seniority and contribution to the Entity.
- **Internal equity:** the remuneration received is in accordance with the value that the Entity ascribes to each position within the organisation.
- **External competitiveness:** the salary ranges established enable us to attract and retain talent based on what the market offers.
- **Regulation:** salary ranges are always fixed within the existing legal framework

The remuneration of each professional has the following elements:

- **Fixed remuneration:** defined by the position held and the functional and personal increments applicable in each case.
- **Variable remuneration:** linked to additional and extraordinary contribution in the performance of the job, of an amount determined by the degree of achievement of the objectives established.

The assessment of people's performance, for the purposes of determining variable remuneration, takes into account not only quantitative criteria but also other qualitative criteria.

For the purpose of determining the percentage represented by variable remuneration relative to fixed remuneration, target percentages of variable remuneration relative to fixed remuneration have been established for each job level.

The allocation and settlement of the annual variable remuneration is carried out through a model that determines the weighting of the different categories of objectives for each job level. This means that each person is aligned with the strategic objectives: those of Hipoges as a whole, assigning a higher weighting to these types of objectives the greater the responsibility of the position, and in the case of technical teams giving a higher weighting related to the specific functions with which they contribute to the general objectives.

Additional corporate benefits

Hipoges remuneration policies also include social benefits for its employees, such as:

- Health insurance.
- Parking space on the premises according to internal policy.
- Scholarships for postgraduate studies.

In addition, employees may participate in the flexible remuneration system under which they may substitute part of their remuneration for certain goods and services (remuneration in kind), such as childcare vouchers, transport card or restaurant vouchers in the case of Spain, and 'ticket à infancia, educação e ensino' in Portugal. This allows workers to improve their pay through the tax advantages of certain products contracted under this system. Some 20% of employees in Spain use this "flexible remuneration" tool.

3.1.6 Average pay and changes in pay, broken down by gender, age and professional classification or equivalent

The detail of the **gross average annual remuneration**, calculated as the sum of all payments as fixed and variable salary and remuneration in kind (*), is as follows:

() For those cases where the data for the full year are not available (those joining during the current year, paternity leave and voluntary leave of absence), an estimate has been made based on the gross annual salary corresponding to those persons at the close of each of the years analysed. Similarly, in order to determine the remuneration, consideration has been given to the amounts actually paid to the employee during the financial year, irrespective of their accrual.*

Gender breakdown

	Men	Women
Average remuneration (€) 2024	52,321	36,582
Average remuneration (€) 2023	47,120	34,216

Breakdown by age

	30 or under	31 to 40	41 to 50	Over 50
Average remuneration (€) 2024	27,625	40,469	53,329	42,153
Average remuneration (€) 2023	25,896	38,811	48,589	38,963

Breakdown by professional category

	Staff and Middle Managers	Directors	Senior Managers
Average remuneration (€) 2024	37,175	93,634	270,289
Average remuneration (€) 2023	35,104	97,620	279,348

Average remunerations are slightly higher in 2024 compared to 2023, mainly due to market impact. A highly competitive market in which there is a wage bubble for certain core profiles.

3.1.7 Average remuneration of directors and managers broken down by gender

The **remuneration of Senior Management and Managing Partners** corresponds to the dedication and responsibility taken on, is in line with market rates at comparable companies, and takes into account the long-term interest of all shareholders.

The data, broken down by type of remuneration, show the remuneration received by the Directors for the performance of the position, and the average remuneration received in the form of fixed and variable remuneration, allowances, compensation and payment to long-term savings schemes for Senior Management, also including, in this case, those received by Directors holding executive positions at the Group as remuneration for the work performed.

Gender breakdown

	Men	Women
2024 Average remuneration received by Senior Management	€ 280,026	€ 219,169
2023 Average remuneration received by Senior Management	€ 290,082	€ 225,675

3.1.8 Pay Gap

The Hipoges remuneration policy promotes equal treatment between men and women, so as not to establish or promote pay differentiation. The remuneration model rewards the level of responsibility and career track, ensuring internal fairness and external competitiveness.

The pay gap is calculated as the percentage resulting from dividing the difference between men's average pay less women's average pay by men's average pay.

() Data calculated on the basis of the remuneration under the annual average remuneration subsection of the above subsection, and the following formula:*

(Average men's pay – Average women's pay) / Average men's pay

Breakdown by age

	30 or under	31 to 40	41 to 50	Over 50	Total
2024 Pay gap	7.60%	21.98%	42.91%	28.51%	30.08%
2023 Pay gap	12.98%	21.84%	38.70%	30.41%	27.38%

Breakdown by professional category

	Staff and Middle Managers	Directors	Senior Managers
2024 Pay gap	14.10%	9.96%	21.73%
2023 Pay gap	15.35%	1.60%	22.20%

The aim of Hipoges' commitment to equality is to reduce the percentage pay gap and to analyse the causes or factors affecting its existence.

Pay gap does not mean direct pay discrimination, and in fact no difference is observed between men and women when they hold the same position, but is due to the greater number of the most senior positions held by men who, in turn, receive the highest salary in correlation with the greater responsibility assumed, which generates this relative inequality.

As a result of the pay gap analysis, structural challenges and challenges are identified, as faced by most companies:

- **The higher proportion of men holding senior positions and the lower female representation on the Management Committee**, although in recent years women have been hired or promoted to senior positions, their lower experience within the role or the Entity, all justify their salary still being lower than that of their male colleagues.

2024 Breakdown by ungrouped category

	Men		Women	
	N	%	N	%
Junior	114	36%	201	64%
Specialist	279	36%	493	64%
Senior	156	45%	192	55%
Middle Management	155	51%	150	49%
Coordinator	92	49%	97	51%
Manager	32	46%	37	54%
Associate Director	31	66%	16	34%
Senior Management	48	72%	19	28%

Director	26	65%	14	35%
Chief	15	79%	4	21%
Managing Director	7	88%	1	13%
Total	752	42%	1,055	58%

2023 Breakdown by ungrouped category

	Men		Women	
	N	%	N	%
Junior	125	37%	215	63%
Specialist	280	37%	473	63%
Senior	153	46%	182	54%
Middle Management	154	53%	138	47%
Coordinator	98	48%	107	52%
Manager	19	59%	13	41%
Associate Director	37	67%	18	33%
Senior Management	44	72%	17	28%
Director	24	65%	13	35%
Chief	13	81%	3	19%
Managing Director	7	88%	1	13%
Total	756	42%	1025	58%

- **Work-life balance measures:** despite the promotion of shared parental responsibility, today the vast majority of people on reduced working hours are women.

Type of working hours

	Men	Women
Full-time	748	1,044
Part-time	4	11
Total	752	1,055

2023 Type of working hours

	Men	Women
Full-time	748	1,002
Part-time	8	23
Total	756	1,025

- **Low presence of women** in careers categorised within the **STEM** group (science, technology, engineering and mathematics), positions that are remunerated above the average.

3.1.9 Remuneration of equal or average jobs at the Entity

Below is the indicator “Remuneration of equal or average company jobs” (*).

(*) Data calculated on the basis of the minimum salary received by the lowest-paid employee working full time. The formula used is as follows:

$$(Minimum Pay Received - National Minimum Wage) / Minimum Pay Received$$

Breakdown by country

	Spain	Portugal	Greece	Italy
Remuneration of equal or average company jobs	0.0%	8.7%	1.8%	-
2024 Minimum Wage	15,876	11,480	11,620	-

Breakdown by country

	Spain	Portugal	Greece	Italy
Remuneration of equal or average company jobs	9.1%	19.2%	21.1%	-
2023 Minimum Wage	15,120	10,640	10,920	-

3.1.10 Right to disconnect policies

In response to Article 88 of Act 3/2018 on Data Protection and Guarantee of Digital Rights in Spain, Article 18 of Remote Working Act 10/2021, governing the right to digital disconnection, and Act 83/2021 in Portugal modifying the Teleworking regime, an internal policy has been developed that regulates the exercise of the right to disconnect and the training and awareness-raising actions for staff on the reasonable use of technological tools to avoid the risk of computer fatigue. Full implementation in the company is currently pending.

Greece also has a digital disconnection policy under Greek law.

Workers have the right, once their working hours have ended, for their time off and holidays to be respected, as well as their family and personal life, which means not handling telephone communications, messages or emails, assessing the different circumstances and different

treatments that may exist. In this regard, since 2021, when a person sends an email outside working hours, an alert appears to warn them of this.

The implementation of physical and mental well-being actions also aims to encourage disconnection. For further details, see the section “Health and Safety” in this NFRS.

3.1.11 Disabled employees

Hipoges has measures to promote functional diversity:

- Personalised care for people with disabilities.
- Review the accessibility of workplaces and working environments in order to propose the necessary reforms and adaptations.
- Periodic information campaigns to uncover possible cases of people with disabilities who have not yet informed the company, with the aim of providing them with the necessary support and access to all measures available to them.

The Group currently has 8 people providing services with disabilities, 6 of them in Portugal, 2 in Spain, and none in Greece and Italy.

3.2 ORGANISATION OF WORKING TIME

3.2.1 Policies

In Spain, the maximum annual working time is as established in the respective applicable Collective Bargaining Agreements, in the case of Spain for Office Workers in the Autonomous Community of Madrid (1,765 hours), the Autonomous Community of Valencia (1,767 hours), Barcelona (1,760 hours) and the Murcia region (1,776 hours).

In Portugal, the working day is a maximum of 8 hours per day and 40 hours per week, with a maximum annual calculation of 1,900 hours for 2024.

In Greece, the working day is a maximum of 8 hours per day and 40 hours per week.

In Spain, the company has defined a generic schedule from 9:00h to 14:00h, lunch break until 16:00h, and continuation of the working day until 19:00h. In Portugal, the generic schedule is from 9.00h to 18:00h, with an hour off for lunch.

As long as business needs are met, **flexibility** is allowed in terms of arrival and departure times. This is an initiative that aims to make work easier and more comfortable without reducing capacity and/or productivity. The approach is based on trust, responsibility and coordination between the company and staff.

Flexible hours aim to improve quality at work by helping to balance family, personal and working life, without affecting the fulfilment of established results and objectives.

Flexible working hours:

- Start of the day: Between 8:00 and 10:00.
- Mealtimes: choose between a 1 hour or 2 hour break.
- End of working day: Between 17:00 and 19:00, depending on check-in time and lunch time.

Flexible working hours on Fridays:

- Start of the day: Between 7:00 and 9:00.
- 20 minute break.
- End of working day: Between 14:00h and 16:00h depending on arrival time.

From Monday to Thursday, an 8-hour and 15-minute schedule is established to compensate for the 7-hour non-stop working day on Fridays, thus making up the 40-hour working week for full-time staff.

Flexible summer hours

- Start of the day: Between 7:00 and 9:00.
- 20 minute break.
- End of working day: Between 14:00h and 16:00h depending on arrival time.

In Portugal, the non-stop working day on both Fridays and in the summer is as follows:

- Start of the day: Between 8:00 and 10:00.
- From 30 minutes to 2 hours for lunch
- End of the day from 15:30 onwards, depending on arrival time and break taken.

The person responsible for each area may by mutual agreement determine alterations in working hours, at all times for reasons of suitability or production, and respecting the overall calculation of weekly working hours.

There will be personnel with specific working hours different from the defined standard, according to contract.

The person responsible for each area and Management will analyse and evaluate possible alterations to standard hours, due to specific needs on an individual basis, in accordance with the personal circumstances of each person.

3.2.2 Absence rates

With regard to **absence** (*), the following table shows the total hours of absence, including hours corresponding to paid leave and maternity/paternity leave taken.

(*) This figure includes leave and leave of absence. Holidays, Personal Affairs Days, Birthday Days, Flex Holidays and hours of Voluntary Leave are excluded.

Gender breakdown

	Men	Women	Total
2024 Number of hours of absence	77,645	157,346	234,991
2023 Number of hours of absence	48,156	112,89	161,046

The gender breakdown shows a higher rate of absence among women for several reasons:

- The sick leave that most women are on before the birth of their child.
- The number of maternity leave periods taken is higher than for paternity leave.
- Maternity and paternity leave entitlements are not yet an equal number of weeks in Portugal. Mothers have 150 days off, compared with 28 for fathers.

3.2.3 Measures to facilitate work-life balance

In addition to the flexitime mentioned above, Hipoges carries out the following actions:

- Teleworking policy: Following the COVID-19 crisis, the remote work model has been consolidated in all departments and regions where Hipoges operates, relying on digital tools that enable teamwork and secure information sharing.
- Possibility of teleworking on 24 and 31 December.
- Ability to "buy" additional days of vacation.
- Day off on birthdays.
- In Spain, the possibility of accumulating the breastfeeding leave, by taking 15 days off work.
- Death leave.
- Divorce leave.

- Unpaid leave to complete higher education or perform charitable activities with non-profit entities.

3.3 HEALTH AND SAFETY

3.3.1 Health and safety at work conditions

The Occupational Risk Prevention policy is managed on the basis of the current legislation applicable at each workplace.

- Hipoges Iberia, S.L. in Spain set up its In-house Employee Safety Department (SPP) in 2022, and always takes into account the involvement of all levels of the company in preventive activity. This SPP comprises a Senior Technician in Occupational Risk Prevention, who is exclusively dedicated to this activity and qualified in Occupational Safety, Ergonomics and Applied Psychosociology and Industrial Hygiene.

The company also has a Health and Safety Committee, comprising three employee representatives and three company representatives, who actively collaborate in the identification, prevention and improvement of working conditions through regular meetings and a participative approach, ensuring compliance with current regulations and promoting initiatives that protect well-being and safety.

The rest of the companies in the group have an agreement with an External Employee Safety Service that covers all areas and there are no workers' representatives.

A. Health Monitoring:

All countries in the group carry out the medical examinations stipulated by the laws of each country

In Spain, employee health surveillance is carried out through the External Employee Safety Service, according to the health surveillance plan with the scheduling, frequency, and protocols specified therein, and with the execution of the job-specific health examinations that arise from it.

Three types of medical examinations are carried out on a voluntary basis except in the cases provided for in Art. 22 of the Spanish Occupational Health and Safety Act [LPRL]:

- ***Initial medical examination***

- ***Regular medical examination***
- ***Medical examination after prolonged sick leave or due to the need for adaptation of the workplace***

In Portugal, an annual medical examination is carried out at the Entity's expense and managed by an external company contracted for this purpose.

Three types of medical examinations are performed:

- ***Initial medical examination:*** this is mandatory before the start of the employment relationship or, if the urgency of recruitment would so justify, within a maximum period of 15 days.
- ***Periodic medical check-up:*** this is compulsory for workers over 50 years of age, and also for employees who are teleworking, i.e., it applies to the entire workforce.
- ***Occasional medical examination:*** when there are substantial changes in the material components of the work that may have a detrimental effect on the health of the worker, as well as in the case of return to work after more than 30 days of absence due to illness or accident.

In Greece and Italy, the medical examinations determined by the relevant laws of the country are carried out in the same way through the partner prevention companies.

B. Occupational Risk Prevention ("ORP") Training:

- **Health and Safety training for employees:**

On taking up the job, all workers receive training and information on Occupational Risk Prevention in accordance with the law. This training is mandatory for all internal staff. For those hired through a temporary employment agency or through Outsourcing, the entity itself is responsible for training its staff made available.

The Occupational Health and Safety training course is on-line, and is integrated into the internal training platform in most countries, with the exception of some cases where it is provided by the External Employee Safety Service.

In Spain, an exception is the training in some positions at the company Instal Laciones I Reparacions Cobo, S.L., which, as it belongs to the iron and steel sector, must carry out specific training in accordance with the provisions of the aforementioned agreement through specific channels.

In addition, regular additional training courses are held in all group companies in order to provide regular and practical training.

- **Emergency Team Training:**

Furthermore, all offices have an Emergency Team responsible for emergency intervention and evacuation. The team must be specially trained to be able to respond as quickly as possible to any incidents that may arise. They are also explained the emergency protocol to be followed according to that established by the owners of the buildings in which the offices are located when they have their own emergency plans or self-protection plans.

In countries where the law so requires, annual drills are carried out, with the participation of the Prevention Service, the Emergency Team and the rest of the personnel on the premises.

C. Occupational Risk Prevention (ORP) audit and technical inspections:

Following the establishment of the SPP, 2023 Hipoges Iberia, S.L. underwent a compulsory Legal Audit in the area of ORP, carried out by an independent expert and conducted at the offices/workplace. This Statutory Audit shall be repeated every four years.

In addition, when there are significant changes in the distribution of the offices as a result of construction work, a change in the facilities, or the opening of a new work centre, the In-house Employee Safety Department is informed, in the case of Spain, and the External Employee Safety Service (SPA), in the case of Portugal, of the changes that have been made. The SPP or SPA assigned prevention officer performs a technical inspection of the facilities, assessing whether there are significant changes and therefore re-evaluating them, as well as changes in the evaluation of workstations..

D. Well-being Plan

At Hipoges, employee well-being is a key factor, and it is therefore committed to being one of the healthiest Entities in the sector. The Well-being Plan takes a holistic view of health. The plan's actions are focused on 3 areas:

- **Well-being:** Implement regular physical activity programmes and combat sedentary behaviour.
- **Nutrition:** Educate on the benefits of healthy eating.
- **Environment:** Implement an environmental management system that allows efficient control of resources.

The Entity in Spain and Portugal has a digital space, www.hipocareplan.com, accessible to all staff. It provides advice on improving personal and professional performance, and promoting healthy habits.

Almost all staff have participated in activities related to the key pillars of the programme.

In 2022, the Hipoges Plan was recognised as a finalist in the 9th Digital HR Health and Company Award.

In 2023, the Welfare and Compensation Plan was a finalist in the 3rd Digital HR Workplace Compensation Award.

In 2024, Hipoges Iberia, S.L. has received the Top Wellness Company certification, and has also being listed for the third consecutive year in the prestigious Happy Index: a recognition of our commitment to the well-being and satisfaction of our employees.

E. Psychosocial Risk Assessment

Hipoges Iberia, S.L. carries out a specific survey of working conditions in psychosocial aspects with all its employees, which enables a detailed evaluation in this area. This offers several advantages for the company, such as early identification of psychosocial risks, improved well-being and job satisfaction, increased productivity, reduced absenteeism and staff turnover, as well as compliance with occupational health and safety regulations. It also allows for the implementation of continuous improvement actions, strengthening the organisational climate and fostering a healthy and motivating work environment.

3.3.2 Accidents at work and occupational diseases

In 2024, there have been 17 accidents in total. Of these, 16 were in Spain, of which 10 (compared to 9 in the previous year) were without sick leave and 6 (compared to 1 in the previous year) with sick leave. There is no record of any occupational illnesses.

In Portugal, during 2024, there was only 1 accident without sick leave and no occupational diseases. In 2023, there were 5 accidents, of which 4 were without sick leave and 1 with.

In Greece and Italy, there have been no accidents or occupational diseases, during 2024 nor 2023.

3.4 LABOUR RELATIONS

Dialogue and negotiation are part of addressing any differences or conflicts within the Entity.

In Spain, the respective Collective Agreements for the office and business sector of the different Autonomous Communities in which X is present apply to almost the entire workforce, and are complemented by company policies that develop and improve the provisions of the agreements. Only two of the existing Spanish companies belong to other agreements: Instal Lacions I Reparacions Cobo, S.L., which is included in the Steel and Metallurgy Agreement, and Domus, which is included in the property Management and Mediation Agreement. One of the centres in Spain has a Health and Safety Committee with equal participation of the company and the workers. This committee meets on a quarterly basis to address and negotiate workers' concerns and issues. In Portugal, there is no applicable Collective Bargaining Agreement, since there is no trade union representation that has negotiated a Collective Bargaining Agreement, nor is there an applicable sectoral Agreement, as no such agreement exists.

In Greece, there is no collective bargaining agreement at company or sectoral level, nor are there workers' representatives

In Italy, Axis S.p.A. is under the CCNL Commerce/Tertiary agreement and Axis Lex is under the CCNL Professional Studies agreement. There is also no worker representation.

Hipoges has defined a comprehensive framework of actions that puts its people at the centre, as its main asset, understanding that their satisfaction and involvement are decisive for the success of the Entity, which represents the main risk of internal social management. To monitor this aspect, **work climate surveys** have been carried out for all staff since 2012. Based on the findings of these surveys, action plans are put in place to improve the lowest rated attributes.

In addition, several programmes have been carried out in recent years related to communication and the proximity of the people management area to the workforce, such as workshops, working breakfasts or follow-up meetings during the on-boarding process.

Every year, Hipoges has been holding **Town Hall meetings** at all its headquarters. From 2022, the format is digital, and streams to all countries simultaneously. The event involves the Management Committee presenting the Group's economic and business information. Everyone who works at Hipoges attends and can contribute by raising issues over the course of the meeting.

Each quarter, all those working at Hipoges receive the **Corporate Newsletter**, a periodic email communication setting out the most relevant news of interest to the business, as well as the activities carried out internally at Hipoges.

Hipoges develops and fosters honest and equitable relationships with its stakeholders, seeking spaces for dialogue that help advance and address sustainable development. It also identifies topics that are material for the company and stakeholders and engages with global challenges by seeking solutions through its business.

3.5 TRAINING AND DEVELOPMENT

In order to promote employee training and development, Hipoges has an on-boarding, training and development policy that provides criteria for the design, review, implementation and supervision of training actions.

Continuous training is the key to helping Hipoges employees adapt to a rapidly and constantly changing work environment.

The key tool to detect training needs is the **Individual Development Plan**, which identifies individual deficiencies in job performance or areas where a given individual can continuously improve.

This is a structured personal plan that defines medium- and long-term career goals and objectives, as well as strategies to round out the plan. It also helps to align learning activities with personal and professional objectives or specific competencies. The existence of Individual Development Plans ensures that the necessary knowledge and skills exist, as well as covering strategic needs and the Management succession. The plans include training, shadowing, on-the-job training, memorization, mobility, etc.

The objectives of the training plan are:

- Equip the professionals who make up Hipoges with the skills required to do their job effectively.
- Facilitate professional development and promotion, as well as the career of all those working in Hipoges.
- Facilitate the adaptation of the workforce to technological, information systems, legal or other innovations in their jobs, and promote knowledge of specific aspects of the operational sector.
- Contribute to increased staff motivation.
- Promote the competitive leadership of Hipoges, since it can offer more and better training opportunities than its competitors.

The training plan will cover the following general training approaches:

- **Mandatory generic or cross-functional training.**
- **Specific training**, either technical, by area of activity, or based on skills development.

As for the type of training seen today at Hipoges, a distinction may be made in organisational terms between internal training/Smart Learning and external training; and in terms of teaching format, face-to-face and online training.

In 2020, Hipoges launched a new HR management software, the knowledge warehouse called **L+Earn**. It offers employees training content through open catalogues so they can design their own learning path according to their interests. Over 2.000 training resources are available. Accessibility allows employees to access mini training modules via any device to learn about a topic in a friendly and quick way.

Relevant training data

During this year, Hipoges provided training to 100% of the workforce through hours of training (onboarding, internal, external and online), representing more than 17,67 hours of training per employee on average. The average number of hours of training for men is slightly higher than for women (13.28 hours to 20.98 hours, respectively)

2024 Training Hours

	Men	Women	Total
People Trained	881	1,165	2,046
Training Hours	11,699	24,447	36,146

2023 Training Hours

	Men	Women	Total
People Trained	811	1,042	1,853
Training Hours	11,115	16,097	27,212

2 global development programmes for managerial and cross-functional aspects have been developed.

2024 Training hours by category

	Men	Women	Total
Staff and Middle Managers	10,999	24,229	35,228
Directors	460	184	643
Senior Managers	241	34	275
Total	11,699	24,447	36,146

2023 Training hours by category

	Men	Women	Total
Staff and Middle Managers	10,759	15,850	26,610
Directors	278	157	435
Senior Managers	78	90	167
Total	11,115	2416,097	27,212

Development policies

For Hipoges, it is essential to identify talent with leadership potential and give employees the possibility of new career opportunities and career advancement.

The main programmes to identify and develop the best talent are:

- **Succession planning** in key company positions to ensure business sustainability.
- **“Key people” programme** to identify key people at the organisation and implement a specific programme of actions linked to their development and commitment to the Entity.

Talent mobility

The overall mobility of people at Hipoges is considered an essential tool for developing talent. Hipoges thus offers employees the possibility of having new career opportunities and professional progress in the different geographical regions and companies of the Group, which increases team diversity by providing professionals with different profiles and experiences in each area.

Attracting external talent

Selection is undoubtedly one of the most important people management areas in terms of volume of activity and impact on the organisation. Identifying talent and incorporating it within the structure is a constant demand throughout all areas of the Entity, not only because of the needs inherent in the increase in turnover, but also because of the need to incorporate profiles providing new and necessary capabilities in order to evolve and adapt to the demands of our customers.

We have different sources for talent attraction and candidate identification:

- **Internal database:** supplied and prepared by the human resources department, based on social media contacts, applications submitted and even former employees.

- o **Internal references:** our internal references programme is streamlined, simple and highly effective. There is an incentive system for these references.
- o **Internal talent:** through PeopleGes, we have a talent map that is always updated and segmented by what are known as talent pools.
- o **External agencies:** we use these in cases where we cannot access the required talent, in cases of confidentiality, urgency and incapacity due to workload.

The selection process at Hipoges is parametrised and defined within our PeopleGes platform (*Cornerstone*), irrespective of internal or external development, guaranteeing a personnel selection process that:

- Improves candidate experience.
- Allows us to quickly identify the most important information for each candidate.
- Schedules interviews automatically.
- In short, quickly locates the best candidates.

The selection process developed at Hipoges is based on constant interaction between the parties involved, both internally (recruiter, hiring manager, head of department) and externally (recruitment agency or head hunter). This means we can identify and include new needs within the vacant position, and even redefine the needs as we develop an understanding of the talent available on the market.

3.6 ACCESSIBILITY

In order to facilitate travel to and use of offices, Hipoges has the following measures in place:

- Public transport nearby.
- Lobbies and entrance doors are adapted for people with disabilities.
- There are lifts.
- Wide corridors at the facilities allow for the movement of people with disabilities.
- Toilets for people with disabilities in Spain.

3.7 EQUALITY, DIVERSITY AND INCLUSION

Hipoges is committed to diversity in its workforce as one of the key elements in attracting and retaining the best talent and providing the best service to its customers. Teams made up of people with different ways of thinking, addressing problems and making decisions are proven to achieve better results.

Within the talent attraction strategy, Hipoges ensures that it has diverse profiles in terms of gender, **nationality** (30 are represented on the workforce, compared to the 19 in the previous year of 2023), ethnic or racial origin, and sexual orientation. An inclusive working culture serves to make the most of each individual's difference and talent.

When it comes to **sexual diversity**, Hipoges promotes an inclusive working environment for the LGBTI+ community.

In Portugal, Hipoges is part of the **Associação ILGA Portugal - Intervenção Lésbica, Gay, Bisexual, Trans e Intersexo**, which fights for equality and against discrimination against LGBTI+ people.

In terms of **gender diversity** women account for 58% of the Hipoges workforce (1,055 women out of 1,807). Women hold 50% of Senior and Middle Management positions (342 women out of 653). Hipoges became a signatory to WEP (**Women Empowerment Principles**) in 2021

2024 Breakdown by ungrouped category

	Men		Women	
	N	%	N	%
Junior	114	36%	201	64%
Specialist	279	36%	493	64%
Senior	156	45%	192	55%
Middle Management	155	51%	150	49%
Coordinator	92	49%	97	51%
Manager	32	46%	37	54%
Associate Director	31	66%	16	34%
Senior Management	48	72%	19	28%
Director	26	65%	14	35%
Chief	15	79%	4	21%
Managing Director	7	88%	1	13%
Total	752	42%	1,055	58%

2023 Breakdown by ungrouped category

	Men		Women	
	N	%	N	%
Junior	125	37%	215	63%
Specialist	280	37%	473	63%
Senior	153	46%	182	54%
Middle Management	154	53%	138	47%
Coordinator	98	48%	107	52%
Manager	19	59%	13	41%

Associate Director	37	67%	18	33%
Senior Management	44	72%	17	28%
Director	24	65%	13	35%
Chief	13	81%	3	19%
Managing Director	7	88%	1	13%
Total	756	42%	1025	58%

Workforce parity is significant in both the support areas and the operations area. The number of women is slightly higher than men in all areas (42% vs. 58%), except for senior management (72% vs. 28%).

2024 Distribution by gender and grouped area

	Men		Women	
	N	%	N	%
Front Office	473	38%	757	62%
Back Office	255	47%	292	53%
Management	24	80%	6	20%
Total	752	42%	1,055	58%

2023 Distribution by gender and grouped area

	Men		Women	
	N	%	N	%
Front Office	463	42%	640	58%
Back Office	271	42%	380	58%
Management	22	81%	5	19%
Total	756	42%	1,025	58%

However, an analysis of the above groups reveals the need to continue work in strengthening the female presence in management positions. Looking at the breakdown by department, in most areas we have representation of both men and women; there are a small number of departments where only one gender is represented. The most significant case is the IT area with 41 men and only 1 woman, when in the previous year of 2023 there 40 men and no women.

Taking into account the above, selection and remuneration policies ensure criteria of merit and ability. In recruitment processes, vacancies are always drafted in an inclusive manner, aiming to include both genders in the pool of shortlisted candidates. The performance appraisal model is one and the same for all employees.

As for the presence of women in management positions, since 2018 Hipoges has been implementing initiatives to break down barriers that prevent women from accessing positions of responsibility. These include:

- ***Sponsorship of the Smart Women Programme:*** participation of four Hipoges women managers in recent editions.
- ***Coaching programme for high-potential women*** to help them take on top positions.

Hipoges fully shares the importance of the principle of equality, and expresses its willingness to implement a series of measures aimed at improving the current conditions for equal opportunities in its establishments. Not only this, but the Entity also declares its commitment to reconciliation and excellence, as it believes it is possible to maintain the highest level of professional excellence while at the same time ensuring that its working people enjoy the necessary balance between their professional, personal and family life.

In accordance with all the above, Hipoges is proceeding to approve an Equality Plan, with the requirements and on the basis of the matters explicitly set out in Article 46.2 of the Spanish Equality Act and Articles 7 and 8 of Royal Decree 901/2020.

The Equality Plan is an ordered set of measures intended to achieve equal treatment and opportunities between women and men at the Entity, and to eliminate discrimination on the basis of sex. This involves incorporating the gender perspective in the management of the Entity in the corresponding policies and levels.

Achieving genuine equality involves incorporating the gender perspective in the management of the Entity in its policies and levels and in all matters: access to the Entity, recruitment and working conditions, promotion, training, remuneration, reconciliation of personal, family and working life, occupational health, etc.

Aware of the importance of the establishment and implementation of an Equality Plan, Hipoges undertakes not only to establish this Plan, but also to implement the measures and comply with the obligations agreed therein.

All measures established will be implemented by the means and persons established for this purpose, with the utmost diligence and skill, with the firm aim of avoiding any type of employment discrimination between women and men, and achieving a balanced situation between the sexes.

Hipoges has been a signatory to the **Diversity Charter** since 2017. There is no specific "Policy against all types of discrimination and, where applicable, diversity management", since these needs are covered by all the plans and protocols set out above.

Functional diversity

Hipoges is committed to the labour integration of people with functional diversity, based on the conviction that employment is a fundamental pillar in promoting equal opportunities for all.

Despite the difficulty of integrating people with functional diversity, due to the specific nature of the profiles, there are various initiatives aimed at promoting greater knowledge and awareness of the needs and potential of people with disabilities.

The target for 2025 remains to increase the percentage of disabled people on the workforce. To achieve this, Hipoges continues to work on the identification of specialist partners, and disability mapping to ensure compliance with regard to employability and accessibility. In addition, there are awareness sessions through workshops and training actions aimed at demonstrating how diverse teams, including people with disabilities, can be stronger and more efficient.

4. RESPECT FOR HUMAN RIGHTS

4.1 POLICIES

Given the activity performed by Hipoges, no relevant risks are identified in this regard. Nonetheless, the Hipoges "Code of Ethics and Conduct" includes respect for the dignity of the person and fundamental rights as a basic and fundamental pillar of behaviour that must be fulfilled by all those that are to engage in any type of relationship with Hipoges. This Code includes an explicit reference to respect for Human Rights.

Hipoges' commitment to the efforts and guarantees for the protection of human rights is demonstrated by the creation of a Compliance Committee to manage the promotion, monitoring and fulfilment of the "Code of Ethics and Conduct".

4.2 APPLICATION OF DUE DILIGENCE PROCEDURES

Priority is given to the requirement for anyone wishing to provide professional services for the Group to understand, fulfil and enforce the Hipoges Code of Ethics and Conduct.

Internally, in confirmation of this commitment to Human Rights, all employees are obliged to be aware and comply, either through an email announcement to all staff indicating inclusion of the matter on the corporate intranet, or through six-monthly communications reminding them of their obligation to comply with this Code, as well as with the Hipoges "Whistleblowing Channel". New recruits must sign an acknowledgement of receipt of information, one of the documents being the "Welcome Manual" which sets out the values, principles and internal compliance of Hipoges.

Externally, all internal suppliers who are authorised to provide services to Hipoges receive a corporate email reminding them of their obligation and commitment to act in accordance with the "Code of Ethics and Conduct", the "Whistleblowing Channel", and the General Principles of the Hipoges Criminal and Anti-Bribery Compliance Protocol. Finally, in its commitment to Human Rights, Hipoges has developed in its supplier approval application, the mandatory acceptance of the Code and the Whistleblowing Channel prior to contracting suppliers.

4.3 REPORTS OF CASES OF HUMN RIGHTS ABUSES

All those providing services to Hipoges are committed to acting in accordance with the "Code of Ethics and Conduct" and reporting possible breaches of the Code, thus including any violations of human rights of which they might be aware. For the communication of complaints, a "Whistleblowing Channel" is available on the public website, freely accessible via: <https://www.Hipoges.com/rsc/rsc-nuestro-compromiso/canal-de-denuncias/>, as well as via an email address.

No complaints of human rights violations were filed during 2024.

4.4 PROMOTION AND ENFORCEMENT OF THE PROVISIONS OF THE ILO CORE CONVENTIONS

The Hipoges "Code of Ethics and Conduct" includes as a fundamental point the commitment to the defence, respect and protection of basic labour rights, and of the human rights and public freedoms recognised in the Universal Declaration of Human Rights.

Within this commitment, respect for others is imposed together with the prohibition and express rejection of any manifestation of harassment, violent or offensive behaviour towards the rights and dignity of the person.

This point is supplemented by the Protocol for the Prevention of Bullying, Sexual Harassment, Harassment on the Basis of Sex and Sexual Orientation and Gender Identity, which includes,

among other aspects, the types of conduct that are prohibited, together with a brief description, as well as the prevention measures applied, such as, for example, awareness-raising and training, advice, inclusion of this type of conduct as a serious offence for the purposes of disciplinary action.

5. ANTI-CORRUPTION AND ANTI-BRIBERY

The risk of corruption and bribery has been identified as a significant risk due to the activity undertaken by Hipoges and its commercial and business relationships with third parties.

As a result, the fight against possible acts or conduct that could lead to corruption and bribery has become a crucial element to be combated on a daily basis, given its particular commercial and reputational importance.

5.1 MEASURES ADOPTED TO PREVENT CORRUPTION AND BRIBERY

The Hipoges "Code of Ethics and Conduct" is established as the basic and fundamental pillar to be fulfilled by any third party that is to undertake any activity for the benefit of the latter.

The Code establishes the development of a crime prevention system, by means of internal control standards and systems in order to guarantee compliance, and to prevent involvement by Hipoges in operations or transactions that could reveal evidence of a connection with criminal activities, which would include money laundering, the financing of criminal activities, fraud and any form of corruption, such as bribery or extortion.

This development has materialised through controls of: (i) Prevention of Money Laundering and Financing of Terrorism, (ii) Management of Conflicts of Interest, (iii) Prevention of Criminal Risks, which includes the criminal compliance policy, the whistleblowing channel and the Annual Monitoring Plan, (iv) Acceptance and Offering of Gifts and (v) Sanctioning Code.

All of them are reviewed and updated according to the applicable legal requirements, in addition to voluntary updates made as a result of the creation or improvement of controls, or in order to keep Hipoges informed and to strengthen its commitment to the rules and regulations in place at any given time.

1. Prevention of Money Laundering and of the Funding of Terrorism

In accordance with Article 2.1 b) of Act 10/2010, of 28 April 2010, on the prevention of money laundering and terrorist financing, Hipoges is subject to AML/TF obligations in connection with the sale of property assets belonging to the different portfolios under management, and the Compliance area therefore analyses the viability of the operation performed by a third party.

In accordance with Article 26 of the aforementioned Act, the composition and functioning of the AML/CTF model of Hipoges is set out in the "Manual for the Prevention of Money Laundering and Terrorist Financing" (the "Manual").

The Manual sets out and develops the procedures for due diligence, reporting, document retention, internal control, etc. The main purpose of this Handbook is to set out the necessary rules and procedures to minimise the AML/CTF risks applicable to Hipoges.

Similarly, Hipoges also periodically carries out a joint risk self-assessment, the conclusions of which are set out in a report called "Risk Self-Assessment Report" as well as an Annual Report at the end of each financial year with the most relevant statistical information on AML/CTF.

In addition, the Entity has the following AML/CTF control measures:

- A. Appointment of a representative before the SEPBLAC, to fulfil the information and communication obligations established in Act 10/2010.
- B. Designation of an Internal Control and Communication Body: Responsible for the review, approval and implementation of AML/TF procedures. It meets quarterly.
- C. Designation of a Technical Unit for information processing and analysis. Responsible for implementing due diligence measures, managing established AML/TF tools and applying the rules in force arising from Act 10/2010.

2. Management of Conflicts of Interest

The Entity has in place a Conflict of Interest Management Policy that is in force and available to all employees, the aim of which is to ensure that actions are taken at all times without favouring the private and personal interests of employees or their relatives or other related persons, with regard to the interests of Hipoges or its customers.

The required commitment is that in a situation of conflict of interest where interests may clash, the employee or supplier must refrain from involvement in reaching any decision that could be directly or indirectly binding. Hipoges periodically submits a form to be completed by all employees indicating whether they are in a potential conflict of interest situation under the terms understood as “conflict of interest” in the internal policy.

The Compliance Department keeps a record of situations that occur, either through an employee or a third party partner, and the proposed solution to ensure that the risk of conflict of interest does not materialise.

3. Criminal Risk Prevention

The internal Criminal Risk Prevention model has been designed and implemented in order to prevent and mitigate any criminal risks applicable to the Group. The prevention model takes the form of a Protocol for the Prevention of Criminal Risks drawn up in accordance with the regulatory requirements demanded by Organic Act 1/2015, of 30 March 2015, in addition to Circular 1/2016 of the General State Attorney's Office, and the national practices defined in standard UNE 19601 on Criminal Compliance Management Systems.

Although this Model applies only to activities carried out in Spain, the Model has been replicated in the other geographical regions where Hipoges is present, adapting it to local regulatory requirements in this regard. This prevention model is therefore implemented at all the companies comprising the Entity.

The Prevention Model includes various offences connected with corruption and bribery, as well as Money Laundering and Terrorist Financing, which have been evaluated in accordance with commonly accepted risk management methodology, applying probability and impact criteria.

The elements comprising the Criminal Risk Prevention Model include the following measures contributing to the prevention of the risk of corruption and bribery:

- ***Compliance Policy:***

This is a mandatory policy for all employees. It contains all the policies in force, their mandatory nature, the composition of the Compliance Department, activities, management, reports, etc.

It is available on the intranet and requires explicit acceptance by all employees.

- ***Whistleblowing Channel and Whistleblowing Channel Protocol:***

A whistleblowing channel is available to all employees, as well as to any third party with which Hipoges has a contractual relationship, via the website www.Hipoges.com and also via an email address.

Three members of the Compliance Department are the people who have access to this channel and who manage the complaints that reach it with the utmost confidentiality.

In addition, the protocol of the Whistleblowing Channel has been drawn up and is available to all employees. It sets out in detail the procedure followed in the event of receipt of a grievance: the processing, investigation and resolution of the matter.

This whistleblowing channel is mandatory for anyone related to Hipoges who is aware of any wrongdoing being committed.

Following the implementation of the complaints management tool last financial year, the experience of using the complaints management tool during 2024 has been positive and without incident.

- ***Annual Monitoring Plan:***

Hipoges has defined an "Annual Monitoring and Follow-up Plan" on the controls that make up the Prevention Model, including those controls that prevent and mitigate criminal risks. The controls associated with criminal risks are thus regularly assessed to ensure that they function properly, and to identify possible improvements that will allow the optimisation of the current control environment.

4. Acceptance and Offering of Gifts

The Acceptance and Offering of Gifts Policy is mandatory for all employees, and is available on the Corporate Intranet. This document sets out the basic rules for dealing with the acceptance or offering of gifts from/to third parties.

The policy establishes the accepted circumstances, those cases that must be approved by the Compliance Department and line manager before they can be accepted, and those cases that are explicitly prohibited.

5. Disciplinary Code

A new version of the disciplinary code for Spain was approved in December 2021. This approval was carried out in Portugal in early 2022, and in both countries it was

communicated to all employees in the early months of the 2022 financial year. Italy has its own disciplinary code and Greece has policies aligned with the Bank of Greece, rather than a replica of the Spanish disciplinary code.

This Code has been updated to take into account the provisions of the Workers' Statute, as well as the Collective Agreements applicable to workplaces in Spain, and the provisions of the Portuguese "Labour Code". The last update took place during the fourth quarter compliance committee on 17 December 2024.

6. Prevention of Fraud, Bribery and Corruption

The Compliance Committee meeting in September 2022 approved a "Policy for the Prevention of Fraud, Bribery and Corruption" in Spain, and in Portugal it was approved in December 2022. It was also approved at the Board meeting in October the same year.

The policy identifies prohibited conduct for all employees and third parties, as well as the controls implemented by Hipoges to mitigate the commission of such offences.

In Portugal, this policy was approved by the committee in December 2022, since due to recent legislation passed at national level, the determination of a figure responsible for compliance is a mandatory requirement.

Meanwhile, with regard to the relationship maintained by Hipoges with the suppliers with which it works, during their approval process a comparison is performed against the FastCheck lists in order to comply with the policies for the prevention of money laundering and terrorist financing, and to avoid possible conflicts of interest and reputational risk that could result from such collaboration.

As part of this approval procedure, suppliers register through the tool <https://www.Hipogeworks.com/> where they must expressly accept compliance with the "Code of Ethics", the internal "Whistleblowing Channel" and the General Principles of the Criminal and Anti-Bribery Compliance Protocol, as a first control point, and subsequently gather the necessary documentation to duly complete the approval process which includes, among others, signing the contract, confirmation of being up to date with payments to the Tax Agency and the Social Security, and current civil liability insurance.

In addition, on an annual basis, Hipoges sends a notice to all previously approved suppliers for their re-approval, requiring them to provide an updated version of some of the documentation already provided on the date of the initial approval.

At the end of 2024 financial year, Hipoges had the following approved suppliers:

- **Spain:**
 - HIPOGES IBERIA, S.L.: 1,495 approved suppliers, of which 1,465 are domestic and 30 are foreign.
 - DOMUS RESIDENTIAL SERVICES XXI, S.L.: 69 approved suppliers, of which all are domestic.
 - FORMALIZACION Y GESTION S.L.: 502 approved suppliers, all of which are domestic.
 - INSTALACIONES I REPARACIONES COBO, S.L.: 1,097 approved suppliers, all of which are domestic.
- **Portugal:** 570 approved suppliers.
- **Greece:**
 - HIPOGES HELLAS: 20 approved suppliers, of which 17 are domestic and 3 are foreign.
 - ALSVIT: 634 approved suppliers, of which 627 are domestic and 7 are foreign.
- **Italy:**
 - AXIS, S.p.A.: 38 approved suppliers, of which 37 are domestic.

In addition to the different mechanisms for the Prevention of Money Laundering and Terrorist Financing, the management of Conflicts of Interest for the Prevention of Criminal Risks, management for the Acceptance and Offering of Gifts and the Whistleblowing Channel, Hipoges has a regular schedule to send information to the entire workforce on those policies and procedures with the greatest internal relevance, which are also permanently posted on the corporate intranet. These information campaigns are sent every six months by the Compliance Department.

As an additional measure, Hipoges conducts specific training in Compliance Regulations (Prevention of Money Laundering and Terrorist Financing, General Data Protection Regulation), delivered online for 100% of the workforce, and face-to-face training in both subjects for those employees who, due to the activities they perform, are most exposed to a possible risk of non-compliance.

Lastly, in its active fight against corruption and bribery, the Entity has planned mandatory training for all staff members on the functioning of Compliance at the Entity, in online format and on a biannual basis. In addition, during 2024, in-person training in this area was given to the members most exposed to these risks, namely senior management, members of the management team and all those who hold the "Director" category at Hipoges.

For those employees newly hired by Hipoges, mandatory training has been planned, covering money laundering, data protection and criminal compliance, which must be performed within 15 days of beginning work.

As a final point, it should be noted that Hipoges, in its commitment to risk prevention and criminal compliance, has renewed its accreditation in 2024 as a company adapted to the ISO 37001 and UNE 19601 standards for Anti-Corruption and Bribery, and Criminal Law respectively. This accreditation followed an exhaustive evaluation process carried out by an accredited certifying company.

5.2 CONTRIBUTIONS TO FOUNDATIONS AND NON-PROFIT ORGANISATIONS

As detailed in section 3 "Development of the environment", in line with its commitment to make a positive contribution to society and the environment, in 2024 Hipoges carried out a total of 61 Corporate Social Responsibility actions and initiatives (30 in Portugal, 32 in Spain, 2 in Greece and 2 in Italy) that have had a positive impact on both external collaborators and the workforce (in the previous year of 2023 there were 11 Corporate Social Responsibility actions and initiatives). The Associations with which such collaboration took place in 2024 included: Grace, Ilga, AMI, LPCC, Diversión Solidaria, Fundación Melior, Asociación Bombers Solidaris, AECC and Cruz Roja.

The Associations with which such collaboration took place in 2024 included: Asociación diversión solidaria, Fundación Melior, Fundación SEUR.

During 2023 some of the Associations with which such collaboration took place were: Cruz Roja, Fundación Melior and Acción Navidad.

6. INFORMATION ON ENVIRONMENTAL ISSUES

Although the activity carried out by Hipoges has no significant impact on the environment, due to the firm commitment to effective conservation maintained and promoted by the company, Hipoges has launched a range of initiatives associated with environmental management.

Our main control mechanism is **an environmental policy** governed by the principle of responsibility, prevention and cooperation to guarantee the minimisation of environmental impact, whose strategic objectives are aimed at the sustainable use of resources and compliance with current legislation in this area.

Given the activity in which the Entity is engaged, we do not need specific environmental assessment or certification procedures nor do we have a significant impact on biodiversity. However, in line with the commitment made in the environmental policy, we have a qualified person who dedicated in part to the prevention of any environmental impact that could arise from our activity. Hipoges embraces the precautionary principle.

6.1 POLLUTION

Although Hipoges' activity does not directly generate CO² emissions into the atmosphere, the generation of the electrical energy we consume, if it has not been produced through renewable energy or in a thermal power plant does. Therefore, the control of energy expenditure contributes indirectly to the reduction of greenhouse gases that seriously affect the environment.

In this regard, the Group carries out the following actions to promote the minimisation of electricity consumption:

- **Periodic maintenance of machinery and equipment.** Equipment in poor condition has higher energy consumption. Furthermore, maintenance from an environmental point of view prevents negative impacts and reduces the risk of catastrophic accidents, such as fires, explosions, emissions of toxic substances, etc.
- **Use of energy-efficient electrical appliances and equipment.** Our equipment and electronics include:
 - **Energy Star certification.** Energy Star® certified products meet the accepted energy efficiency standard as set by the U.S. government, the Environmental Protection Agency (EPA) and U.S. Department of Energy.
 - **Energy label A and B,** average energy consumption, i.e. with an energy efficiency index below 100 and above 50.
- **Conditioning of air-conditioning temperatures** according to summer and winter.
 - We have adopted the new energy saving standard, which sets a new temperature limit for businesses at:
 - Summer, air-conditioning season, 27°C.
 - Winter, heating season, 19°C.
 - Casual attire is permitted in summer to adjust to summer temperatures without lowering the overall office temperature.

- ***Controlling the switching off of lights and electrical appliances:***
 - We have motion detection sensors in the toilets to automatically switch lights on and off.
 - Office lights are turned off every day after work. In the 2021 financial year an automatic switch-off system was installed at the offices on Calle Albacete in Madrid, Spain.
 - The new plants opened in the 2022 financial year also have this automatic switch-off system.
 - Our computers are configured to enter energy-saving mode after a certain period not in use.
 - All monitors enter sleep mode if not in use.
 - In 2024, the fluorescent tube luminaires in the Valencia office have been replaced by LEDs.
 - This year 2024, halogen downlights have been replaced by energy-saving LED downlights.
- ***Removal of several physical servers*** to include them in the virtualisation infrastructure, thus saving electricity consumption. This requires less heat dissipation, which means that the cooling equipment has less work to do (and consumes less energy).
- ***Use of environmentally friendly cleaning products.*** We have replaced conventional cleaning products with environmentally friendly products and recycled toilet paper and hand towels.

Just as we do not generate air pollution directly, we do not discharge directly into polluted waters, but, for example, the paper industry, which is one of the most polluting, does. By reducing paper consumption, we are helping to reduce waste from this industry by implementing the following measures:

- ***2-sided printing.*** Printers are set to print double-sided by default as the preset option.
- ***Control of accidental document printing.*** We have a printing control system in place to ensure the confidentiality of documents. This system requires on-site control of document printing, which eliminates unnecessary or repeated document printing.
- ***Encouragement for the use and sending of digitised documentation to our suppliers.***

6.2 CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT

The volume of waste we generate is insignificant, as it is limited to waste office equipment and the presence of our employees in the office. However, to minimise the impact on the environment, we base waste management on the 3Rs rule: Reduce, Reuse and Recycle:

- **Reducing waste generation:**
 - The use of disposable plastic products in meetings is prohibited.
 - In disposable products are needed, we only use cardboard/paper or wood.
- **Reuse.** We promote the use of reusable elements:
 - Coffee vending machines do not dispense coffee cups, thus requiring individual cups to be used.
 - Replacement of disposable crockery in meeting rooms with reusable: ceramic, glass, metal, etc.
 - Removal of plastic water bottles in meeting rooms, replacing them with reusable glass bottles.
- **Recycling.** Wherever products cannot be used any more and have to be disposed of, they will be sorted at source to facilitate recycling at treatment plants.
 - Information and awareness campaigns are carried out among employees for the proper separation of waste.
 - We have differentiated waste containers: packaging, paper-cardboard and residual waste. This year we have set up a container for batteries and electronic devices.
 - Confidential documentation is collected in specific bins for destruction and subsequent recycling.
 - Hazardous waste such as toner, batteries, fluorescent bulbs, electronics, etc. They are properly stored and removed by authorised waste managers.

Lastly, we keep track of the number of toner cartridges generated per office per year, as such waste usually generates the greatest complications from a management perspective:

Financial Year	Spain	Portugal	Greece	Italy
2022	135	70	12	5
2023	150	7	12	6
2024	23	24	16	4

6.3 SUSTAINABLE USE OF RESOURCES

The sustainable management and consumption of various resources is shown below:

○ **Water consumption:**

Our water management policy is focused on sustainable use, avoiding waste.

The actions we have in place to ensure reasonable use and control water consumption are:

- Information and training campaigns among employees to promote water saving (turning off taps, not using toilets as waste bins, rational consumption).
- Installation of taps with an aerator to reduce the amount of water used, and with a timer or motion sensor to prevent them from being left on.
- Installation of toilet cisterns with different flushing volumes according to need.
- Installation of a dishwasher for reusable crockery in meeting rooms.
- Plumbing is inspected to avoid faults and leaks.

Water consumption history:

Financial Year	Spain	Portugal	Greece	Italy
2023	3,833.58	1,000.43	458.00	2,975.00
2024	4,171.71	521.21	324.41	6,141.82

○ **Energy consumption**

We do not own or lease a fleet of vehicles, so the main energy consumption is indirect and comes from the electricity used in the different offices of the Group, detailed in the following table (kWh/year):

Financial Year	Spain	Portugal	Greece	Italy
2023	748,451	158,232	82,290	10,608
2024	804,034	185,993	96,908	21,840

Lastly, the Hipoges Group does not consume raw materials strictly speaking, other than the toner indicated above, and paper, the reduction measures for which are also mentioned in previous sections.

6.4 CLIMATE CHANGE

We remain firmly committed to reducing energy consumption and hence greenhouse gas emissions through the energy consumption minimisation measures outlined.

In relation to greenhouse gas emissions, based on electricity consumption, a conversion has been made using the factor 0.26 kg of CO² equivalent kWh, so that the tonnes of CO² generated per office are as follows:

Financial Year	Spain	Portugal	Greece	Italy
2023	204.33	43.20	22.47	2.90
2024	209.05	48.36	25.20	5.68

7. INFORMATION ABOUT THE COMPANY

Hipoges strictly applies the legislation in force with regard to the various interest groups involved, to which it adds its own policies and codes that go beyond legal requirements, such as a Policy on the Fair Treatment of Debtors, among others.

7.1 COMPANY COMMITMENTS TO SUSTAINABLE DEVELOPMENT

7.1.1 Impact on employment and local development

At 31 December 2024, Hipoges has:

- a) In **Spain**, 13 company work centres (Hipoges, Cupatena, Grupo Cobo, F&G, Domus and Finanwin sites) and a network of more than 1,600 collaborators distributed throughout the country, 98% of whom are local suppliers distributed throughout most of the country and 2% are international suppliers.
- b) In **Portugal**, 2 company work centres and a network of more than 263 collaborators distributed throughout the national territory, 97% of whom are local suppliers throughout most of the country.
- c) In **Greece**, 3 company work centres and a network of more than 600 collaborators distributed throughout the national territory, comprising 98.5% local suppliers distributed throughout the national territory and 1.5% foreign suppliers.
- d) In **Italy**, 2 company work centres and a network of 38 collaborators distributed throughout the national territory, 97% of whom are local suppliers.

7.1.2 Relationships maintained with actors from local communities and means of dialogue with them

Regarding the local community, Hipoges is generally seen as a priority interlocutor. While it is true that its financial suppliers and customers are an interest group with which it maintains a continuous dialogue through regular meetings and calls that make up day-to-day operations, it also strives to make the rest of society aware of its activity:

- a) Promotional campaigns are launched so that citizens can benefit from such campaigns.
- b) Presence at conferences and media interviews about the sector in which Hipoges operates.
- c) The Hipoges of are constantly being reviewed and updated, to make all citizens aware of its news and updates. In addition, the Hipoges website www.hipoges.com has a contact

form through which any member of the public can contact it directly and so build a channel of mutual communication.

7.1.3 Partnership and sponsorship actions

The contribution made by Hipoges in this context is summarised as follows:

- With the aim of actively working to provide value to young people, maintaining relations with universities, business schools and training centres; and participating in **educational cooperation programmes** and **job fairs**.
- **Corporate Social Responsibility Programme**. Management has a commitment to provide the necessary means for long-term involvement.

The Group is committed to the **10 principles of the UN Global Compact**, covering human rights, labour, environment and anti-corruption.

The **Sustainable Development Goals** outline a series of measures to end poverty, protect the planet and ensure people's global well-being.

For Hipoges, the two initiatives cited in the previous paragraphs are important in that they help to prioritise and identify opportunities, which involve improving sustainability and adapting the business model to the challenges set for 2030.

Since 2020, Hipoges, under its commitment to support the United Nations 2030 Agenda for Sustainable Development and, considering the priorities and needs of the countries in which it is present, has assessed its contribution to the **Sustainable Development Goals** taking into account its activity and mission as a company.

Thus, during 2024, Hipoges' Corporate Social Responsibility ("CSR") initiatives have been aimed achieving SDGs 1, 2, 4, and 10.

- **Christmas Action - Fundación Diversión Solidaria [Charity Fun Foundation]**: Hipoges again this year celebrated its famous initiative: The Magic of Christmas 2024 in collaboration with the Fundación Diversión Solidaria, spreading smiles and hope among the children who most need it. Staff from across the group took part, and this year for the first time the Cobo Group has take part on a voluntary basis in the Magic of Christmas 2024 initiative. In total, hundreds of gifts arrived at the headquarters in Madrid, so that they could be collected and distributed together to the foundation.

- **Donation to those affected by the COLD DROP in Valencia:** During November 2024, a Donations campaign was launched, to collect material and financial contributions to help those affected by the COLD DROP that hit the area in October 2024. The campaign was launched in collaboration with Caritas Valencia and the Valencia Red Cross.
- **Donation of books and school materials - Melior Foundation:** In September, containers were installed in the kitchens and in the HR Department of the Madrid office to collect books, and school materials, etc. to subsidise educational projects for children in social exclusion.

7.2 SUBCONTRACTING AND SUPPLIERS

The relationship with suppliers and their selection based on objective criteria is a fundamental element for Hipoges. In this regard, the regulatory framework indicating the relationship between the supplier and Hipoges is set out below, with the aim of creating, developing and maintaining a close and fluid relationship with them.

7.2.1 Inclusion of social, gender equality and environmental issues in the purchasing policy

With regard to the contracting of suppliers, the Group has its own Purchasing Department Manual and a Supplier Approval Policy, where it is expressly stated that an analysis of the different opinions and alternatives will be carried out by analysing different offers in order to obtain the best one, i.e., the key points for contracting will not depend on the male or female gender of the supplier.

In addition, for a service proposal to be approved, a comparison of three suppliers must be performed, indicating the skills for which they are selected. This must be objective and on the open market, thus avoiding gender-based decisions.

7.2.2 Consideration in the relationship with suppliers and subcontractors of their social and environmental responsibility

Suppliers performing their activities on behalf or for the benefit of Hipoges are aware of the Entity's Code of Ethics and Conduct, and undertake to act in accordance with its values and principles.

The values and principles set out in the "Code of Ethics and Conduct" include environmental commitment and social commitments.

7.2.3 Monitoring and audit systems and audit results

The Hipoges purchasing policy itself has a first line of control or supervision as it has a segregated approval matrix, depending on the cost of the service.

7.3 CONSUMERS

Hipoges maintains current and constantly updated policies and procedures regarding the Protection of Personal Data of natural persons that directly affect them.

The privacy of third-party data is a fundamental pillar on which Hipoges' relationships are based, aware as it is of the value and importance of third parties in the business sphere. This is why Hipoges establishes its internal rules and policies based on the General Data Protection Regulation and the Organic Act on Data Protection and Guarantee of Digital Rights.

To this end, there are controls and mitigation measures to minimise any risk that may materialise in this area, both for its own benefit and for its customers and third parties.

Much of the application to these data protection rules can be seen in the clauses featured on the Hipoges websites, in contracts with customers, contracts with suppliers, etc.

7.3.1 Measures for health and safety of consumers

Through the suppliers responsible for the provision of maintenance services and conservation actions on property assets under management, the Group ensures that the contracted supplier sends a report on the condition of the property and its surroundings to guarantee the absence of any possible risks for third parties who may acquire the assets.

Together with the asset report, the supplier also sends an economic assessment of the actions that may be necessary for each asset, indicating the minimum actions for use and/or operation under conditions suitable for sale.

7.3.2 Complaint systems, complaints received and resolution

As part of the business, Hipoges acts as an intermediary between its customers and the third parties that acquire the assets under management.

In order to contact any Hipoges employee, several channels have been enabled for seamless communication with the sender:

- **Social networks:** through LinkedIn, for example, it is possible to solve employment or social questions.
- **Web contact forms:** contact forms are available at www.Hipoges.com to facilitate communication.
- **Call Centre:** the customer service team receives questions and complaints from any third party via telephone, putting them in direct contact with the manager where necessary.

The number of complaints received during 2024 totalled 267 in Spain, 13 in Portugal, 0 in Greece and 2 in Italy. These complaints were received either through the Whistleblowing Channel or through the contact form on the Hipoges website. All of them were handled by the Compliance Department and referred to the competent managers or given a solution and direct response.

The total number of complaints received was specifically distributed as follows:

- **Spain:** 267 versus 49 in 2023
 - HIPOGES IBERIA, S.L.: 266
 - DOMUS RESIDENTIAL SERVICES XXI, S.L.: 0
 - COBO GROUP: 1
 - FORMALIZACION Y GESTION S.L.: 0
- **Portugal:** 13 versus 20 in 2023
- **Greece:** 0 in line with 2023.
 - HIPOGES HELLAS: 0
 - ALSVIT: 0
- **Italy – AXIS:** 2

7.4 TAX INFORMATION

The entities comprising Hipoges determine their accounting result in accordance with the accounting standards in force in each jurisdiction and the profits tax in accordance with the tax regulations applicable to the type of company in the country of residence.

During the 2024 financial year, the profits earned, Corporate tax paid and public grants received in the different jurisdictions where the group operates are as follows:

2024 Financial Year

(Euros)

Country	Aggregate profit / (loss) before taxation	Consolidated profits Consolidated before tax	Corporate Tax	Public grants
Spain	21,028, 249	11,072,490	(3,377,934)	78,920
Portugal	3,077,285	2,758,764	(605,693)	-
Greece	(371,072)	(433,980)	17,273	-
Italy	934,168	500,025	(295,550)	-

2023 Financial Year

(Euros)

Country	Aggregate profit / (loss) before taxation	Consolidated profits Consolidated before tax	Corporate Tax	Public grants
Spain	15,779,488	10,060,667	2,470,128	8,125
Portugal	1,716,246	1,619,993	400,957	-
Greece	(49,516)	(50,772)	-	-
Italy	2,027,535	1,645,421	611,154	-

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			GRI 2-6	
			GRI 2-22	
Information on environmental issues	Policies	Policies applied by the group, including the due diligence procedures applied for identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.	GRI 3-3	6. Information on environmental issues Page 114
	Main risks	The main risks related with these matters connected with group activities, including, where relevant and proportionate, its commercial relations, products or services that could have negative impacts on these spheres, and how the group manages these risks, explaining the procedures employed to detect and evaluate them in accordance with the national, European or international reference framework for each topic. Information must be included as to the impacts detected, setting out a breakdown in particular with regard to the main short-, medium- and long-term risks.	GRI 3-3	6. Information on environmental issues Page 114
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