

ANNUAL COMPLIANCE REPORT 2024

21 JANUARY 2025

INMOBILIARIA COLONIAL, SOCIMI, S.A.



Annual Compliance Report 2024

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Introduction

In an increasingly complex and regulated business environment, having an adequate Compliance Model has become essential for Inmobiliaria Colonial, SOCIMI, S.A. (hereinafter, “Colonial”) in its aim of upholding the highest ethical standards in its governance model.

This document seeks to outline the main actions, initiatives and measures driven, carried out and implemented by the Colonial Compliance team in fiscal year 2024 to ensure that all its operations comply with its internal regulations and the applicable external regulations.

In line with our stakeholders’ constantly changing expectations, the Annual Compliance Report records our efforts in this area, reinforcing our commitment to ethics and setting out the results achieved and our aims for the future in a transparent manner.

The Annual Compliance Report for the year ended 31 December 2024 was approved by the Audit and Control Committee at its meeting on 21 January 2025.

Compliance Structure

In fiscal year 2024, Colonial carefully examined its Compliance Model. As a result, in September 2024, the Board of Directors, at the proposal of the Audit and Control Committee, resolved to appoint Mr Juan Muñoz Jiménez as Chief Compliance Officer, taking over from the Regulatory Compliance Unit and reporting directly to the Audit and Control Committee.

This change in the body in charge of managing the Compliance Model is in line with best practices in this field and reinforces Colonial's commitment to good corporate governance. The appointment of a Chief Compliance Officer as the person responsible for such matters who operates independently from the Compliance Unit enhances Colonial's three lines of defence at the operational level and also in terms of independence.

From January to September 2024, the body in charge of Compliance at Colonial was the Regulatory Compliance Unit (RCU) whose members, as provided when it was first established, were Ms Nuria Oferil (the Company's Head of the Legal Department) and Mr Carlos Escosa (Head of Internal Audit).

In accordance with Colonial's Compliance Model, the Compliance Unit has the following duties:

- To keep the applicable regulations up to date and available to the Audit and Control Committee and to remain informed at all times of any legislative changes applicable to Colonial, as well as to put in place any procedures that may be necessary to ensure compliance with such regulations.
- To conduct a regular assessment of compliance with any regulations applicable and of the suitability and effectiveness of internal regulations.
- To establish, apply and maintain adequate procedures to identify and strive to correct any non-compliance with obligations under the applicable regulations.
- To oversee the Compliance Unit's obligations concerning the various rules that make up the Company's Corporate Governance, including those under the Audit and Control Committee's remit for which the Compliance Unit provides support.
- To draw up an annual report on the results of its activities and submit it to the Audit and Control Committee.
- To manage the internal reporting systems of the Colonial Group companies based in Spain (Whistleblowing Channel).

Priorities for 2024

Pursuant to Colonial's Compliance Model, the body in charge of Compliance matters draws up an annual report on the results of its activities and submits it to the Audit and Control Committee for approval. The Audit and Control Committee thus approved the Regulatory Compliance Unit's Annual Activity Report for 2023 at its meeting on 24 January 2024. The report included a summary of the activities carried out by the Unit in the performance of its duties in fiscal year 2023.

Without prejudice to the performance of its duties, the report included the following priorities for the Compliance Unit for fiscal year 2024:

a) Developing the new multi-year Compliance training plan for 2025-2027.

The Compliance training plan for 2025-2027 was submitted to the Audit and Control Committee on 10 October 2024. The plan sets out the proposed training activities for the years 2025-2027, including training and awareness actions in relation to the following matters: Privacy, Prevention of Money Laundering and Financing of Terrorism, Criminal Risk Prevention, Market Abuse Prevention and Ethics.

These training activities are expected to be conducted mainly online so that the materials involved can be easily reused by new employees or updated when necessary. In addition, all training activities will conclude with a final test.

b) Analysing the Compliance Model.

In accordance with its commitment to best practices in the field of corporate governance, Colonial's Compliance Model was analysed in fiscal year 2024. This led to changes to its Compliance structure and the appointment of a Chief Compliance Officer as the person responsible for Compliance matters, replacing the Regulatory Compliance Unit (RCU).

Following the issue on 29 July 2024 of a favourable report by the Audit and Control Committee on the restructuring of the Company's Compliance matters and the appointment of Mr Juan Muñoz Jiménez as Chief Compliance Officer, the changes were approved by the Board of Directors on 26 September 2024 and announced internally within Colonial and its subsidiaries. Furthermore, as a result of all this, the manager of the Internal Reporting System (Whistleblowing Channel) was also replaced, and the Catalonia Anti-Fraud Office (*Oficina Antifrau de Catalunya*) was informed of this fact.

The change to its Compliance structure has strengthened Colonial's three lines of defence from both an operational point of view and in terms of the Compliance function's independence.

c) Monitoring corporate policies.

The review and monitoring of the Company's corporate policies continued during fiscal year 2024. This included reviewing various proposals to update the current corporate policies, as well as monitoring compliance with the ones currently in force.

d) Compliance at SFL, with a particular focus on the GDPR and criminal risk prevention.

Regarding the coordination of its compliance work with its subsidiary SFL, in fiscal year 2024, the Company was in constant contact with the Head of the Legal Department at SFL. This collaborative effort led to the updating of SFL's privacy policies and the approval of an Anti-Corruption Policy with the same terms as those of Colonial's current policy. In addition, a Know Your Customer (KYC) procedure for divestment operations was put in place and a training activity on Ethics, with a particular focus on the establishment of the Whistleblowing Channel, was carried out.

Activities Carried Out

Below are the main Compliance activities carried out in 2024:

- **Criminal Risk Prevention**

In fiscal year 2024, the Compliance team continued to monitor criminal risks and their respective controls. A presentation was shared with all managers and heads of the various departments at Colonial and Utopicus in early 2024, outlining the risks identified in their respective fields of action and the controls in place and requiring an undertaking to identify new risks and monitor their controls, as well as to comply with the code of ethics.

In addition, the risks and controls included in the Governance, Risk and Compliance (GRC) tool were updated during the year. A total of 34 risks were identified, and 81 control assessments were conducted.

Finally, a bidding process was held to select a new criminal risk prevention consultant. Bids from four renowned firms were received, and the result of the procedure was set out in an evaluation report that was then made available to the Head of Internal Audit and the Audit and Control Committee.

- **Monitoring the Code of Ethics and managing the Whistleblowing Channel**

On 29 July 2024, the Audit and Control Committee was briefed on the proposed amendments to the Code of Ethics to further Colonial's environmental commitment in line with the Paris Climate Agreement. The amendments were subsequently approved by the Board of Directors of the Company.

A total of 22 new employees (13 at Utopicus and 9 at Colonial) were hired in 2024. They were all given a copy of the Code of Ethics, which included an undertaking to adhere to it.

Regarding the management of the Whistleblowing Channel, no communications were received by Colonial through this medium in 2024.

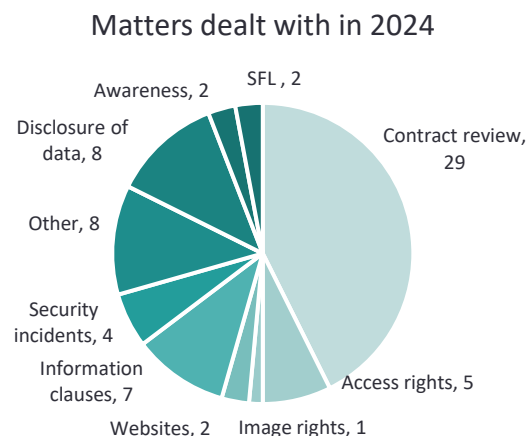
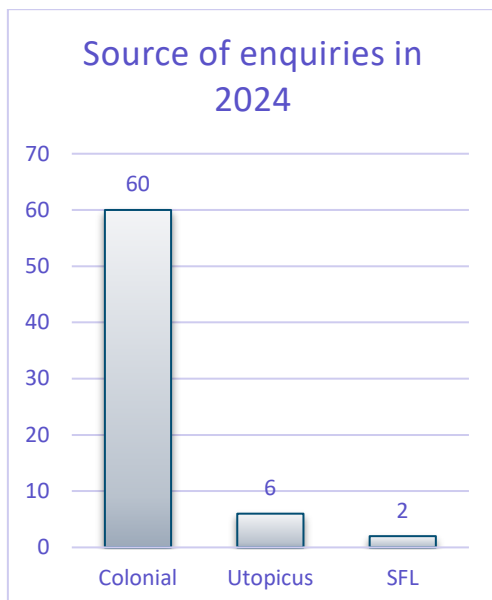
- **Privacy/GDPR**

In relation to its efforts in the field of privacy and the monitoring of its General Data Protection Regulation (GDPR) obligations, the Company’s work continued along the same lines as the previous year. This included holding weekly follow-up meetings between the Data Protection Officer and the GDPR consultant, many of which were also attended by the Head of Internal Audit, as well as monthly reviews of specific areas at both Colonial and Utopicus.

The work carried out included in particular: i) adding “Colonial Living, S.L.” as a new area for review following the corporate transaction with Criteria Caixa, S.A.U., which led to the creation of a new Data Processing Register (DPR); ii) inviting external consultants to the Security Committee’s monthly meetings; and iii) reviewing Société Foncière Lyonnaise’s (SFL) level of maturity in the field of personal data protection.

Furthermore, 13 analyses of third-party systems containing Colonial and Utopicus personal data were carried out in 2023 and 2024 to verify their compliance with the GDPR, identify any issues and make recommendations to improve their maturity level. The applicability of the NIS2 Directive was also carefully examined.

A total of 68 data protection enquiries on various matters were resolved in 2024. In addition, four security incidents were investigated.



- **Prevention of Money Laundering and Financing of Terrorism**

Colonial's Compliance team continued to support the internal control and reporting body pursuant to its money laundering and financing of terrorism prevention obligations. As a result, the External Expert's Monitoring Report on the Company's internal control and reporting bodies and procedures in place for the prevention of money laundering for fiscal year 2023 was issued on 4 March 2024, and the Manual for the Prevention of Money Laundering was updated following its analysis.

The work relating to the prevention of money laundering and financing of terrorism was carried out in collaboration with an external law firm. This involved several actions, including: i) assessing the potential impact of the transaction with Criteria Caixa, S.A.U. on Colonial's obligations in this area; ii) analysing the status of the EU's new legislative changes on the prevention of money laundering; and iii) reviewing the buyer identification processes for all asset divestment operations.

Reports relating to the prevention of money laundering and financing of terrorism are made through the Whistleblowing Channel, and no such reports were received in 2024.

As for training obligations in this area, these were covered in the awareness session held during the criminal risk review.

- **Conflicts of interest and related-party transactions**

No related-party transactions or conflicts of interest were identified in the transactions analysed in fiscal year 2024. However, this does not necessarily mean that no such issues were identified in the transactions examined directly by the Audit and Control Committee.

- **Monitoring and updating of corporate policies**

The Compliance Unit's obligations under each of the Company's corporate policies were monitored during fiscal year 2024. Furthermore, the relevant report on the monitoring of the corporate policies was submitted to the Audit Committee on 15 April 2024.

- **Market abuse prevention**

In 2024, the Management Committee received communications reporting on blackout periods in connection with the publication of the annual financial statements for fiscal year 2023 and the financial statements for the first half of 2024.

In accordance with the Policy on the Treatment and Disclosure of Inside Information and Other Significant Information, the list of Persons Concerned was kept up to date and the updating of the List of Persons Related to Persons in Management Positions at Colonial was arranged.

- **ESG**

The persons in charge of Compliance were involved in the drafting of the “Governance” chapter of the Integrated Annual Report for fiscal year 2023 and attended a number of meetings with various consultants on this matter with the aim of supplementing or providing new information on the Company’s internal Compliance procedures.

- **Compliance activities at the Group level**

The possible inclusion of the Colonial Group companies was taken into account in all Compliance actions carried out in 2024.

The monitoring of the company Utopicus Innovación Cultural, S.L.U. in relation to privacy and criminal risk prevention and all matters relating to the Code of Ethics thus mirrored that of Colonial.

As for Société Foncière Lyonnaise (SFL), the heads of Compliance at the two companies remained in constant contact in order to harmonise their Compliance procedures. The meetings held between these two heads of Compliance were recorded in the form of minutes, which were made available to the Audit and Control Committee and the Head of Internal Audit of Colonial. During 2024, SFL approved an anti-corruption policy with the same terms as those of Colonial’s current policy, made strides in privacy matters and put in place a KYC procedure for divestment operations.

Furthermore, Compliance matters featured consistently on the agenda of Audit and Control Committee meetings. Specifically, both the RCU and the Chief Compliance Officer reported to the Audit Committee on matters within its remit at its meetings held on 24 January, 15 April, 29 July, 10 October, and 8 November. In addition, the persons who were in charge of Compliance during 2024 were in constant contact with the chair of the Audit and Control Committee and the CEO.



Training and Awareness

The Compliance training activities carried out in 2024 included both formal training sessions and awareness initiatives. The following actions were carried out in 2024:

- In relation to **criminal risk prevention** and the **prevention of money laundering**, in-person training sessions for all Colonial and Utopicus managers and heads of department to review all the criminal risks associated with each area were held in late 2023. Following these training activities, in February 2024, each manager and head of department was sent a personalised presentation setting out the risks and controls specific to them, together with a statement containing their acknowledgement, agreement and compliance undertaking. The sessions were attended—and the related undertakings were signed—by a total of 30 people, who are all the members of the Management Committee and the entire middle management level at Colonial and Utopicus.
- A series of **short training videos** on ethics, criminal risk prevention, market abuse prevention and other Compliance matters in the form of a television series was launched in December 2024 to make Compliance training more engaging. The videos, which are about five minutes long and feature professional actors, cover a variety of topics and end with a final test. They are aimed at all Colonial and Utopicus employees, and there are currently four episodes.
- In the field of privacy, the Company has an **e-learning course on GDPR** for new employees and anyone needing to refresh their knowledge.
- Three short videos on **privacy** matters were sent to all Colonial and Utopicus employees in 2024. The specific topics covered were the use of blind carbon copy (BCC) in emails, the use of AI in the workplace and a reminder to remain vigilant against various types of phishing attempts.

In addition to all this, the proposed Compliance training plan for 2025, 2026 and 2027 was presented to the Audit and Control Committee on 10 October 2024.

Whistleblowing Channel

No Compliance incidents were reported through the Whistleblowing Channel in 2024. The channel remained available on the Colonial and Utopicus websites at all times. Likewise, no Compliance incidents were reported using any other method.

The following Whistleblowing Channel management and maintenance tasks were carried out:

1. Following the change of the person in charge of the Whistleblowing Channel on 10 October 2024, the Catalonia Anti-Fraud Office was informed of the change of manager of the Internal Reporting System of Inmobiliaria Colonial, SOCIMI, S.A. and Utopicus Innovación Cultural, S.A.U.
2. The whistleblowing tool was tested twice to check its proper operation in fiscal year 2024.
3. Both the training sessions on criminal risk prevention and the series of short training videos expressly mention the Whistleblowing Channel as a way to report incidents, highlighting the independent handling of complaints, their confidentiality and the possibility of reporting incidents anonymously.



Compliance Resources

The following financial resources were used for Compliance activities in 2024:

Item	Budgeted amount (€)	Actual amount (€)
Privacy/GDPR	44,000	42,000
AML and CTF ¹	5,000	4,000
Criminal Risk Prevention	30,000	9,850
General	28,000	14,726
Total	107,000	70,576

Other resources used for Compliance activities:

Legal Department: In fiscal year 2024, the Legal Department provided support for various Compliance actions on multiple occasions. This included, among other actions, supporting the review and reporting of legislative changes during the year. Furthermore, the Head of the Legal Department was a member of the Regulatory Compliance Unit until September 2024.

Information Security Committee: The Information Security Committee carried out various awareness actions.

Internal Audit Department: The members of the Internal Audit Department attended meetings and training sessions on various Compliance matters, specifically the follow-up meetings on privacy. The Head of Internal Audit was also a member of the Regulatory Compliance Unit until September 2024.

¹Anti-Money Laundering and Counter-Terrorist Financing Measures

Conclusions

Based on all of the foregoing, we can conclude that in 2024:

1. Colonial's Compliance Unit had an adequate structure, which was further updated to maintain its compliance with best practices in corporate governance after increasing its independence. As a result, the Compliance Unit is adequately organised and staffed to fulfil its purposes.
2. The Compliance Unit effectively fulfilled all the priorities established at the beginning of the year.
3. As regards its activities during 2024, it can be concluded that the Compliance Unit takes on and fulfils its responsibilities under the applicable regulations and the various corporate documents.
4. During 2024, the Compliance Unit enjoyed financial autonomy and its own financial resources to fulfil its aims.

