



Millenium
Hospitality Real Estate

HUMAN RESOURCES' FRAMEWORK POLICY

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1. Objective

This policy sets out to define, design and disseminate a human resources' management model for Millenium Hospitality Real Estate SOCIMI, S.A. and its subsidiaries (henceforth, "MHRE" or the "organisation") which allows the talent to be captured, driven forward and retained and the promotion of the personal and professional growth of all the people who belong to the organisation and the achievement of the long-term objectives of MHRE.

The role of the Human Resources' officer, whether internal or external to the organisation, shall be that of supporting said management, as well as driving forward and striving for compliance with the human resources' policies carried out at the organisation.

Furthermore, it must strive to ensure that the people who form part of the organisation are aligned with the provisions of the mission, vision and values of MHRE and hence with the ethical conducts set out in the Code of ethics and conduct of the organisation.

The Board of Directors of MHRE shall be the ultimate person responsible for striving for and evaluating compliance with the principles contained in the present policy.

It is assumed that the key principles for retaining the human capital are the design and implementation of human resources' and employment relations' frameworks which involve all the professionals in the success of MHRE, promoting their economic and social development, thereby to compliance with the eighth of the Sustainable Development Goals (SDG) approved by the United Nations' Organisation and which promote business efficiency and competitiveness.

In line with the above, this policy is based on a series of principles which guide their development and application and which must preside over the management of people.

2. Operating principles with regard to selection and hiring:

- a) To develop a selection process throughout the organisation that:
 - Ensures the equality of opportunities, non-discrimination and diversity.
 - Strives for impartiality and objectivity, solely bearing in mind the criteria of merit, capacity, trustworthiness and integrity.
 - Ensures the transparency of the processes.
 - Maintains the total confidentiality of the applicants.
- b) To guarantee that the processes are carried out in a transparent manner through the internal and external dissemination of the existing vacancies, except for those which, for the sake of confidentiality, cannot be subject to said dissemination, and making sure to:
 - Strive to ensure that the selection and hiring processes are objective and impartial, avoiding in the selection process of the family members of professionals of the organisation or of people with any other similar personal link, the involvement of the professionals with whom they are linked.
 - Promote, as far as possible, the hiring of professionals from excluded collectives and of people endowed with different capacities.
- c) Present to the applicants a value proposal which contains: a competitive remuneration which allows the best professionals to be attracted and retained and which aligns their objectives with those of the company, an organisation which respects the equality of opportunities and the legislation in force, which provides measures to achieve a work-life

balance and which allows people to contribute with their work to the mission of the organisation.

- d) To ensure that the people involved in the organisation are aligned with the principles and values of MHRE.

3. Operating principles with regard to the development of talent

Talent management is a key aspect for ensuring that we have the required capacities to carry out the challenges of our organisation and promote the professional growth of our staff. One of the ways of carrying out this management is training, having the following operating principles:

- a) The promotion of training plans and programmes that foster the enhanced performance of the work post, the adaptation of human resources to technological and organisational changes, the adaptation of the new professionals to the demands of the organisation and a greater professional development capacity.
- b) The training programmes contain aspects related with respect for human rights and which promote a culture of ethical behaviour.

Learning is achieved, first and foremost, through practice. With this in mind, each organisation manager must accompany and support his/her teams so that they develop, urging them to take part in projects or new activities, as well as evaluating and providing continuous *feedback* about the progress achieved, as advice and continuous support are tools which improve performance and help the employees to improve their skills.

The people who for part of MHRE must have an interest in continuous learning which makes possible their own development, their professional promotion as well as providing a response to the changes made in our sector and on the markets on which MHRE carries out its activity.

4. Operating principles with regard to health and safety

Achieving a safe, healthy working environment must be one of our priorities, respecting and driving forward the following guidelines:

- a) Including health and safety criteria in all the processes, areas and territories in which we work.
- b) Identifying, monitoring and evaluating work-related risks.
- c) Ensuring adaptation between people and their position through the surveillance of health and training.
- d) Guaranteeing legal compliance in terms of occupational health and safety in accordance with the legislation, exchanging the best practices and driving forward a culture of excellence in risk prevention.
- e) Facilitating the participation of teams in the promotion of health and safety to enhance the minimum safety standards.

5. Operating principles with regard to compensation

Having a value proposal for our staff is key for attracting and retaining people within our organisation. This proposal not only has to consist of a remunerative part, but also of some non-

salary elements which generate a favourable, enriching environment for the people who work at MHRE.

The principles which have to apply when defining this value proposal are:

- The remuneration must be consistent with the mission, vision, principles and values of our organisation.
- Our remuneration system must bear in mind three aspects: be motivating to people, ensure internal fairness and be competitive externally. All of which adapted to the various local realities where the staff are located and bearing in mind the principle of proportionality, the economic situation, both of the organisation and of the environment and the market standards.
- Maintaining and strengthening a culture in which compensation and the development of people is in line with the organisation's results and/or their contribution to them. Recognising and rewarding the performance of each person and the results achieved, guaranteeing, at all times, the absence of any type of discrimination.
- Driving forward measures to achieve work-life balance which allow a favourable environment for people.
- Promoting a working culture and atmosphere in which the participation of people in the strategic objectives and management of MHRE is incentivised.
- Assuming a commitment to compliance with the employment and social security obligations with regard to the applicable laws.

Finally, the behaviour of all the team managers of the organisation, as human resources' managers, must be geared towards generating trust through the constant exercising of our principles and values and it is essential that they are proactive about the way in which the employees or contributors for whom they are responsible feel in the organisation and how they perceive their form of remuneration.

6. Basic operating principles with regard to equality, diversity and inclusion

- a) Respecting diversity between its professionals, promoting non-discrimination;
- b) Developing the principle of equality of opportunities whose compliance constitutes one of the essential mainstays of professional development and entails a commitment to practice and demonstrate equal treatment which drives forwards the personal and professional progress of the team, avoiding, amongst other matters, professionals with family or similar personal links from holding positions which hierarchically or functionally report to the professionals to whom they are linked; and
- c) Promoting gender equality, in particular, with regard to access to employment, training, professional promotion and working conditions.

7. Basic operating principles with regard to respect for private life and digital disconnection

The latest organisational dynamics, as well as the implementation of new technologies, promote organisational efficiency, but at the same time they blur the boundaries between the time dedicated to work and private life.

It is a priority that professionals should be able to have a full personal life, in a manner which is compatible with their working activity.

For these purposes, guidelines must be promoted which allow the effective separation of the personal and working areas, paying particular attention to the disconnection of digital devices, without favouring or discriminating against professionals, with this being based on the promotion of suitable digital disconnection guidelines whose objective is to promote respect for rest time and make it easy for the professional to be able to fully develop his/her personal life outside working hours and with as little interference as possible from his/her professional obligations which must only occur in situations whose need is justified.

8. Ethics at work

The Board of Directors of MHRE approved a Code of ethics and conduct which includes the basic operation principles required of all professionals and management staff who work in the organisation, whatever their hierarchical level, geographic or functional location and the group company for whom they provide their services.

9. Approval, validity and review of the Policy

This Policy has been approved by the Board of Directors of MHRE at its meeting held in Madrid on 16th of March 2022

The follow-up and monitoring of the application of this Policy shall be carried out by the Board of Directors through the Appointments and Remunerations Committee and the Compliance Officer of MHRE.