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# Social Impact results 2022



Neinor Homes, SA.; Governance, Risk & Compliance, Internal Audit & ESG  
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One of the biggest ESG projects we developed in the previous year was our project for **measuring, managing and reporting on the social impact of Neinor's development activity**, and committed to carry out an impact measurement of all developments finished every year, to **follow its evolution and be able to make decisions accordingly**. In the last quarter, **we have measured the impact of all developments finished in 2022** and calculated the results, aggregated and average, for the last two years and for the **3 dimensions, 9 impacts and 12 key indicators** that the measurement framework is comprised of.



### Habitability, Well-being and Social Cohesion

We believe that the most relevant part of this project is the one that refers to the accessibility to housing, **one of the biggest problems for the Spanish society, especially for the working class and the young people**. After the pandemic, the situation of the housing market in Spain is facing a significant shortage of supply, especially in large urban areas, and **even more notably a shortage of subsidized housing**, with Spain being one of the countries in Europe with the least social housing per number of inhabitants. Our most important responsibility as developers is improving accessibility to housing for the segments of the population that need it the most and for young people, and in areas within or close to large urban centers, as well as to contribute to the well-being of the people who live in our homes. One example of this commitment the major development we are carrying out in the municipality of Alovera, in an area very close to Madrid.



Evolution of finished homes in Spain: free to sell and subsidized, 1991-2022.

1.1	Accessibility to housing	We measure our contribution towards making housing more accessible, increasing supply in relation to demand, and opening lines of business focused on facilitating access to housing for the most disadvantaged segments of society.	Since we started measuring our social impact <b>the total number of homes we have finished, excluding subsidized, has been 4.731 (1.564 of which were finished in 2022)</b> representing <b>5.4% of all homes finished in our areas of operation (3.7% in 2022)</b> . In the past two years <b>we have built a total of 697 subsidized homes, 233 of them in 2022</b> , which represents, on average, <b>the 4.8% of the total subsidized homes built in the areas where we operate (3,4% in 2022)</b> . In 2021, the lower financial effort required to live in a home from our Rental line <b>allowed 20% more of the population to have access to premium housing</b> . This positive impact has not been repeated in 2022, due to the higher cost of rent in Sky Homes II.
1.2	Accessibility to basic services	Basic services are those to which the entire population should have access in order to guarantee a life of quality: health, education and food.	Neinor Homes, thanks to the location of its developments, <b>has increased accessibility to basic services by 12.5 times for the inhabitants of its homes (9 times in 2022)</b> .
1.3	Promoting a healthy lifestyle	The availability of nearby green spaces and the regular practice of sport offer multiple benefits related to mental and physical health and well-being.	The developments built in the last two years, on average, <b>increase the accessibility to sports facilities by 4.6 times</b> compared to the provincial average ( <b>5.3 times for developments finished in 2022</b> ) and <b>the size of green areas available within a 10-minute walk by 2.7 times (1.1 times in 2022)</b> .
1.4	Family well-being and social cohesion	We promote family interaction and the creation of a strong and united community.	The homes we have developed in the past two years have, on average, <b>29% more common areas than the average</b> for the autonomous community where they are located, or <b>16% for homes developed in 2022</b> .



## Economic Sustainability and Local Development

The Real Estate sector is one of the major generators of wealth globally and in Spain in particular it is one of the key drivers of the economy. It also acts as a driving force in the reactivation of the economies of the autonomous communities and municipalities.

We contribute to the economic development of the neighbourhoods and municipalities in which we operate. The focus of our development activity during the last period has been in deprived, depopulated or polluted neighborhoods, transforming them into well communicated locations with good basic services (e.g., Bolueta, Montesa or Zorrozaure).

2.1	Employment generation	Neinor Homes, through the construction and subsequent habitability of its developments, increases employment in the locations where it operates.	As a result of the development of the homes delivered in 2022 and 2021, <b>we have created 13.826 direct and indirect jobs, 4.540 of them created during 2022</b> , taking into account those jobs created during the construction phase and during the habitation phase of the homes.
2.2	Urban regeneration	Taxes and fees are the main source of revenue for municipalities. The arrival of new inhabitants in a locality contributes to increase the resources of the Municipal Public Administration.	Neinor's contribution through taxes to the municipalities where it has developed its activity in the last two years <b>has been €37.5 million, €11.5 million of which was paid in 2022</b> . The residents of the homes finished in 2022 and 2021, for their part, <b>will contribute €3 million each year</b> to the municipal administrations through the payment of recurring taxes.
2.3	Promotion of local business and commerce	The arrival of residents from a Neinor Homes development stimulates business activity in the area.	We estimate that the arrival of new residents to the neighbourhoods where we have developed our activity in 2022 and 2021 <b>will generate €67 million in benefits for the local businesses each year</b> .



## Resources and Environmental Efficiency

We promote urban transformation towards a more sustainable and efficient model. Traditional energy sources are increasingly expensive, generate dependence on the foreign market and have a significant impact on the environment. On the other hand, sustainable mobility is a critical aspect of both the European Union's Urban Agenda and the Spanish Urban Agenda.

3.1	Boosting sustainable mobility	By choosing the location of the development, Neinor Homes determines the ease of access to public transport for its residents.	According to our measurement, our developments are providing access to public transport below the average of the municipalities where we operate. This can be explained by the fact that the areas of urban expansion, where real estate developers, including Neinor, tend to operate, are distant from the centre of these municipalities and therefore tend to be less well communicated by the public transport network.  However, in the long term, creating new neighbourhoods <b>will cause this public transport network to expand, reaching places where it was previously less present</b> .
3.2	Efficient housing design	Energy efficiency has become a priority for consumers and governments around the world.	We estimate that each family living in a Neinor Homes house finished in 2022 and 2021 <b>will save on average €1,437 per year in energy costs, or 1,870 €</b> in the case of homes finished in 2022.

### Methodology and scope of the project

At the Board of Directors' meeting in February 2022, we presented the pilot of a pioneering project for measuring and managing the social impact of the company's activity, **in which we committed to you that, once a measurement framework that was transversal to all our activity had been defined, we would carry out a measurement of all our promotions**, which we presented to you on October 2023, and after that **we would continue monitoring our social impact every year** in order to establish comparisons and analyse its evolution.

We believe that **social impact is going to be the next big concern** for people, and that our leadership in this area can be very positive in how the market perceives us.

*Our main vision with this project is to get ahead of what we are convinced is going to be the next business trend in ESG. Many companies in Europe are starting to measure their social impact, and at Neinor Homes we want to be the first Real Estate company to measure the footprint of our Real Estate activity on our Stakeholders.*

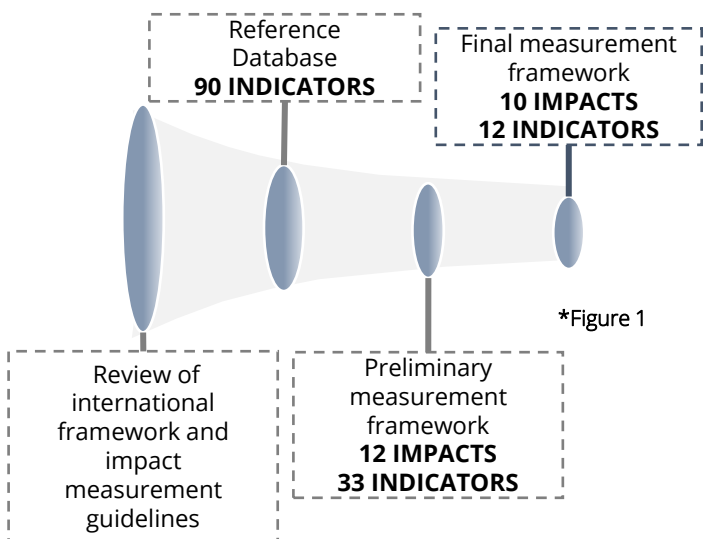
First of all, we need to **define what we mean by Impact**: it is the **change generated by the company's activity on its stakeholders**: customers, society, neighbours, local businesses, public administration, etc., and for this project, we measure **both intended and unintended impacts**.

As one of the main objectives of the project, we wanted the measurement framework we have developed **to be as transversal and applicable as possible**, allowing quantification across the entire portfolio of developments, regardless of their characteristics or geographical location, and applicable to all Neinor's business lines, such as new construction housing development, rental or protected housing.

This project is based on the methodology proposed by **Impact Management Platform (IMP)**, a pioneering global association in impact measurement, and for the definition of the indicators and calculation formulas we have relied on international standards.

Lastly, the analysis has been carried out taking into account **all phases of the life cycle of a development**, from the initial investment phase to the habitability of the dwellings, including the design, planning and construction phases.

The measurement framework was developed with the help of Transcendent, an expert consultant in sustainability and impact, through **5 major phases**:



- **Project understanding and grouping by typology.** This first phase allowed Neinor Homes' developments to be grouped according to different criteria, such as line of business, size in number of homes, typology, per capita income and population density, etc.
- **Review of International Standards**, on two levels, analysing on the one hand the international framework established by the United Nations in its **Sustainable Development Goals** and on the other hand various impact measurement guides in real estate, such as the **UK Building Council's Green Book**.
- **Identification and prioritisation of impacts.** Based on this initial database, a prioritisation process was carried out (**figure 1**), involving **two workshops** with the participation of key members of the company and members of the Management Committee. This phase resulted in the creation of an **initial database with 90 indicators**. Once this preliminary measurement framework was established, a prioritization matrix was created (**Figure 2**), classifying indicators according to their relevance in contrast to their ease of calculation and access to reliable data.
- **Definition of the quantification method and search for quality data sources**, prioritizing official and standardized data sources.
- **Development of a measurement tool** that allows reporting at the individual level per promotion, at the regional level, or at the global aggregate level.

