

Neinor
HOMES

**STATEMENT OF NON-FINANCIAL
INFORMATION**

SUSTAINABILITY
REPORT

2023

Thinking about people
and our environment.



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01

EXECUTIVE SUMMARY



WHO ARE WE?

Neinor Homes, the real estate platform with the ambition to transform the sector.

STRATEGIC PILLARS



Environmental

We build homes for tomorrow

Because the homes of today will determine our homes of the future, we want to provide residential solutions that respect the environment, whose consumption of resources is only what is essential and which are energy efficient in their development. **Homes that our children and future generations will be proud of.**



Social

Our people and communities

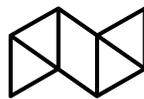
In addition to building the homes where people will live their lives, we are also **committed to the social environment and people's safety, health and well-being.** Our aim is to increase the supply of accessible, quality residential housing for all segments of the population.



Governance

The value of doing the right things, the right way

We firmly believe that how we do things determines who we are and who we want to be. That is why we live by ethical standards of integrity and transparency, so that **our words are consistent with our actions.**



PURPOSE

The purpose of Neinor Homes is to provide and facilitate homes for our clients, ensuring the well-being of people, communities and the environment.

MISSION

Our mission as a company is to **develop business models and formulas for the residential sector that are increasingly sustainable**, accessible and at the same time profitable, in order to secure the future of the company and help to alleviate the housing shortage in Spain's main cities.

VALUES

People: We evolve with people in mind, to provide homes that are more sustainable, spacious, high quality and environmentally responsible.

Sustainability: Committed to the future we will leave behind for the next generations, we measure the impact of everything we do. We have a responsibility to conduct our business in an environmentally friendly way.

Employees and talent: People are fundamental to our development as a company. We believe in equal opportunities, with our Equality Plan, as well as in the development of talent and work-life balance.

Benchmarks: We want to be able to inspire all our stakeholders by our example and become a benchmark within and outside the sector.

Responsibility: We are committed to society so that housing is at the heart of a fair and sustainable social growth. We contribute to the regeneration of urban environments, to the development of the social fabric and the promotion of employment.

Principles: Transparency, Good Governance and Social Commitment guide all our business decisions.

HOW DO WE CREATE VALUE?

We create value through a responsible business model.

EMPLOYMENT GENERATION



More than **6,000 homes** in various **phases of production**:
3,679 homes in the launch phase
and 2,524 in the execution phase for development.

¹Considers the entire perimeter of the Neinor Homes Group at 31 December 2023, including the employees of Renta Garantizada and Quabir Construcción.

²According to the Association of Real Estate Developers of Madrid (ASPRIMA), 2.4indirect jobs are generated for each dwelling.

We take into account for this calculation the homes delivered (2,559), given the fluctuation of homes under construction throughout the year.

INDUSTRIALISED MODEL

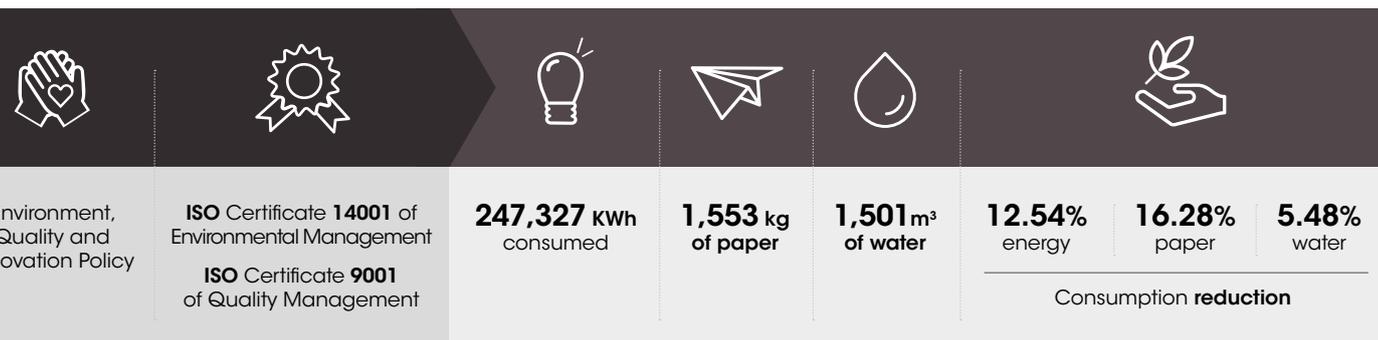
Promotion of first and second homes, construction, rental management of own and third-party homes.



Management of **of the residential development process** of the residential development process.



QUALITY AND ENVIRONMENTAL MANAGEMENT



CORPORATE SOCIAL RESPONSIBILITY AS AN INTERNAL POLICY FRAMEWORK

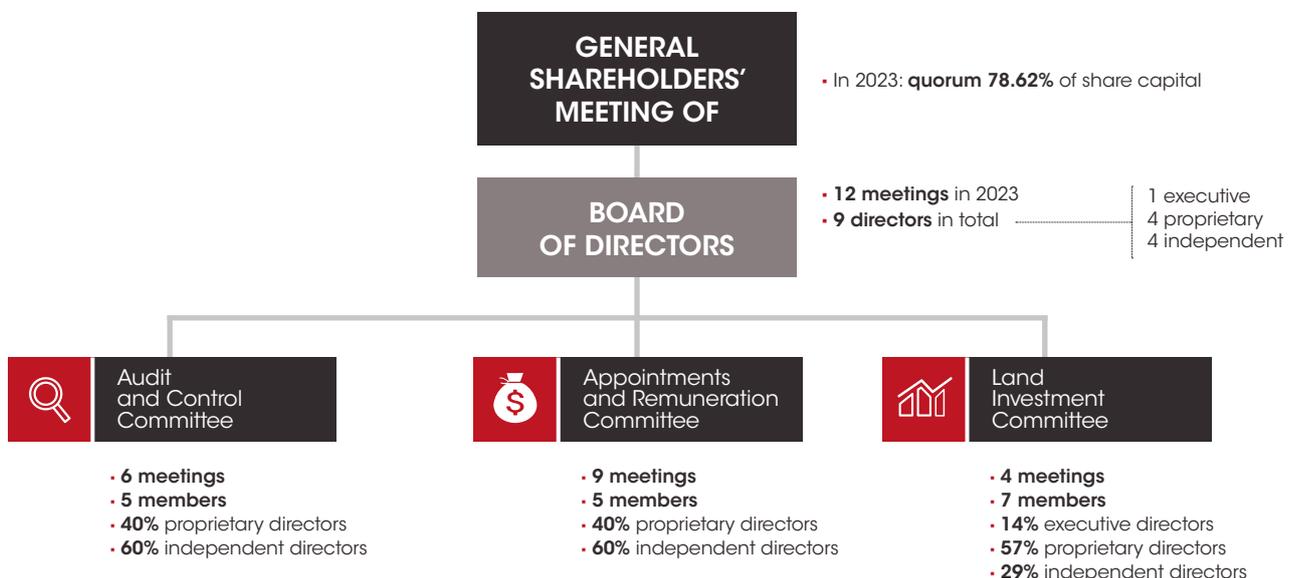


2022 - 2025 Sustainability Plan



WHAT IS OUR GOVERNANCE MODEL BASED ON?

Our business is based on a model of responsible governance

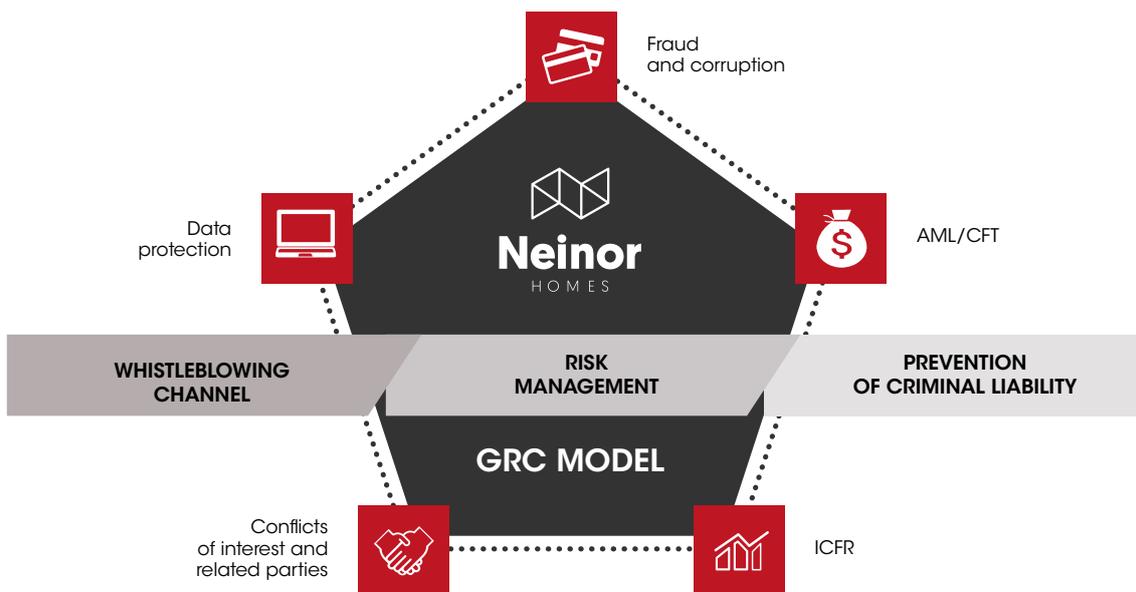


A COMPREHENSIVE MODEL OF CONTROL, COMPLIANCE AND ASSURANCE

GOVERNANCE, RISK AND COMPLIANCE MODEL (GRC)

Based on best practices of companies in the industry and other sectors

CORPORATE SOCIAL RESPONSIBILITY CORPORATE GOVERNANCE

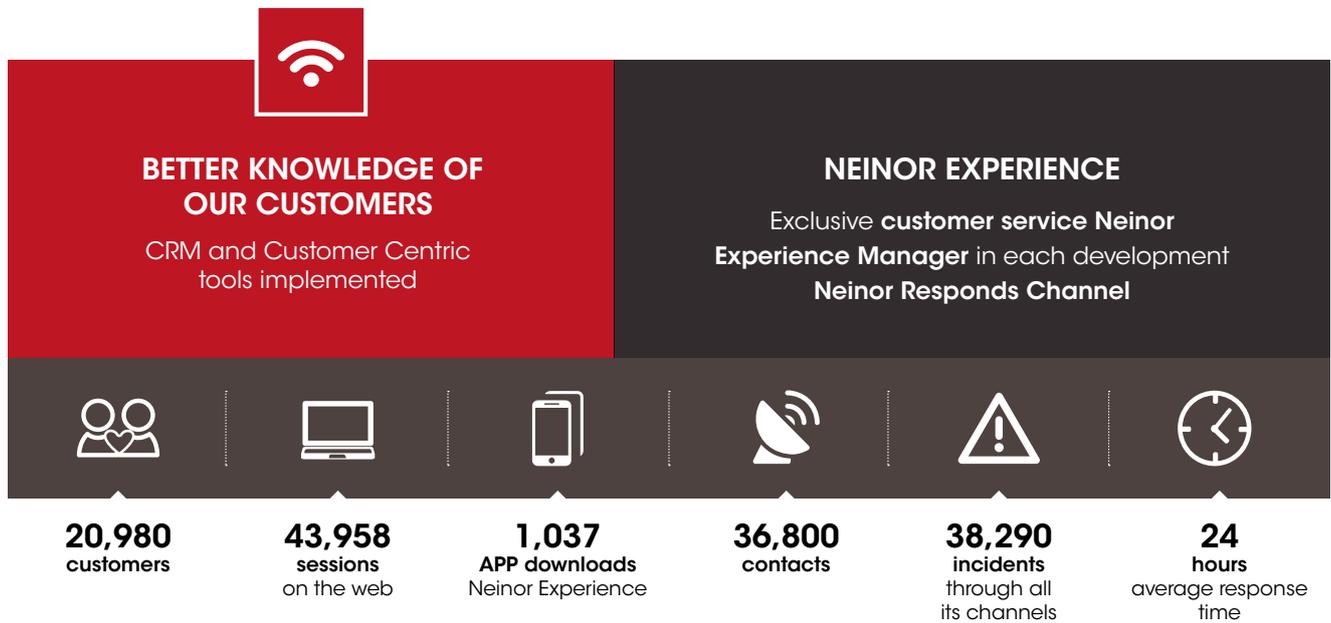


<p>Whistleblowing Channel</p> <ul style="list-style-type: none"> • Code of Ethics • Whistleblowing Channel • Ethical channel management procedure • Code of Conduct for third parties • Code of best practices in the real estate mediation services • Human Rights Policy 	<p>Risk Management Model</p> <ul style="list-style-type: none"> • Integrated Internal Control System • Corporate Risk Map • Risk Plan (Covid 19) 	<p>Prevention of criminal liability</p> <ul style="list-style-type: none"> • Criminal Risk Policy • Criminal Risk Prevention Manual • Internal rules of conduct • General economic-financial and corporate communication policy • Internal manual for the disclosure of privileged and other relevant information
<p>Zero tolerance for corruption</p> <ul style="list-style-type: none"> • Anti-Corruption, Fraud and Bribery Policy • Instructions on gifts, invitations and donations • Controls in place 	<p>Conflict of Interest Management</p> <p>Conflict of interest and related party transactions policy</p>	
<p>Data protection, confidentiality and information security</p> <ul style="list-style-type: none"> • Privacy Policy on Personal Data Protection • Procedure for the enforcement of the rights of data subjects 	<p>System of internal control over financial and non-financial reporting</p> <p>Internal control and risk management systems in relation to the financial reporting process (ICFR) and non-financial reporting (SICNFR)</p>	

 <p>ISO 27001 Information Security Certification</p>	<p>ISO 9001 Quality Management Certification</p>	<p>ISO 14001 Environmental Management Certification</p>	<p>UNE 166002 R&D&I Management Certification</p>
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WHAT ADDED VALUE DO WE OFFER OUR CUSTOMERS?

We offer a personalised service tailored to customer needs



WE BUILD HOMES WITH ADDED VALUE



**FAMILY HOMES
PROTECTION
INSURANCE**



**BREEAM
STAMP**



**NEINOR
MOBILITY
PACK**

QUALITY HOUSING

- Research + Listening + Development Process
- Standardisation **White Book**
- **Climate Risks** study
- **Personalisation** alternatives
- Sustainability: **BREEAM®** certified

INNOVATION AS A DRIVER OF TRANSFORMATION

NEINOR NEXT

- Collaboration with start-ups to test their products/services and see if they generate added value for Neinor Homes

PROCESS INNOVATION

- Analysis of the integration and optimisation of the construction white book in the adaptation to the technical code

COOPERATIVE INNOVATION

- Participation in forums and working groups: Basque Construction Cluster, Building Cluster, PTEC (Spanish Construction Technology Platform) and Cemex

DIGITAL TRANSFORMATION

- Digital Transformation Plan
- Digital initiatives that add value



In 2023, **260** customers have been insured by Neinor Homes so they are able to pay for their new homes



Nearly **80** BREEAM® certified developments at source



Cooperation with start-ups to test their products/services



Participation in **forums and working groups** in the real estate and construction sector

WHO ARE WE AT NEINOR HOMES?

We have a committed **team**



Neinor
HOMES

People management

- Strategic Human Resources Plan
- Loyalty plan
- Protection of employees in pandemics

Professional and personal development

- Internal Promotion
- Welcome Pack
- Attractive and flexible remuneration

Well-being and work-life balance

- Work-life Balance Plan
- Work-life balance measures

Equality and diversity

- Diversity and non-discrimination policy
- Equality Plan
- Code of Ethics
- Code of Conduct for third parties
- Human Rights Policy

Training

- Training platform
- 31.41 h. of training per employee and 17 training courses given to employees

Health and safety

- Occupational Risk Prevention (ORP) audits
- Life insurance: inclusion of cover for Absolute Permanent Disability due to illness in common for all the employees
- Work site safety
- Health and safety policy

Communication, satisfaction and initiatives to engage employees

- Social initiatives
- Work climate survey
- Regular communications from Management
- Team building activities



283¹
employees
45,05
average age



44.88%
women
55.12%
men



0.31%
absenteeism rate

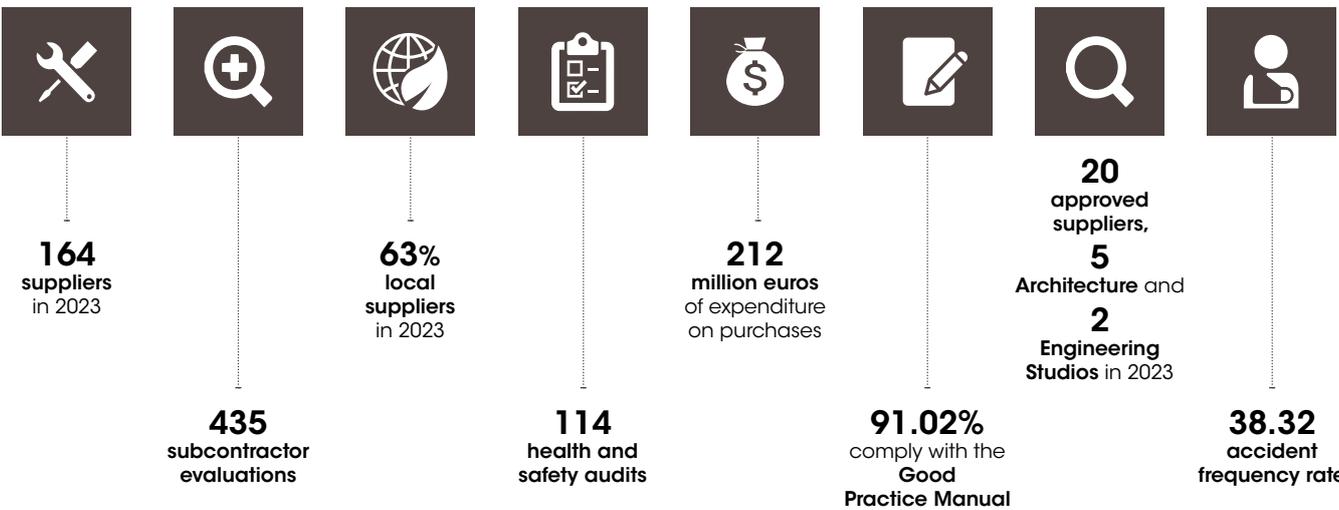
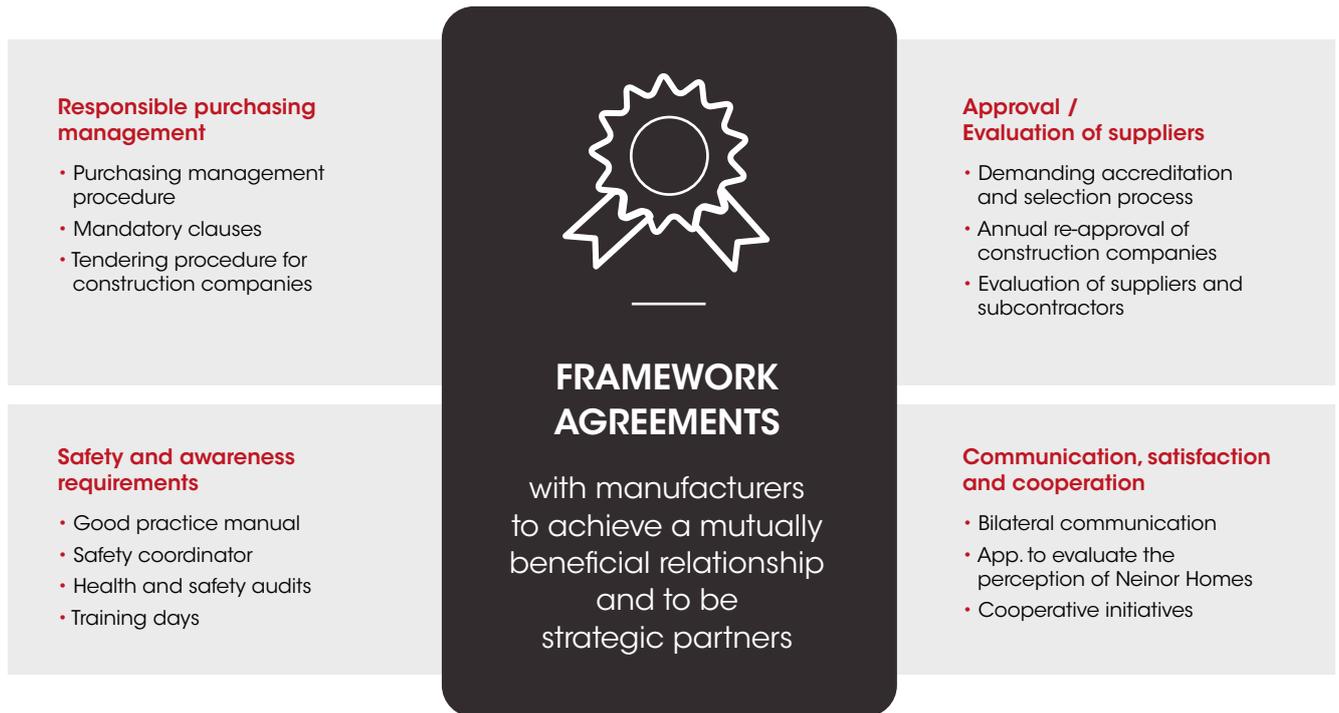


26
hirings
1
promoted employees

¹Analysis performed for employees of Neinor Homes parent company, excluding RG and QC in the process of integrating the HR control areas.

HOW DO WE WORK WITH OUR SUPPLIERS?

We are strategic partners of our suppliers



02

LETTER FROM
THE **CEO**



We are a company that has been able to achieve its financial targets without compromising its sustainability.

Dear Shareholder,

It is a pleasure to present to you the 2023 Sustainability Report of Neinor Homes, a company committed to the environment and society, which places sustainable development and contribution of value to our key stakeholders at the core of our business.

Since our inception in 2015 and, as a listed company since 2017, we have been driving the transformation of the real estate sector by being a benchmark in the search for a more sustainable model allowing environmentally friendly construction and contributing to the progress of the social and business fabric of the areas in which we are present, while facilitating access to housing in large population centres with a supply shortage.

Our mission is to provide and facilitate a home to improve the prosperity and well-being of people, communities and the environment through a sustainable yet cost-effective housing model.

We are convinced that long-term viability requires the consideration in business strategy of social and environmental impact. Aware of these challenges, the Board of Directors approved the 2022-2025 Sustainability Plan. This plan integrates various actions in the analysis of our corporate operations, public-private agreements and business lines, such as leasing, integration of construction in the value chain and our Neinor Essential business line, which offers affordable and quality housing. We are also pioneers in carrying out a climate change risk analysis based on TFCO, and ours is the first developer to measure the social impact of the company in aspects such as, among others, accessibility to housing, basic services, healthy lifestyles, employment and local development.

Our commitment to sustainability has been acknowledged with the award of the highest international rating in environmental criteria by Sustainalytics, which positions us from 2021 to date as the global listed developer with the lowest ESG risk, highlighting our sustainability performance. We are duly prepared to face the challenges of the housing sector, such as climate change, and we believe that this business model, where social and environmental aspects are key, gives us social legitimacy and financial stability.

From a social point of view, the main challenge we are facing is the housing shortage. Through the actions carried out by the company, we seek to lead the change in the practices of our sector, aiming at the sustainable development of our business activity, minimising its impact on the environment, and contributing to the development of the social and business fabric of the areas in which we are present. Likewise, we are helping our customers in their search for the housing that best suits their needs, and we are reducing the difficulties of access to housing for many groups in Spain.

At Neinor Homes, we are convinced that working together with our stakeholders will strengthen our business model in which social and environmental benefits are part of our corporate success.

Yours sincerely,

Borja García-Egotxeaga



BORJA GARCÍA-EGOTXEAGA
CEO

03

**FROM CSR TO
SUSTAINABILITY.
POLICY AND
STRATEGIC PLAN**



Since its inception, Neinor Homes has maintained a strong commitment to its social and environmental impact, publishing and auditing its Corporate Social Responsibility (CSR) / Sustainability Report since 2016, when it was not yet mandatory to do so.

The development and implementation of Neinor Homes' CSR Policy - which is carried out through the Governance, Risk and Compliance (GRC), Internal Audit and ESG departments, in collaboration with other departments such as the Operations area, which is responsible for the "environmental" aspect, HR, Communication and Marketing - **aims to encourage its employees to change their behaviour in a more supportive and responsible way**, as a way of driving business growth.

We believe that the collaboration of all our employees and collaborators is key to the development of the ESG strategy of our 2022-2025 Sustainability Plan. Through surveys and emails received in our Social Action mailbox (accion.social@neinorhomes.com) we learn about their concerns, suggestions and preferences in terms of sustainability and social collaboration, which allows us to focus our actions on their opinions and the initiatives they recommend, thus achieving greater staff involvement.

Financial year 2021 was a decisive year in the transformation of Neinor Homes' Corporate Social Responsibility, as the company's 2017 Corporate Social Responsibility Master Plan evolved giving rise to the **2022 - 2025 Sustainability Plan**, which was approved in September 2021 by the Board of Directors.

The Sustainability Plan was developed with the aim of transforming the real estate development model towards a more sustainable one, and was focused on creating value for the environment, society and people: minimising the impact of the company's activity on the environment, contributing to the development of the social and business fabric, as well as reducing the difficulties of access to housing for many groups.

For this reason, the Sustainability Plan is articulated around our **three strategic pillars**: Environmental, Social and Governance (ESG).



Our Sustainability Plan is made up of 16 areas of activity, within which 30 objectives and their corresponding 95 courses of action have been established, assigning specific deadlines and departments responsible for their development and fulfilment.

We build homes for tomorrow



E

ENVIRONMENTAL

- E.1. Resilient and Sustainable Homes
- E.2. Taking into account climate change. LCA/Carbon footprint
- E.3. Ecoefficient homes/resource use
- E.4. Protection and improvement of the environment
- E.5. Circular Economy

Our People and Communities



S

SOCIAL

- S.1. Homes for everyone
- S.2. People's health, safety and wellbeing
- S.3. Customer attention and care
- S.4. Commitment to the team
- S.5. Commitment to Society, the Community and the City

Our way of doing things



G

GOVERNANCE

- G.1. Best practice in Corporate Governance
- G.2. Ethics and Integrity
- G.3. Transparency and Relations
- G.4. Responsible sourcing chain
- G.5. Digital Culture/Innovation
- G.6. Sustainable Financing

Furthermore, as a sign of our commitment to the United Nations 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs), we have used these as a **reference** to define the courses of action of our **Sustainability Plan**.



- The **Environmental (E)** pillar focuses on building sustainable and resilient homes and whose consumption of energy resources is very low, on reducing and offsetting the company’s emissions, on promoting sustainable mobility in our developments, on protecting the biodiversity of the area, on supporting urban regeneration and on reducing and recovering construction waste.
- The **Social (S)** pillar focuses on improving access to housing, improving the safety, health and well-being of employees, suppliers/contractors and customers, actively listening to customers to offer them personalised service and products that bring them well-being, attracting and retaining talented employees, placing great importance on issues such as equality, diversity and non-discrimination, and developing and promoting social action and community engagement and human rights initiatives.
- The **Governance (G)** pillar focuses on aligning with best governance standards, maintaining and strengthening the ESG responsibilities of governance bodies, ensuring the company’s ethics and integrity, engaging with stakeholders and communicating detailed ESG progress to stakeholders, and incorporating ESG criteria into supplier contracts and evaluations.

In this way, the Sustainability Plan covers all the points reflected in the previous Master Plan, but goes a step further, as it is a Plan that has evolved and broadened its scope, making its objectives more global and giving them a message and meaning, such as the commitment to sustainability at a global level and the company's involvement with an organisation such as the United Nations.

Our Sustainability Strategic Plan can be consulted at:

<https://neinorhomes.com/en/responsible-business-andinnovation/sustainability/sustainability-plan/>

REVIEW AND UPDATE OF THE 2022-2025 SUSTAINABILITY PLAN

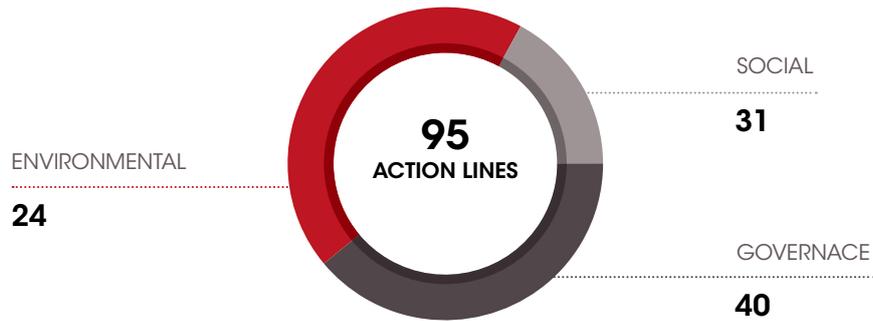
In 2023, in keeping with our policy of transparency and given that we are at the halfway point of the Plan, we have decided that it is a good time to review the courses of action that make up the Sustainability Plan and analyse whether they have been fulfilled, whether they will be maintained until 2025, whether they are aligned with the company's strategy or whether they have been concluded because they were included in a regulation, are not a priority in Neinor Homes' strategy or are one-off courses of action. In addition, we have also analysed the need to include new courses of action.

The aim of this review and analysis has been to reorient the company's strategy, to adapt it to the expectations of our environment, to reality and to regulations and, above all, to generate a real positive impact on people and the environment, avoiding greenwashing.

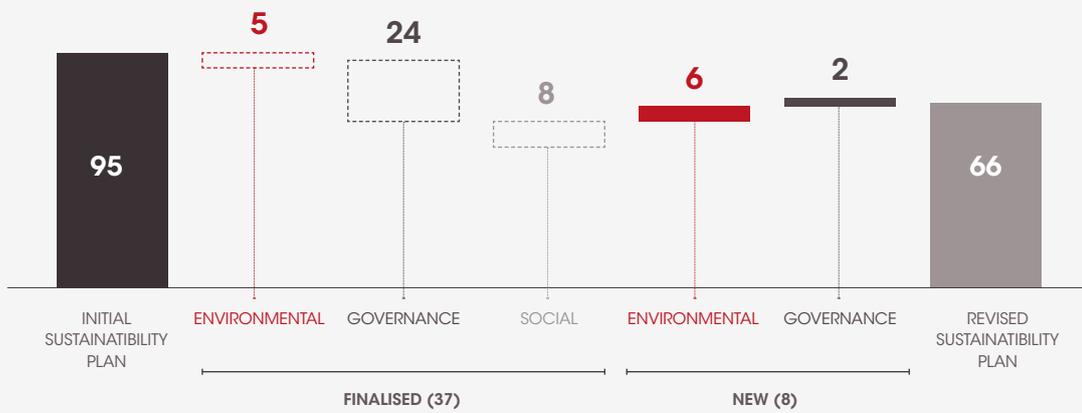
> Evolution of the Sustainability Plan

The initial Plan had 95 courses of action which, following the revision and updating of the Plan, have been reduced to 66 courses of action (see *Annex II*). In this first period, 37 courses of action have been finalised and it has been considered appropriate to add 8 new courses of action.

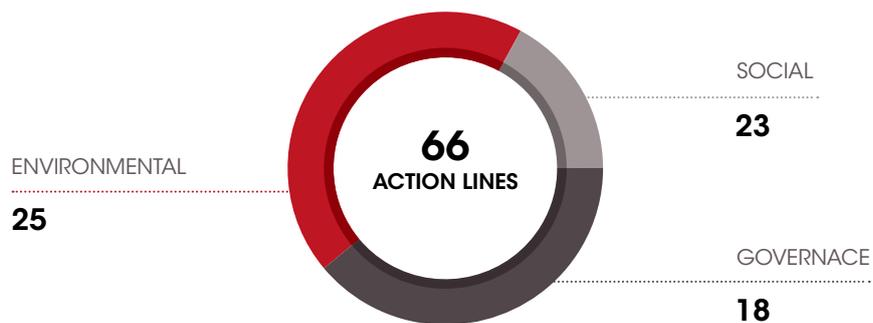
INITIAL PLAN



EVOLUTION 2022 - 2025 SUSTAINABILITY PLAN



REVISED PLAN



> Compliance with the Sustainability Plan

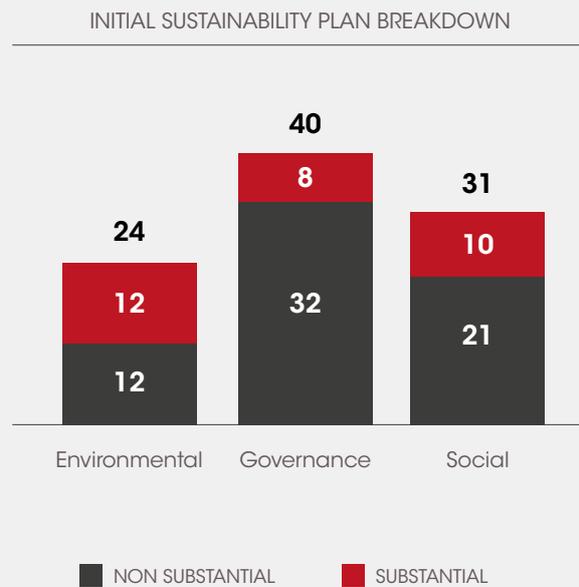
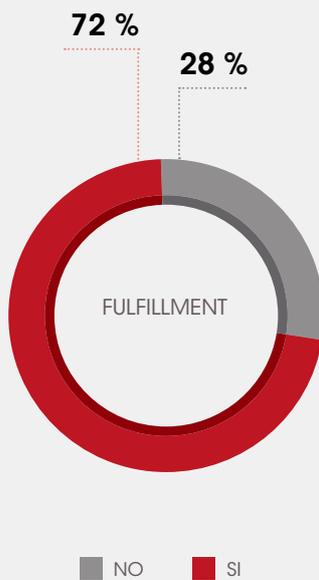
Of the 95 courses of action set out in the Plan:

- In these **first two years, 68** (72%) have been achieved.
- **30 are considered essential** (actions of major relevance either because of their impact on the business or the effort involved) and of these, 22 (73%) have been achieved.

(see Annex I).

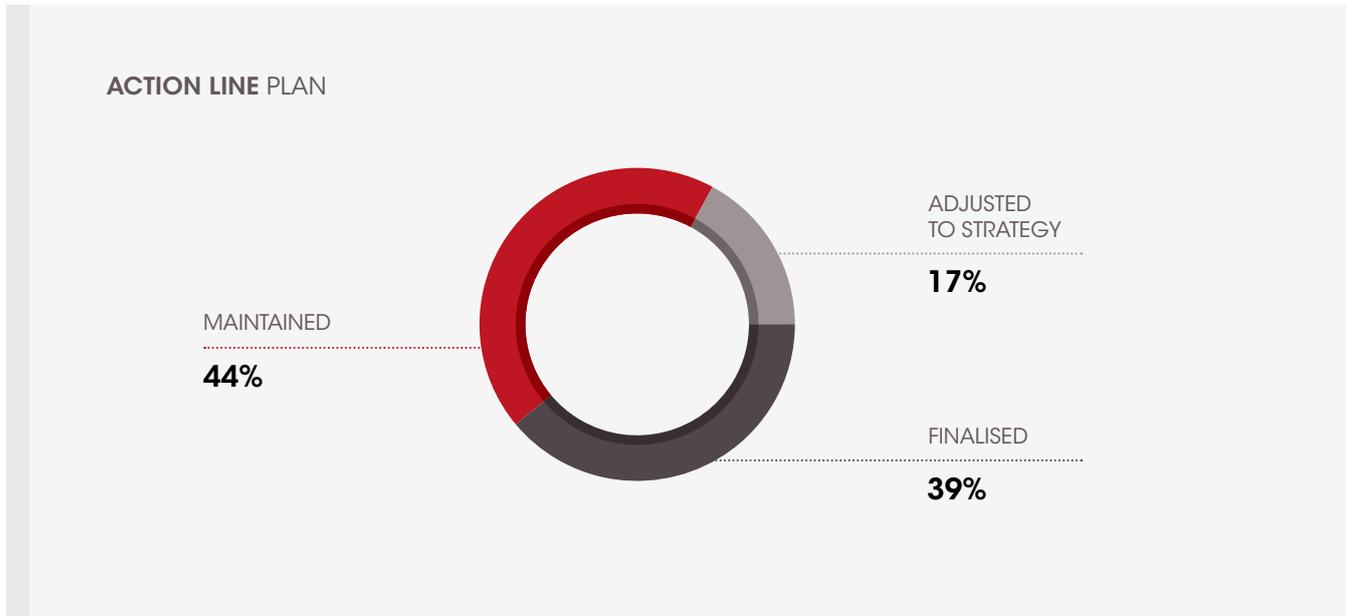
DIMENSIÓN	Action lines	Fulfillment	Not fulfillment
Environmental	24	20	4
Social	31	18	13
Governance	40	30	10
Total	95	68	27

Governance 72% 28%



> The history and development of the courses of action

Of the 95 courses of action set out in the Plan, 16 (17%) have been adjusted to the company's strategy¹, 42 (44%) are maintained until the Plan's end date in 2025 and, as mentioned above, 37 (39%) have been finalised² (see Annex I).

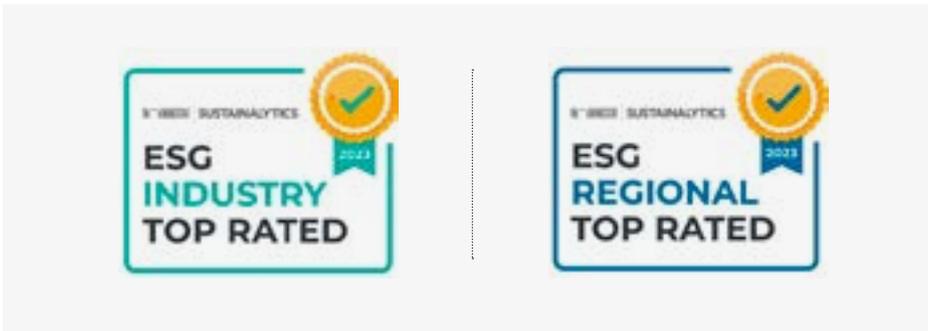


¹ The level of requirements has been raised, the range of compliance has been widened, more alternatives for compliance have become available and/or have been adjusted to the reality of the company and its real needs.

² They are already included in some regulations that imply their mandatory compliance, they are not a priority in Neinor Homes' strategy or they are not material and/or they are specific actions that have been complied with and that must be maintained over time.

At the halfway point towards the objectives we had set ourselves, the **results in terms of compliance and monitoring of the courses of action are quite satisfactory**. Nevertheless, we will continue to work until the finalisation of the updated Plan in order to meet 100% of the objectives.

> Validation of the Neinor Homes Group ESG



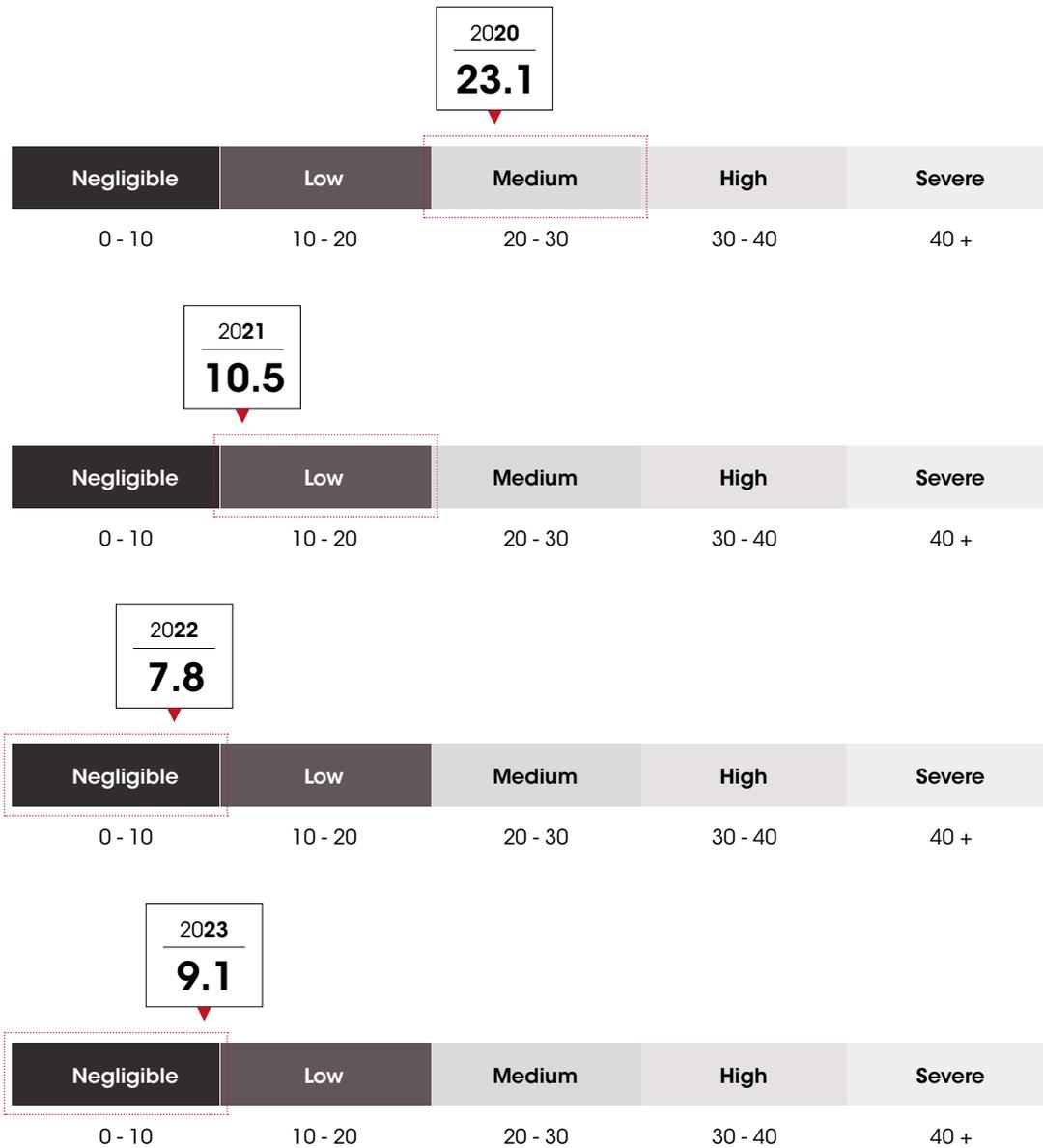
In 2021, in order to assess where Neinor Homes' ESG performance stood, it was decided to work with several analysts to obtain an objective assessment and receive feedback that would allow the company to continue improving.

This year, as in the two previous years, Neinor Homes has once again carried out an ESG assessment with the prestigious analyst Sustainalytics, being recognised for the third consecutive year as the best listed residential developer in the world in ESG criteria, or in other words, as the most sustainable listed real estate developer in the world.

In 2023, the company obtained a score of 9.1 (negligible risk), thus validating the Negligible Risk result achieved last year, despite the increase in the level of exigency in terms of the requirements to be met and the tightening of the criteria of the evaluation and scoring methodology by Sustainalytics.

In the last three years Neinor Homes has obtained the best score of all listed developers, the last two being below 10, which means that its level of risk is negligible.

ESG RISK RATING

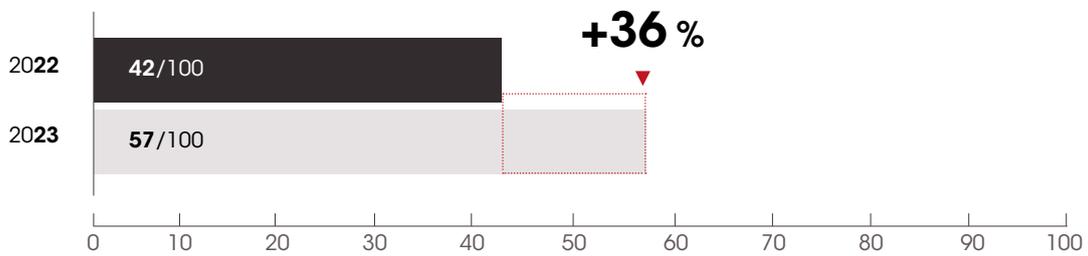


Likewise, in 2022 Neinor Homes participated for the first time in S&P's Global Corporate Sustainability Assessment (CSA), which it has also carried out this year.

The result has been a score improvement of 15 points, from 42/100 to 57/100 (this analyst's score works in reverse to Sustainalytics': a higher score means a better rating).

This means that S&P recognises the company as the No.2 in the real estate sector in Spain, behind only the property developer Merlin (70/100).

S&P's GLOBAL CORPORATE SUSTAINABILITY ASSESSMENT (CSA)



04

TRANSFORMATION OF THE SECTOR



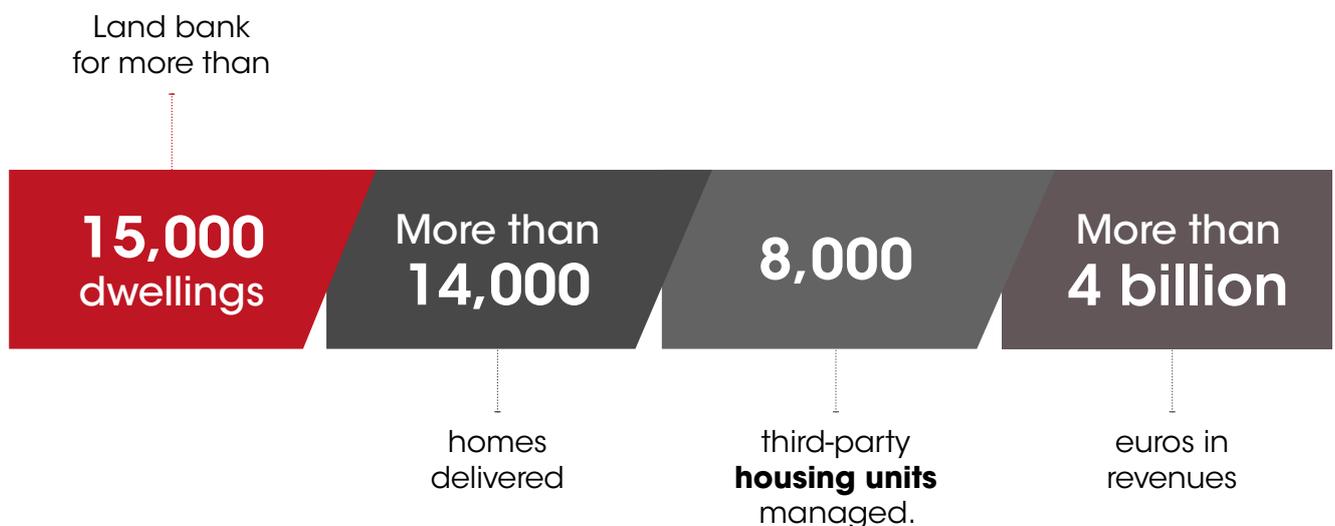
We are a **real estate platform** in which, through the application of best practices in the various areas of our activity, we seek to **accompany our customers** in a **close and responsible way** in one of the most important decisions of their lives, the **choice and purchase/rental of their home**.

4.1. OUR IDENTITY

We are Neinor Homes, the **first housing platform in Spain to cover the entire value chain of the developer and rental business**. Through our various business lines, we **contribute to the essential social good of housing and generate value** simultaneously and sustainably for all the company's stakeholders.

We work to adapt to a changing reality and respond to new needs and ways of living, and we **are very committed to our social impact**, aware that our activity responds to a vital need around which people's lives revolve. For this reason, we contribute to facilitating access to housing while developing projects that meet high standards of design, quality, sustainability and innovation.

We contribute to the **regeneration of urban spaces** and are committed to **co-investment** as a fundamental part of our growth. We are a **benchmark in the sector**, always with the aim of offering maximum safety and profitability to all our stakeholders.



4.2. A NEW TRAJECTORY, A LONG JOURNEY

With more than 30 years of experience in the property development sector, in May 2015 the commitment of new investors allowed Neinor Homes to establish itself as a **leading national real estate developer**.

Pioneers in implementing a new, more innovative management style, based on professionalisation, procedural culture and digitalisation, together with the most renowned architects, **we were able to embark on a path that many other developers would later follow**.

In March 2017, **the company carried out the first IPO in the residential development sector in Spain** since the financial crisis of 2008, **becoming a benchmark and leading the change** in a sector that needed to evolve and adapt to the new housing needs and ways of living.

Since then, we have been working to place **sustainable development and value to our stakeholders at the heart of our activity**, promoting environmentally friendly construction, contributing to the progress of the social and business fabric of the areas in which we are present and facilitating access to housing in large population centres where there is a supply shortage.

In these years, **Neinor Homes has strengthened and diversified**, with the commitment in 2018 to the rental business, pioneering Build to Rent; the integration in 2020 of companies such as Renta Garantizada, specialising in rental management; and the merger with Quabit Inmobiliaria in 2021, positioning it as one of the leading construction companies in Spain. In this way, it has managed to multiply its workforce 6.5 times, from 80 to 516 employees. We are also leading the way in our **commitment to co-investment in residential development** as a fundamental part of the company's growth strategy.

And all this, with a **responsible financial profile** with the objective of maintaining an LTV of less than 25%, which has made us an example to follow.

Neinor has become the benchmark for real estate platforms.

All these milestones have allowed us to **evolve, diversify and adapt to a constantly changing environment**, being able to cover the “Living” (shared, non-traditional) sector, covering the entire value chain, both the developer and rental business, as well as new real estate trends, such as coliving, senior living or microliving, always with the aim of offering maximum safety and profitability to all our stakeholders.

We are **highly committed to our social impact and to facilitating access to housing**, which is why we are also developing more affordable housing, for purchase or rent, in the Alovera area and throughout the metropolitan area of Barcelona, under the first publicprivate partnership agreement with Barcelona City Council for the development of affordable rental housing. And always with **projects that meet high standards of design, quality, sustainability and innovation**.

In 2023, with the aim of continuing to grow, Neinor approved a new business plan for the 2023-27 period with two main pillars. On the one hand, an ambitious shareholder remuneration plan with the objective of distributing €600 million and, on the other, maintaining its capital-efficient growth trajectory with an investment of €1 billion, half of which will come from new investment partners through joint ventures.

4.3. OUR PURPOSE AND VALUES

The purpose of Neinor Homes is to provide and facilitate a home for our customers which ensures the well-being of our customers, people, communities and the environment.

Our mission as a company is to develop business models and formulas for a residential sector that are ever more sustainable, accessible and at the same time profitable, which will guarantee the future of the company and help to alleviate the lack of housing in the main cities of Spain.

The **commitment to sustainability** at Neinor Homes is real and is not about pretending or greenwashing. Since its inception, Neinor Homes has driven the **transformation of real estate development to a more sustainable model**, focused on **creating value for the environment, society and people. Our values:**



PEOPLE

We evolve with people in mind, to provide them with **more sustainable, spacious, quality** and environmentally **responsible housing**.



SUSTAINABILITY

Committed to the **future we leave behind for future generations**, we measure the impact of everything we do. We have a responsibility to conduct our business in an environmentally respectful manner.



EMPLOYEES AND TALENT

People are fundamental to our development as a company. We believe in **equal opportunities**, with our Equality Plan, as well as in **talent development and work-life balance**.



BENCHMARK

We want to be able to **inspire** all our stakeholders **by our example and become a benchmark in the industry and beyond**.



RESPONSIBILITY

We engage with society to put housing at the heart of **fair and sustainable social growth**. We contribute to the **regeneration of urban environments**, the progress of the social fabric and the promotion of employment.



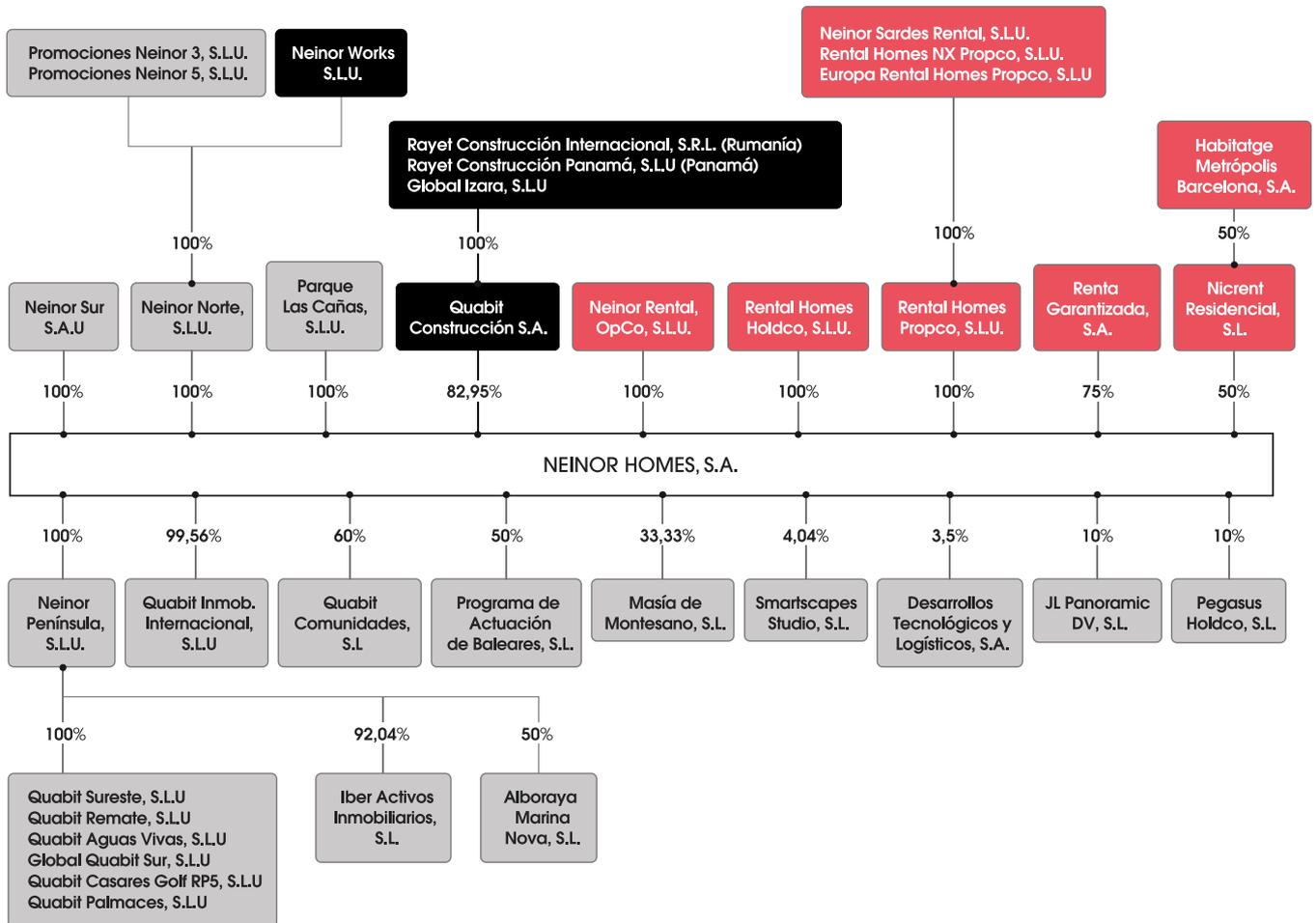
PRINCIPLES

Transparency, good governance and social commitment guide all our business decisions.

4.4. OWNERSHIP STRUCTURE

Neinor Homes has its main base in the **Basque Country**, from where it has extended its activity throughout the **rest of Spain**, concentrating on the markets with the highest demand and lowest stock, with a special presence in Madrid, the Basque Country, Catalonia, Castile- La Mancha, Andalusia, Valencia and the Balearic Islands. It has offices in Bilbao, Barcelona, Madrid, Guadalajara, Cordoba, Malaga and Valencia.

Below is an outline of the Neinor Homes **Group's corporate structure**.



5 Group companies engaged in the **construction business**.

9 Group companies engaged in the **rental business**.

23 Group companies engaged in the **developer business**.

TOTAL NUMBER OF COMPANIES including Neinor Homes, S.A. | **37***

* This table does not include other types of entities belonging to the group, such as UTE's, Cooperative Companies, AIE's, AIU's, etc.

05

**SOCIAL IMPACT:
CREATING VALUE
THROUGH OUR
RESPONSIBLE
BUSINESS MODEL**



The priority of our **business model** is to satisfy the needs of our customers based on responsibility in the **exercise of our activities** and the **commitments** we have made to our stakeholders.

5.1. ECONOMIC AND SOCIAL ENVIRONMENT

At Neinor Homes we are focused on meeting the needs, changing appetites and aspirations of our customers. We have a superior first home product, the best locations in Spain and a land bank acquired for the best prices.

Despite the climate of uncertainty resulting from the war in Europe that began in February 2022, the sharp increase in costs and prices that has followed, and the effect of the consequent restrictive monetary measures dictated by central banks around the world to try to curb price increases, we remain in optimal financial, operational and technological conditions to meet this challenge.

In 2020, we added the rental line to our development line, dedicated to rental management and new developments for rental. We also incorporated the construction line, creating our construction company, **Neinor Works**, which was strengthened with the acquisition of Quabit and its construction company Quabit Construcción.

In 2021 we created the **Neinor Essential line**, in which we develop affordable housing for more segments of the population with the company's usual qualities. In addition, we have also committed to the public-private partnership line to build 4,500 social rental homes in Barcelona and its Metropolitan Area through the mixed company Habitatge Metròpolis Barcelona (HMB).

One of the major novelties of the Strategic Plan approved this year is the **launch of various co-investment vehicles** for different types of projects such as sales, rental or senior living. The target was to raise 500 million euros over five years, of which 350 million euros have already been raised through alliances with Axa, Orion and Urbanitae.

The sharp rise in interest rates, which undoubtedly makes it more difficult for Spaniards to afford home ownership, and the fact that financial institutions have put an end to the long dynamic of easy access to mortgage credit, has not yet managed to overcome the solid demand for new housing that continues to exist in our main areas of activity in Spain, compared to the scarce existing supply.

In this **context of a degree of economic stability** and bearing in mind that residential development is a sector with a complex value chain in which numerous agents are involved, Neinor Homes is tackling all these factors through a critical analysis based mainly on **new technologies, innovation** and **sustainability**. Improved **continuous listening** to our current and potential **customers**, virtual visits, on-line prereservations and digital signatures are other factors that allow us to better understand the direction the market is taking.

Neinor Homes continues to be in optimal financial, operational and technological conditions.

5.2. DEVELOPMENTS ON THE STOCK EXCHANGE

Neinor Homes was floated on the stock exchange on 29 March 2017 **with a value of 16.46 euros per share**. The first years of listing were marked by political and economic uncertainty for Spain. Subsequently, 2020 saw the COVID-19 health emergency have a social and economic impact that was reflected in the financial markets. Since the lows of March 2020, Neinor's stock has recovered as investor confidence has increased, driven by the roll-out of vaccines. The first half of 2021 continued to be based on optimism in the economic recovery. In contrast, during the second half of the year, fears of a more restrained economic policy by central banks, coupled with the advance of new variants of the virus, have caused the markets to reduce some of the gains made during the first months.

Following the announcement of the creation of the new rental business line in 2020 and a record year of both financial and operating results, Neinor announced in early 2021 the first consolidation transaction in the Spanish real estate sector: the merger by acquisition of Quabit Inmobiliaria. This merger added a total of 7,000 units to Neinor's land bank - 1,600 of them under construction or already completed. The valuation of the transaction together with its capital structure allowed for strong value creation for shareholders in the following years. By the end of 2021 Quabit was fully integrated into Neinor Homes and was generating operating profits for the company.

2022 was a year marked by atypical macroeconomic factors such as the war in Ukraine and inflation levels close to 10% year-on-year in Europe and the United States. This led central banks to implement a contractionary monetary policy by raising interest rates and thus increasing the cost of financing for households. However, it is important to highlight the resilience of Neinor's development business, whose sales performance remains at historically high levels, highlighting the shortage of new housing in Spain. Moreover, Neinor's rental business had a very solid performance marked by high occupancy rates and double digit rental growth.

The sector's discounts to its asset value have increased, pressured by the stock price of the real estate sector which had the worst performance of the EUROSTOXX 600 with a 38% drop in 2022. At year-end 2022, Neinor Homes was trading at a discount of approximately 52% with regard to its asset value.

Given the discount at which Neinor Homes was listed, the strength of its balance sheet with no refinancing or interest rate risks, the resilience of the Spanish residential market and one of the best land banks in its history, in March 2023 the company has decided to present a new business plan in which it will change its capital allocation policy to ensure attractive returns for its investors while maintaining its growth policy in a sustainable and capital-efficient manner.

The support of the new business plan by the capital market has been clear, to the extent that at this date 90% of analysts recommend buying Neinor shares and the target price is 12.60 euros per share with an upside potential of 19.3%. Moreover, in the year 2023 Neinor Homes shares have delivered a total return of 29% and the NAV discount has been reduced to levels close to 33%.

SHARE PRICE EVOLUTION



The distribution of the shareholding is estimated as follows:

MAIN SHAREHOLDERS AS AT DECEMBER 2023

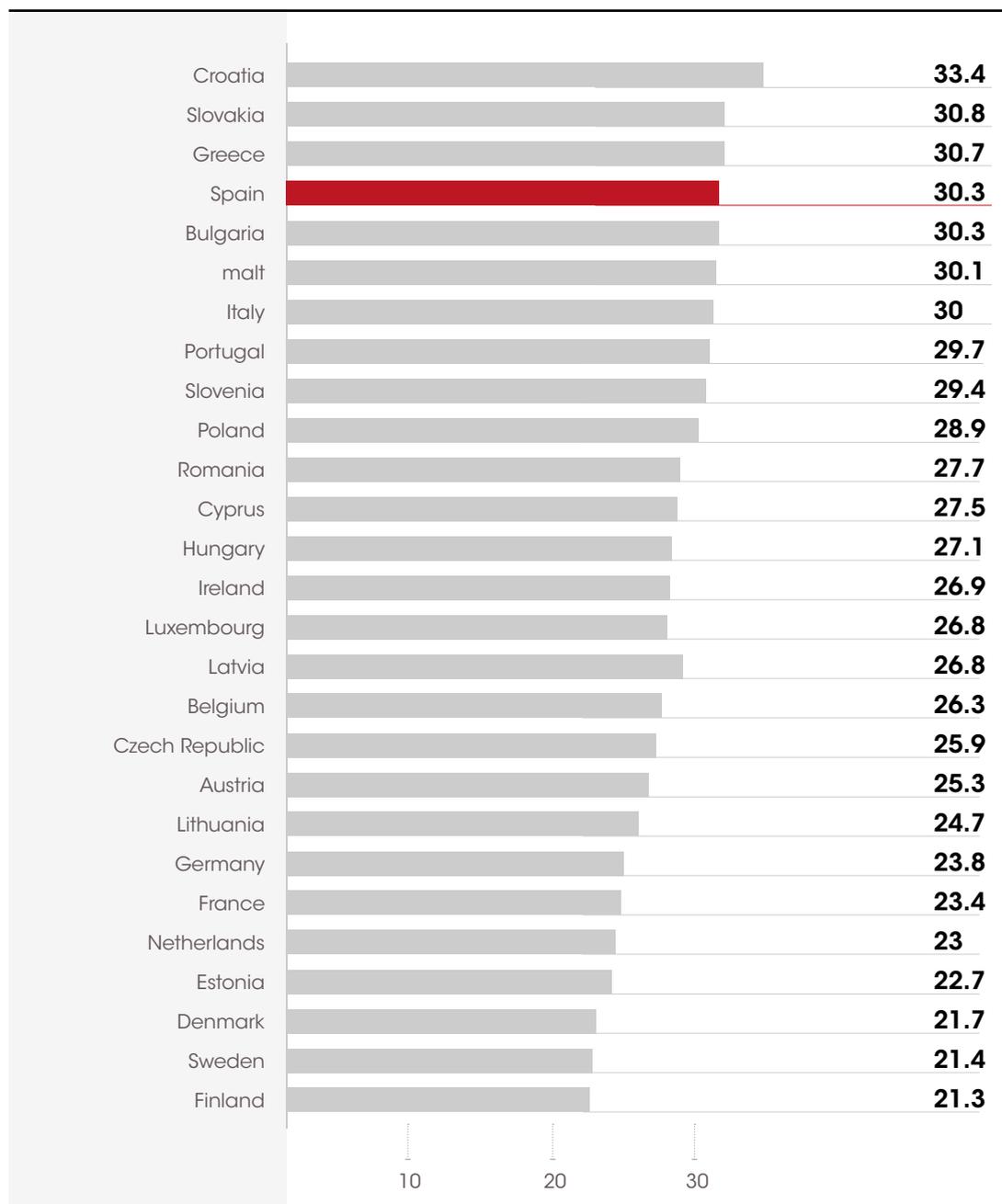
Name or company name of shareholder	Total % of voting rights
Orion European Real Estate Fund IV, SLP	29.52%
Stoneshield HOLDING S.A.R.L.	25.00%
Adar Capital Partners LTD	14.56%
Other Shareholders	30.92%

5.3. ACCESSIBILITY TO HOUSING / DECENT HOUSING

In Spain, one of the biggest social problems is financial accessibility to housing. According to Eurostat 2022 data, the **average age for housing independence of young people in Spain** increased by half a year in 2022 and reached **30.3 years**, almost four years above the EU average.

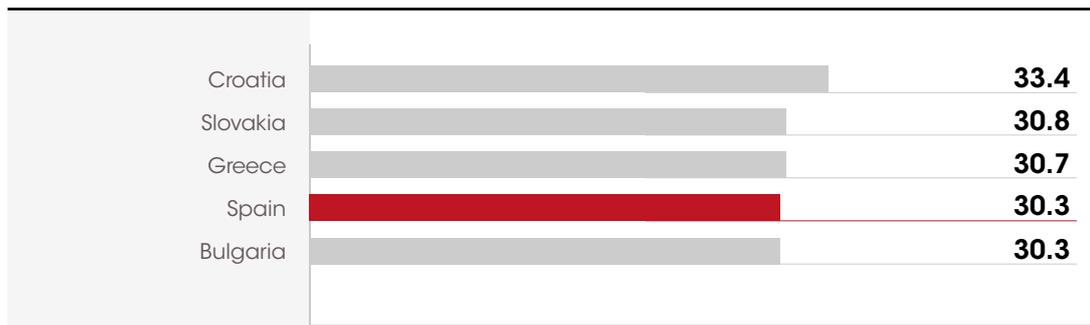
Spain is equal fourth in the EU, together with Bulgaria, of countries where young people leave the family home the latest. This is due to the high rate of youth unemployment.

AGE AT WHICH YOUNG PEOPLE IN THE EUROPEAN UNION BECOME EMANCIPATED ON AVERAGE

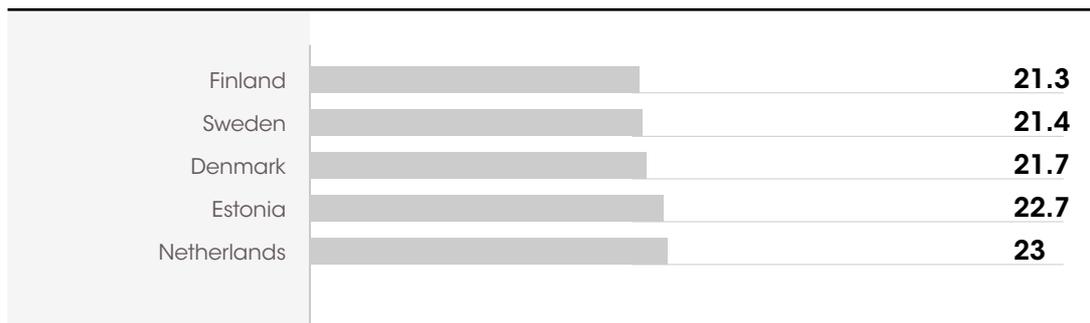


Source: Eurostat (2022)

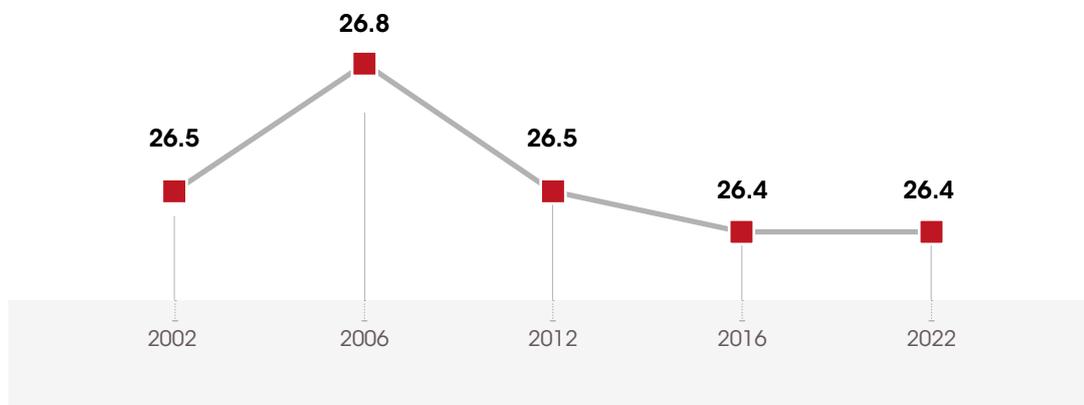
COUNTRY WHERE THEY EMANCIPATE LATER



COUNTRY WHERE THEY EMANCIPATE THEMSELVES MORE SOON



EVOLUTION OF THE MIDDLE AGES IN THE EUROPEAN UNION AS A WHOLE (27 COUNTRIES)



Fuente: Eurostat (2022)

Neinor Homes, aware of this challenge, has developed various **business lines** focused on the construction of **accessible and affordable housing** (Unsubsidised Housing, Subsidised Housing, Public-Private Partnership and Rental).



UNSUBSIDISED HOUSING

Neinor Homes is currently the developer with the **highest number of affordable housing** units delivered.



SUBSIDISED HOUSING

Neinor Homes has demonstrated **its commitment to the construction of homes for groups with difficulties in accessing housing** through its subsidised housing development business line.



PUBLIC-PRIVATE PARTNERSHIP

Neinor Homes has entered into a public-private partnership with **Cevasa as a partner with Barcelona City Council.**



RENTAL

Neinor Homes has demonstrated **a strong presence in the rental market.**

> UNSUBSIDISED HOUSING

Neinor Homes is currently the developer with the highest number of subsidised homes delivered. In 2023, it managed to deliver close to 800 homes, including affordable housing and subsidised housing priced below €200,000. This achievement has enabled many groups with financial difficulties to gain access to home ownership.

In addition to its experience in the construction of subsidised housing, Neinor Homes has created a new product line, called Neinor Essential. This line is exclusively aimed at offering unsubsidised housing at affordable prices, making it the first real estate development company to do so. With this objective, it seeks to bring the quality and services it offers to a wider public, irrespective of their economic situation. During 2023, the company has delivered 448 homes in unsubsidised developments priced under €200,000.

In addition to the deliveries of housing already made, it has a portfolio of projects with 200 homes under construction and 136 homes in the project phase, aimed at groups with difficulties in accessing unsubsidised housing. With these projects, it seeks to continue to fulfil its commitment to the acquisition of quality housing at affordable prices, so that everyone can have a decent and comfortable home.

> SUBSIDISED HOUSING

Neinor Homes has demonstrated its commitment to the construction of housing for groups with difficulties in accessing housing through its subsidised housing development business line. During 2023, 269 subsidised housing units have been delivered, both official subsidised (VPO) and public subsidised (VPT) housing, among others, located in the Madrid y Guadalajara regions. In addition, Neinor Homes currently has a total of 992 subsidised housing units in various stages of production, 358 of which are already under construction or in Final Project (FP).

> PUBLIC-PRIVATE PARTNERSHIP

Neinor Homes has engaged in a public-private partnership, Habitatge Metròpolis Barcelona (HMB), in alliance with the Metropolitan Area of Barcelona (AMB), Barcelona City Council and Cevasa, to build 4,500 affordable rental homes in Barcelona and its metropolitan area, which are expected to come into operation between 2025 and 2028.

This agreement represents a milestone in public-private collaboration of this kind in Spain, boosting the population's access to affordable rental housing.

Work on this agreement began in 2022, and significant progress has already been made with the start of the first phase of the project, which involves the development of 692 homes in 8 developments. A development of 110 homes is currently under construction. In addition, 2 developments (130 homes) are expected to be licensed and start construction in the first quarter of 2024, and a further 5 developments (452 homes) will be licensed and start construction between the second and third quarters of 2024.

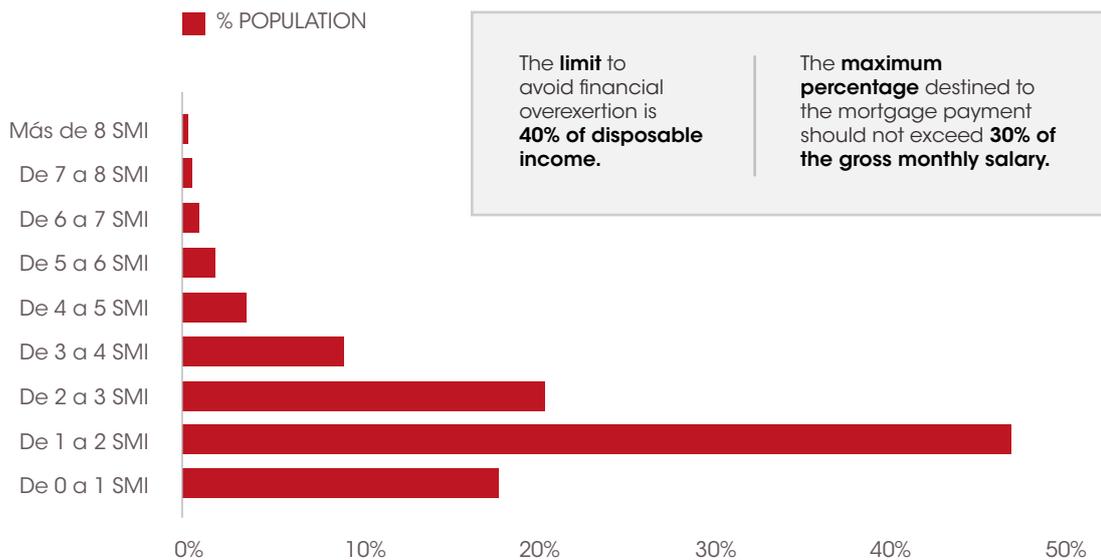
The second phase of the project, which for now will cover 661 dwellings, is scheduled to be launched in early 2024, and the analysis of future phases of the project will begin.

With this agreement, the company is fully aware that increasing financial accessibility to housing (one of our main objectives) requires cooperation with public administrations and demonstrates its commitment to inclusion and the construction of affordable housing for all segments of the population.

> RENTAL

The choice to rent housing is affected by factors such as affordability and mortgage costs, labour mobility and social changes. Renting is a more affordable alternative for households with limited budgets and is more common among those with incomes below 60% of median income.

WORKERS AS A FUNCTION OF THEIR ANNUAL INCOME IN RELATION TO THE MINIMUM INTERPROFESSIONAL WAGE



(National Institute of Statistics, 2020)

Neinor Homes has demonstrated its strength in the rental market - where there is a significant shortage of product and where the availability of new-build supply is practically non-existent - thanks to the consolidation and growth of its Neinor Rental line, that includes Renta Garantizada.

Neinor Rental is a platform that encompasses the entire value chain in the residential rental market, making it one of the leading players in the sector. This is possible thanks to the diversification of its strategy, which includes:

- Management of the rental of third-party housing through Renta Garantizada.
- Construction of homes for rent (BTR) to maintain ownership and rental management through Neinor Homes/Renta Garantizada.
- Construction of homes for rent (BTR) to increase the market supply of this asset in high demand and to increase its rental portfolio or subsequent sale to investors, including, as the case may be, rental management through Neinor Homes/Renta Garantizada.

During the year, 4 sales transactions were carried out with different companies / funds such as KGAL, Harrison Street, Samsung, CBRE, Dea Capital, for a total amount of 186 million euros, placing a total of 599 homes on the rental market, and in three of these transactions the investors have entrusted Neinor with the management of the homes.

As at the end of 2023 Neinor Homes has a portfolio of around 4,600 rental housing units under management. Of these 4,600 dwellings, 392 are owned dwellings and 505 are managed dwellings belonging to large funds. In addition, the occupancy rate of the consolidated developments is 97%.

> HOUSING ACCESSIBILITY AT THE SOCIAL LEVEL

Neinor Homes, aware of the difficulty that certain groups have in accessing housing, has begun to participate in two **initiatives** in 2023 aimed **at facilitating access to housing, defining the conditions for decent housing, guaranteeing the right to housing and putting an end to homelessness:**

- ESADE Observatorio de la vivienda digna (Decent Housing Observatory).
- The Grand Alliance to end homelessness.

1. DECENT HOUSING OBSERVATORY

The ESADE Institute for Social Innovation has created the "Decent Housing Observatory" project with the aim of analysing and making visible the various social challenges posed by housing, from a social, international and intersectorial point of view. Neinor Homes supports and works together on this project with Fotocasa and Leroy Merlin.



In line with Neinor's social commitment to housing in general and in particular to the promotion of quality and affordable housing, the Observatory gives us the opportunity to **approach the analysis of housing as a social phenomenon and a primary and essential vehicle for the development of a full life for all.** Housing is not simply a passive element in our lives. Our home is our refuge, a place where we can feel safe, which in turn protects us and which at every moment of our lives facilitates the greatest and best expression of our possibilities.

In our country, there are many people who, **at one time or another in their lives, have great difficulties in accessing, staying in or maintaining their housing in optimal conditions.** The obstacles to access, a multi-causal phenomenon, are clearly manifested in the most vulnerable groups in our society (people with medium, medium-low or low incomes, families with children, single-parent families, young people, migrants, elderly people, people with illnesses or different types of disability). Beyond these, more and more people and families are spending much more than the 30% of disposable income considered appropriate by international standards on housing costs.

The work of the Observatory will combine rigorous research with an analysis of social reality giving voice to its protagonists with a twin focus: on the one hand, on the social, economic and human processes associated with housing that lead to housing insecurity and legitimise it, and, on the other, on the consequences of situations of substandard housing at the individual, collective and social level. Led by Ignasi Martí, director of the Institute for Social Innovation, the Observatory seeks to understand in detail the realities that housing insecurity entails.

In line with Neinor's desire for transformation, the Observatory also aspires to become a forum for social innovation that provides actors and agents linked in one way or another to the housing phenomenon (third sector, public administration, companies) with a platform to advance knowledge and explore approaches that, from the first-person experience of those who live in substandard housing conditions, contribute to advancing practices, policies and actions for improvement. The Observatory also has a multidisciplinary Advisory Council that brings together a wide range of renowned experts and will accompany the work to inform and guide it.

The Observatory is currently advancing **in the first phase of research to define**, on the basis of scientific literature, national and international reports, the contributions of the Observatory's advisory board and its own fieldwork, **how decent housing should be understood in our context** (or, in the opposite sense, what makes a dwelling substandard). The objective in this first stage of the project is to define the sufficient and necessary conditions for decent housing in order to, in subsequent phases, contrast the reality of the different housing experiences in the light of these conditions. This first phase **will culminate in 2024 with the presentation of the first of three reports that the Observatory will produce in the coming years.**

In successive phases, the Observatory **will focus on the life experiences of certain groups depending** on the conditions of their housing in order to analyse the relationship and impact of substandard housing on, among other things, physical and mental health, the proper emotional and educational development of children and adolescents, job expectations and options, the experiences of our elders and the prosperity of society as a whole.

In order to increase social impact, throughout its work, the Observatory will make use of the knowledge generated to allow both dissemination and academic research outputs and, on the basis of these, to make recommendations for action and public policies that exclude housing insecurity as a solution to the housing emergency.

2. THE GRAND ALLIANCE TO END HOMELESSNESS. START WITH THE ROOF

NEINOR HOMES, as part of its commitment to society, is participating in the **GRAND ALLIANCE TO END HOMELESSNESS** to ensure that no one lives on the street.

Promoted by **HOGAR SI**, it is in line with the objectives of the European Union and the 2023-2030 National Strategy to Combat Homelessness, with the aim of **eradicating homelessness on the streets** in Spain by 2030.

Solving this problem is possible thanks to the collective endeavour of various actors, who bring to the table innovative and definitive solutions, and to meaningful and large-scale transformation, harnessing the talents of all organisations interested in solving homelessness.



HOGAR SI, a social initiative, non-profit, state-wide, independent and plural **organisation**, created in 1998, is convinced that **IT IS POSSIBLE TO END HOMELESSNESS** through housing solutions, and it believes in the responsibility of society to tackle the phenomenon, focusing on the problem and not on the person who suffers from it.



Present in 10 autonomous regions, it works with a rights-based approach so that no one lives on the street, focusing on housing solutions (with professional support), health and employment, to guarantee the right to housing which, in turn, guarantees other rights such as health and security.

HOMELESSNESS is a structural phenomenon that affects all societies and is due to social, economic and political factors. It is a multifactorial problem that requires comprehensive solutions and social transformations. Homelessness is not a personal choice and goes beyond the particular circumstances that lead a person to live on the street.

Homelessness severely compromises a range of human rights:

RIGHT TO HOUSING

- **37,117 People in Spain are homeless.**
- **77%** of those affected are **men** and **23%** are **women**.
- **45%** of people living on the street have been homeless for more than 3 years.
- **74%** of the places in the system are oriented towards a temporary stay.

RIGHT TO HEALTH

- 35% of homeless people are outside the care system.
- 44% of homeless people have a negative perception of health.
- Homeless people have up to 30 years less life expectancy.

RIGHT TO DECENT EMPLOYMENT

RIGHT TO SECURITY

- 50% of homeless people have experienced a hate crime.

All data are from the Homeless People Survey 2022 (INE, 2022), except: *Survey on centres and services for homeless people 2016 (INE, 2016) and **HATento Observatory 2015.

Large companies such as Mapfre, El Corte Inglés, etc., and now also Neinor Homes, committed to having a positive impact on the environment and society, are key players in **helping to achieve this goal and eradicate street homelessness in Spain.**

> ROADMAP

LAYING THE FOUNDATIONS

Listen to the companies involved and draw up a letter of endorsement including the principles of the alliance and identifying the ESG to which we will contribute.

Aim:

- No one should live on the streets.
- Provide a housing-based solution in the shortest possible time.
- Encourage people to move towards an autonomous life outside the homelessness care system.

CHOOSING BUILDING MATERIALS

An alliance built with different materials and in which each member makes an important contribution of value.

SURVEYING THE LAND

Meaningful collaboration, aligned with the activities of all the companies involved, with their sustainability objectives and with the objectives of the grand alliance.

DESIGNING THE PLANS OF OUR BUILDING

Drawing up specific proposals so that the collaborating companies can contribute to the end of homelessness from our own activity and complying with our indicators.

DESIGNING AN ACTION PLAN

An action plan for the participation of the companies involved in the Grand Alliance.

Objectives 2022-2025 Sustainability Plan



SUBSIDISED HOUSING

Promote the construction of social housing for sale.



PUBLIC-PRIVATE PARTNERSHIP

Encourage and promote public-private agreements for the development and construction of social rental housing.



AFFORDABLE HOUSING

Incorporate a new line of housing with more affordable prices than those offered on the market.



ACCESIBILIDAD A LA VIVIENDA EN EL PLANO SOCIAL

Develop social and community regeneration initiatives in those areas where the company is present that have such a need.

According to the company's pioneering Social Impact Report, **greater accessibility to housing** has been achieved through three channels:



UNSUBSIDISED HOUSING

Since we started measuring our social impact, we have completed **4,731 homes** (1,564 of them completed in 2022), representing **5.4% of the total number of homes completed in our areas of operation** (3.7% in 2022).



SUBSIDISED HOUSING

In the last two years we have built a total of **697 subsidised housing units**, 233 of them in 2022, which represents, on average, **4.8% of the total number of subsidised housing units** built in the areas where we operate (3.4% in 2022).



RENTAL

In 2021, the reduced financial effort required to live in a home in our Rental line enabled **20% more of the population to have access to a top-quality home.**

In addition, the following 4 points of the Strategic Sustainability Plan have been achieved in the 2023 financial year:

- **Promotion** of the construction of subsidised housing for sale (social housing) (10% of the annual number of subsidised housing units under construction).
- **Encouragement and promotion** of public-private agreements for the development and construction of social rental housing (10% of social rental housing being built each year).
- **Incorporating** of a new line of homes at more affordable prices than those offered on the market in wellconnected locations and with quality services (Neinor Essential) and boosting of the construction of these developments (10% of homes of this type being built each year).
- **Develop social** and community **regeneration initiatives** in those areas where the company is present that have such a need.

5.4. MEASURING SOCIAL IMPACT

Over the past decade, the environmental impact of companies has been the main focus of sustainability commitments. While environmental issues have been, and will continue to be, critical to the achievement of the SDGs, **social impact is becoming an increasingly important issue on the business agenda**, especially following the presentation in July 2021 of the **European Union's** draft **Social Taxonomy**, where it seems clear that the classification of activities will contribute significantly to boosting sustainable and responsible investment with a focus on social aspects.

As part of Neinor Homes' commitment to its Stakeholders and being aware of its **capacity for both social and environmental impact**, the Top Management of the company is committed to the search for elements that allow it to measure and manage this impact as a source for making better strategic decisions and thus maximise its contribution to society.

Along these lines, the company, with the support of what we consider to be the best external expert in this field (Transcendent), embarked in 2022 on a project with the aim of measuring the social impact of its developments. Thus, Neinor Homes was the first developer to carry out and report a measurement of its social impact, in aspects such as accessibility to housing, basic services, healthy lifestyle, employment and local development, among others.

https://www.neinorhomes.com/uploads/documentos_contenidos/1130/documento/MEMORIA_RSC-EINF_2022_ENG.pdf

This is supported within the framework of the Impact Management Project (IMP), a pioneering global association in impact measurement that brings together many of the available international standards and guidelines.

Based on an internal process of identification and prioritisation of impacts, which has involved both the Management Committee and key people in the organisation, Neinor Homes has developed its own tool based on international standards, which allows the quantification of the impact **that the company has on its Stakeholders**.

The development of this tool has made it possible for Neinor to measure the social impact of its developments this year without the need for the assistance of an external expert.

The measurement of this impact is framed in three broad dimensions:

1

LIVEABILITY, WELL-BEING AND SOCIAL COHESION

We consider this to be the most important aspect of this project, as it refers to housing accessibility, one of the biggest problems for Spanish society, especially for the working class and young people. After the pandemic, the housing market situation in Spain is facing a significant shortage of supply, especially in large urban centres, and even more notably a shortage of social housing, with Spain being one of the countries in Europe with the lowest number of social housing units per number of inhabitants. Our most important responsibility as developers is to improve access to housing for those segments of the population that need it most and for young people, especially in areas within or close to large urban centres, as well as to contribute to the wellbeing of the people who live in our homes. An example of this commitment is the major development we are carrying out in the municipality of Alovera, in an area very close to Madrid, which allows us to offer quality housing at a much more affordable cost than in other municipalities in the capital.

2

ECONOMIC SUSTAINABILITY AND LOCAL DEVELOPMENT

Neinor Homes contributes to the economic development of the municipalities in which it operates, being a relevant player in the development and regeneration of the neighbourhoods in which the developments are located.

3

RESOURCE EFFICIENCY AND THE ENVIRONMENT

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. Furthermore, sustainable mobility is a critical aspect of both the European Union's Urban Agenda and the Spanish Urban Agenda.



The management of Neinor Homes, totally involved with and committed to this project, intends for the company, by means of the same, to be a benchmark in driving the transformation of the real estate sector towards more inclusive and sustainable models, **consolidating the company's leadership in sustainability.**

The project was initially developed by Transcendent, an expert consultancy in impact and sustainability, through **5 major phases:**

- **Understanding the projects and classification by type.** This first phase allowed Neinor Homes' developments to be classified according to various criteria, such as line of business, size in number of homes, type, 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**. This phase resulted in the creation of an initial database with 90 indicators.
- **Identification and prioritisation of impacts.** Based on this initial database, a prioritisation process was carried out (**Figure 1**), conducting two workshops involving key members of the company and the Management Committee.

Once this preliminary measurement framework was established, work was done on a prioritisation matrix (**Figure 2**), ranking indicators according to their importance and ease of calculation and reliable data access.

- **Definition of the method of quantification and search for quality data sources,** prioritising official and standardised data sources.
- **Development of a proprietary measurement tool** that allows reporting at the individual development level, at the regional level, or at the aggregate global level.

FIGURE 1 | Prioritization of impacts and transversal indicators

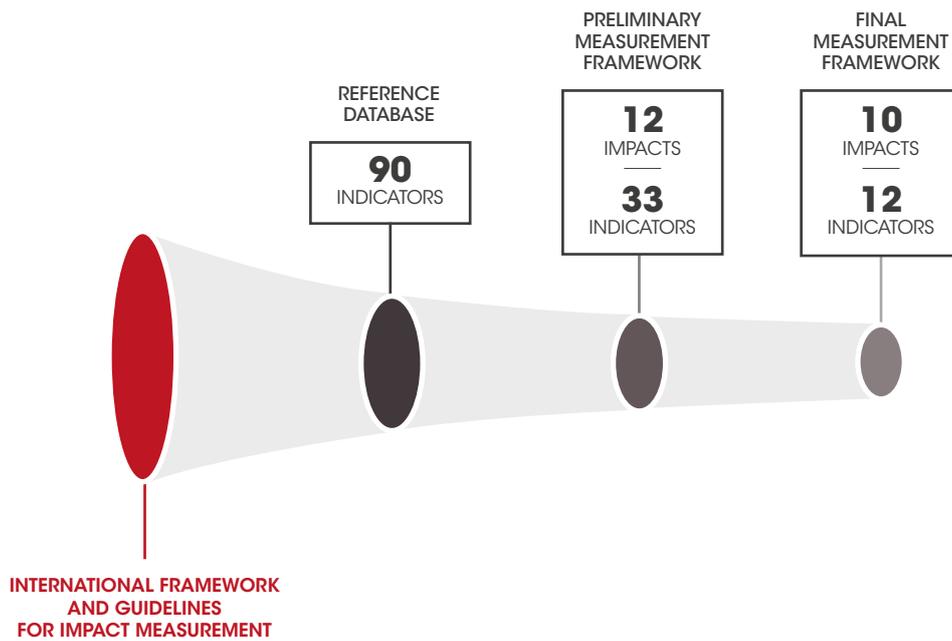
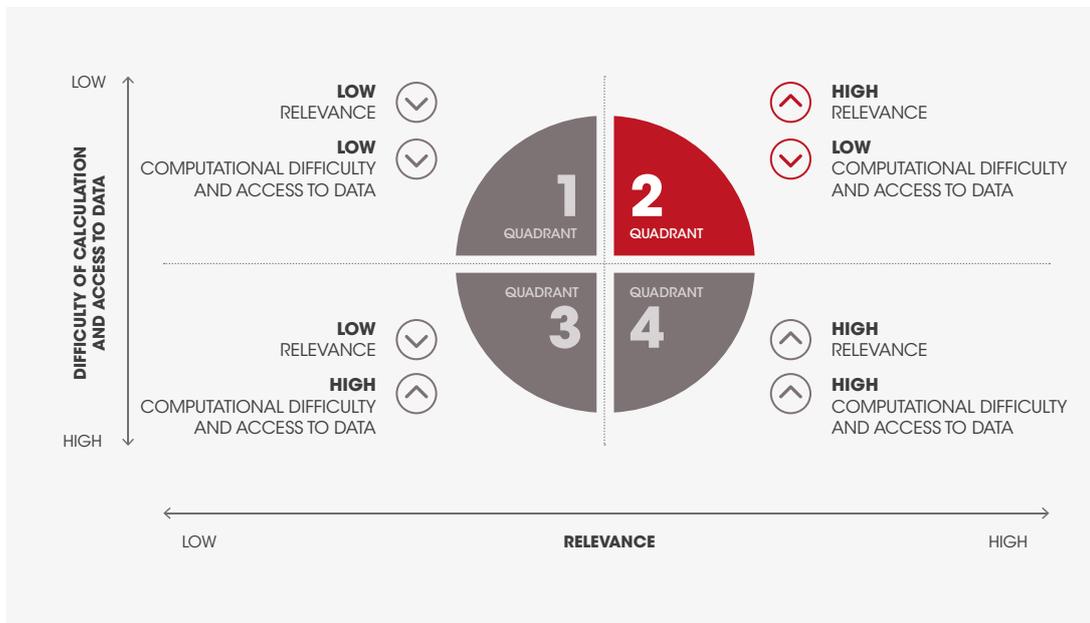


FIGURE 2 | Prioritization matrix



In 2022, the **first measurement of the impact of Neinor's developments** with end of works in 2021 was carried out. The final measurement framework was made up of a total of 3 dimensions encompassing 9 impacts and 12 indicators.

In the current year, we have measured the impact of developments completed in 2022 using the same final measurement framework, the results of which are presented below on an aggregate and/or comparative basis with respect to the initial measurement:

1. HABITABILITY, WELL-BEING AND SOCIAL COHESION			
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.	<p>Since we started measuring our social impact, we have completed a total number of 4,731 unsubsidised housing units (1,564 of them completed in 2022), which represents 5.4% of the total number of housing units completed in our areas of operation (3.7% in 2022).</p> <p>In the last two years we have built a total of 697 social housing units, 233 of them in 2022, which represents, on average, 4.8% of the total number of social housing units built in the areas where we operate (3.4% in 2022).</p> <p>In 2021, the reduced financial effort required to live in a home in our Rental line enabled 20% more of the population to have access to a topquality home. This positive impact was not repeated in 2022, due to the higher cost of renting in Sky Homes II.</p>
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.	Thanks to the location of our developments, we have increased by 12.5 times the accessibility to basic services for the inhabitants of our homes (9 times in 2022).
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.	Our developments, on average, increase the accessibility to sports facilities by 4.6 times the provincial average (5.3 times for developments completed in 2022) and the size of green areas available within a 10-minute walk by 2.7 times (1.1 times in 2022).
1.4	FAMILY WELL-BEING AND SOCIAL COHESION	We promote family interaction and the creation of a strong and united community.	Our homes completed in the last two years have, on average, 29% more common areas than the average for the autonomous region where they are located , 16% for homes developed in 2022.

2. ECONOMIC SUSTAINABILITY AND LOCAL DEVELOPMENT

2.1	EMPLOYMENT GENERATION	The construction sector is considered one of the main drivers of the Spanish economy. Neinor Homes, through the construction and subsequent habitability of its developments, increases the employment in certain locations.	As a result of the development of the homes delivered in 2022 and 2021, we have created 13,826 direct and indirect jobs , 4,540 of them created during 2022, taking into account the 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 direct contribution through taxes in the municipalities in which it has developed its activity in the last two years has been 37.5 million euros , of which 11.5 million euros correspond to 2022. The residents of the homes completed in 2022 and 2021, for their part, will contribute 3 million euros each year 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 in the neighbourhoods where we operate in 2022 and 2021 will generate 67 million euros per year in profits for local businesses .

3. RESOURCES AND ENVIRONMENTAL EFFICIENCY

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 measurements, our developments offer lower access to public transport than the average in the municipalities in which we operate. This is because the areas of urban expansion, where property developers, including Neinor, tend to operate, are far from the centre of these municipalities and, therefore, tend to be less well served by the public transport network. However, the creation of new neighbourhoods and the regeneration of urban areas such as those in which we operate means that this public transport network is expanding, reaching places where it was previously less present .
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 home completed in 2022 or 2021 will save an average of 1,437 euros per year in energy costs (1,870 euros for homes completed in 2022).

See full report at:

https://www.neinorhomes.com/uploads/documentos_contenidos/1287/documento/Informe-medicionimpacto-social-2023.pdf

5.5. INDUSTRIALISED BUSINESS MODEL WITH THE CUSTOMER IN MIND

Neinor Homes is a real estate platform that covers the entire value chain of its business activity: urban development management, design, construction, sale and rental.

Neinor Homes' main activity is the **residential development of first and second homes in Spain**. Unlike other companies in the sector, it **buys development-ready land at market value and strategic land with a high degree of urban development**, without running financial risks in the event that it does not reach development-ready status, obtaining a profit margin from the transformation of this land into homes. In addition, Neinor Homes **manages all phases of the value chain of the residential development process**, including land acquisition and urban development management, design, construction and marketing of the product and after-sales service. Its business model is based on the industrialisation and systematisation of processes, involving the entire company in the business objectives and strategy. Thus, **all employees are involved in the aim of creating a stand-out developer**.

Neinor Homes applies an **industrialised model based on 6 main pillars**:

Neinor Homes manages all the phases of the value chain residential development process.

SYSTEMATISATION

The systematisation of the company's processes makes it possible to **work with defined rules** in all developments.

STANDARDISATION

Neinor Homes has developed the **construction White Book**, in which it establishes the design criteria and company-specific product attributes that are adapted and applied to all products.

RIGOUR

Rigour in **meeting development deadlines** and focus on the margins are clear principles of the company's industrial model, which enables it to meet its commitment to customers and shareholders.

LISTENING

The design and functionality of the final product is based on the expectations and needs of potential customers and market preferences.

INNOVATION AND TECHNOLOGY

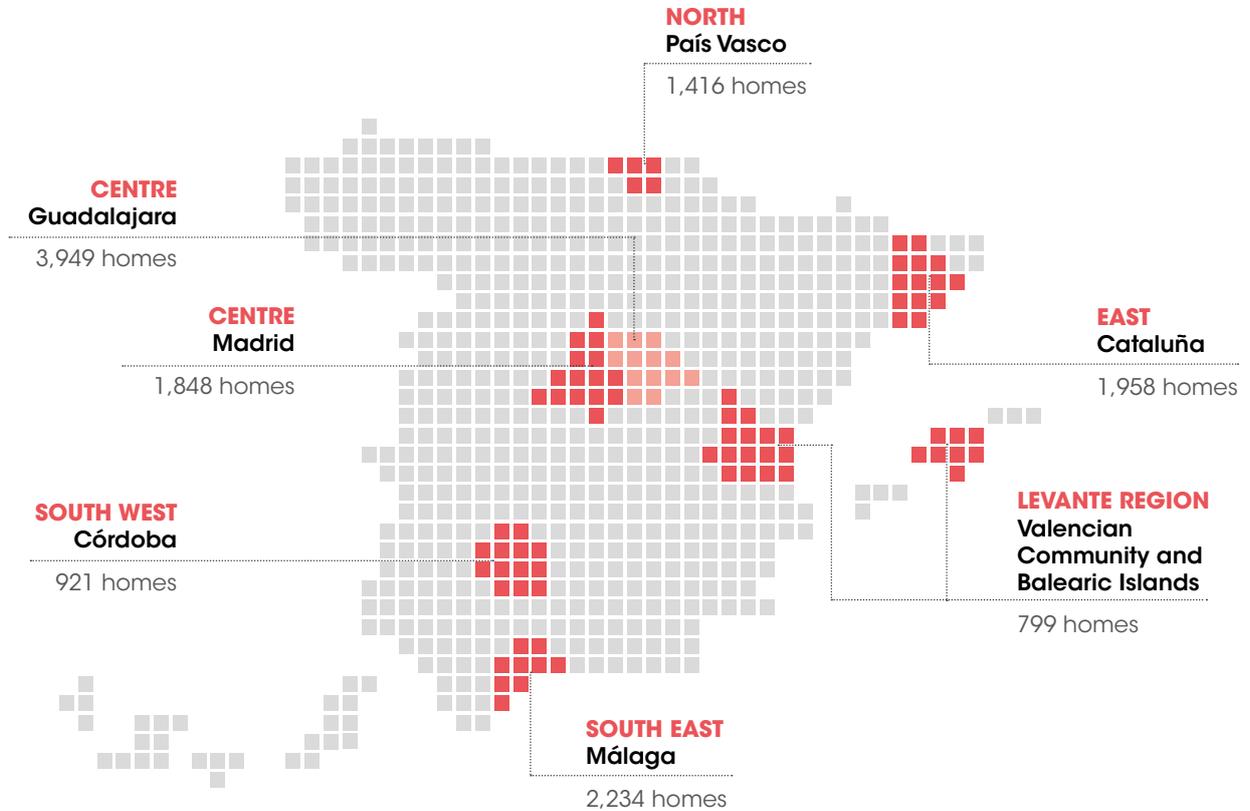
Through **innovation**, Neinor Homes **optimises** the development of the different processes, incorporating new services, construction systems, technologies and materials. Integration of the entire value chain in a **digital environment**, with the objective of increasing productivity, fostering collaborative work and decision-making.

SUSTAINABILITY

Integration in the final product of the latest materials and advances that allow a **lower impact of emissions** both in the construction and in the use of the homes, being an environmentally responsible company with a strong commitment to sustainable building, with all its homes being eco-efficient and thus offering its customers maximum energy efficiency and user comfort.

> THE MAIN FIGURES FOR NEINOR HOMES

Neinor Homes currently has **one of the largest banks of quality development-ready land in Spain**, with an area of **1.72 million m²**



Within its pre-eminent position in the real estate sector, the fundamental component of Neinor Homes' business model and its value chain is the **launch of residential developments**. The year 2023 has continued to be a year of profound institutional development with the consolidation of Neinor Homes as a benchmark developer thanks to the **delivery of 2,559 homes; and having, at the end of 2023, more than 6,000 homes in various stages of production (3,679 homes in the launch phase and 2,524 homes under construction for development)**.

> VALUE CREATION FOR OUR STAKEHOLDERS



ECONOMIC VALUE

Neinor Homes is an engine of economic progress in the Spanish real estate sector. In 2023 it purchased land worth €10.3 million, in line with the dynamic of land acquisition at prices in accordance with the company's business plan, in line with the containment policy implemented in 2020 which advised waiting for the right time to buy.

Total revenues for the year were €599 million, with a net profit of €91 million euros and EBITDA of €136 million. In addition, €18 million income tax was paid and no subsidies were recorded. Moreover, the net book value of Neinor Homes' stock at 31 December 2023 was €1,159 million, in line with 2022*.

In the 2023 financial year, the economic value generated was **€599 million** and the economic value distributed was **€518 million**, with a retained economic value of **€81 million**.

*For further information please see Annual Accounts.

**ECONOMIC VALUE
GENERATED**
€599 million

(ordinary income + other income
+ gain or loss on disposal of fixed assets)

**DISTRIBUTED
ECONOMIC VALUE**
€518 million

(costes de existencias + costes operativos
+ costes financieros + costes de personal)

**ECONOMIC VALUE
RETAINED**
€81 million



SOCIAL VALUE

Neinor Homes seeks to sell homes that meet the **needs of its customers** and contribute to the **social and economic development** of the places where they are located.

Since its origins, Neinor Homes has maintained a strong commitment to outsourcing. Its **516 employees** work side by side with the **best external professionals in the sector**, from architects to project managers, from construction companies to quality control, geologists, etc. Therefore, Neinor Homes acts as a driving force in the sector, with a strong national presence and which this year has generated indirect employment for, **6,142 professionals**, a figure that has remained stable over the last few years.

¹According to the Association of Real Estate Developers of Madrid (ASPRIMA), 2.4 indirect jobs are generated per individual home.



516
DIRECT JOBS

6,142
INDIRECT JOBS¹



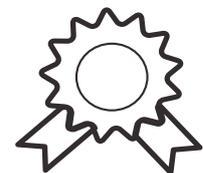
ENVIRONMENTAL VALUE

Neinor Homes is a company committed to the environment that surrounds it and promotes the preservation of and respect for the environment, setting itself demanding challenges to work in a more sustainable way and to find solutions that allow it to reduce the environmental impact of all its corporate activity. This commitment is reflected in the fact that most of its homes from the outset meet the requirements of the prestigious **BREEAM® sustainability certificate**.

Currently, 61% of our developments have BA/BB Energy Certification and 27% have AA Energy Certification, and Neinor Homes has committed to carry out a life cycle analysis of all its projects started from 2022. In addition, in 2021 Neinor Homes began measuring the corporate carbon footprint.

Neinor Homes has an **Environmental, Quality and Innovation Policy** and is ISO 14001 certified for promoting the use of sustainable techniques in the design of energy efficient buildings*.

*For more information please see pages 43 to 46.



**QUALITY,
ENVIRONMENT
AND
INNOVATION
POLICY**

ISO 14001
CERTIFIED

5.6. SUSTAINABILITY AS AN INTERNAL ACTION FRAMEWORK

> SUSTAINABILITY GOVERNANCE

Sustainability management at Neinor Homes is carried out by the **Sustainability Committee**, chaired by the CEO of the company and led by the Governance, Risk and Compliance (GRC), Internal Audit and ESG Department, which reports directly to the Board of Directors through its Audit and Control Committee (the supervisory body for this matter in line with the principles established in the **Sustainability Policy**).

The Neinor Homes Sustainability Policy establishes the **general principles and the internal action framework** for the integration and management of social responsibility with respect to people, operations and the environment, based on the company's strategic pillars: environment, society and governance.

> SUSTAINABILITY PLAN 2022-2025

In October 2016, Neinor Homes defined its sustainability strategy to 2030 through the **Corporate Social Responsibility Master Plan**. The aim of the Plan was to create a **single cross-cutting framework** that would allow for the **integrated management of all** social, environmental and good governance initiatives, identify specific objectives and design specific actions in the short, medium and long term. For each of the company's strategic pillars, a **set of courses of action and operational monitoring indicators** were established.

In the 2021 financial year, the company worked to improve and update this Plan, on the understanding that its premises and objectives were still valid but that they needed to evolve, thus giving rise to the **2022-2025 Sustainability Plan**, which was approved by the Board of Directors in September 2021.

The Sustainability Plan is articulated around our three strategic pillars: Environmental, Social and Governance, which are clearly an evolution of the three strategic pillars of the Sustainability Master Plan: Product, Customer and Institutionalisation.

To define the areas of action, objectives and courses of action of the Plan, the 17 Sustainable Development Goals (SDGs) of the United Nations were taken as a reference, and to involve all the company's departments in the achievement of the goals set, each line of action was assigned a deadline, area and person responsible for its fulfilment.

STRATEGIC PILLAR	AREAS OF ACTION	OBJETIVES
 <p>SOCIAL</p> <hr/> <p>Our people and communities</p>	<ul style="list-style-type: none"> • Housing for all • People's safety, health and well-being • Customer relations and protection • Commitment to the team • Social, community and city engagement 	<ul style="list-style-type: none"> • Affordable social housing • Safety, health and well-being of employees, suppliers/contractors and customers • Community well-being and cohesion • Personalised attention and active listening to customers • Attracting and retaining talent • Diversity and equality • Social action • Relations with local communities and human rights
 <p>ENVIRONMENTAL</p> <hr/> <p>Building homes for tomorrow</p>	<ul style="list-style-type: none"> • Sustainable and resilient housing • Consideration of climate change. LCA / Carbon footprint • Eco-efficient housing / resource consumption • Protection and improvement of the environment • Circular economy 	<ul style="list-style-type: none"> • Sustainable building certifications • Environmental management system • Resilient housing • Operational emissions and energy • Energy efficiency • Water management • Sustainable mobility • Biodiversity • Urban planning and community transformation • Reduction of consumption and waste
 <p>GOVERNANCE</p> <hr/> <p>Our way of doing things</p>	<ul style="list-style-type: none"> • Best practices in corporate governance • Ethics and integrity • Transparency and relations • Responsible supply chain • Digital culture / innovation • Sustainable financing 	<ul style="list-style-type: none"> • Alignment with government standards • Maintaining and strengthening ESG responsibilities in governance bodies • Ethics and integrity • Engagement with stakeholders and external initiatives • Positioning in ESG ratings and indices • Sustainable discourse • Quantification of impact • Responsible supply chain • Sustainable innovation • Promoting digital literacy • Alignment with the European taxonomy of sustainable finance • Definition of theoretical frameworks for ESG fundraising

In line with the commitment to Sustainability that characterises Neinor Homes, in 2023 the level of compliance with the Strategic Sustainability Plan has been assessed. In this first half of the Plan's duration, we have complied with 68 of the Plan's 95 courses of action (72%). In addition, 37 courses of action have been finalised, 16 have been aligned with the company's strategy and 8 new courses of action have been added. Therefore, in the second half of the Plan's duration, we have 66 courses of action to fulfil.

For further details on the degree of compliance and the resulting courses of action after updating the Plan, see point 3 and Annexes I and II of this Report.

> **SECTORAL ALLIANCES AND MEMBERSHIP OF ASSOCIATIONS**

Neinor Homes, as a real estate developer, is a member of several associations linked to the construction sector within the scope of activity thereof. Likewise, aware of the importance of sustainability and the environment, it is a part of the BREEAM® programme reserved for companies that share the philosophy and objective of transforming the building sector, promoting more sustainable construction.

Pursuant to its Corporate Governance, Ethics and Compliance policy, these are the associations of which it is a member:

Association of Builders and Developers of Bizkaia (ASCOBI)
Association of Real Estate Developers of Madrid (ASPRIMA)
Provincial Association of Real Estate Developers and Agents of Building and Rehabilitation of Valencia
Provincial Association of Constructors and Developers of Málaga
Association of Construction Entrepreneurs of Córdoba
Association of Developers and Building Constructors of Barcelona
Association of Internal Auditors
Green Building Council Spain
Global Compact (Sustainable Development Goals)
ASVAL (Association of Rental Property Owners)
CPEA (Climate Positive Europe Alliance)
Clúster de la Edificación (Association made up of companies, universities and research centres)
PTec: PSpanish Technological Platform for Construction (Public and private R&D&I collaboration)
Members of the Board of Directors of APEC (Provincial Association of Construction Companies of Guadalajara)
GAESCO (Association of Builders and Developers of Seville)

> QUALITY AND ENVIRONMENTAL MANAGEMENT

The application of the principles established in the area of ESG, together with its commitment to offer its stakeholders the maximum excellence in quality in its products and actions, lead Neinor Homes to carry out efficient management of quality and the environment in its daily activities. The Environment, Quality and Innovation Policy is focused on achieving excellence in management in order to meet these expectations.

Neinor Homes has a **Quality Committee** which, since 2016, has been responsible for setting the annual Quality and Environment objectives, to advance towards excellence, and to monitor these objectives, meeting as needed, and the presentation and approval of the company's procedures, monitoring of the Quality department and management review, keeping them up to date and in a process of continuous improvement. The Committee is made up of the general management, regional managers and the company's CEO.

The Quality area became part of the Corporate General Management in 2021, prioritising the updating of procedures and their accessibility.

Among the tasks carried out, priority was given to updating and improving the company's processes and the procedures that support them, in pursuit of continuous improvement and improving the efficiency of all areas. The integrated Quality, Environment and Innovation Management System was successfully recertified in accordance with the ISO 9001:2015, ISO 14001:2015 and UNE 166002 standards.

Neinor's activity involves a large number of suppliers and contractors who work together in the development of projects. To ensure the **highest quality standards**, all of them are obliged to comply with what the provisions of the signed contracts and with the indications included in the White Book.

CERTIFICATIONS

Management Quality
(ISO 9001)

Environmental Management
(ISO 14001)

R&D&I management
(UNE 166002)

Security Management Information
(ISO 27001)

Reducing the **environmental impact in all its offices** is another of the key points for Neinor Homes, which is why significant efforts are made to minimise energy consumption and the usage of materials such as paper and toner. In addition, 100% of the company's facilities are certified according to widely accepted quality standards.



SIGNED UP TO GREEN ENERGY

We continue to focus on green energy in our offices.



MEASURES TO REDUCE ENERGY CONSUMPTION

The replacement of lighting takes into account the installation of **new lighting with LED technology**. In addition, motion sensors have been installed in the new Bilbao offices in meeting rooms, offices, workstations and bathrooms.

In 2023, thanks to Neinor Homes awareness campaigns, we have managed to reduce use by 12,54% compared to last year.



DUAL-SCREEN WORKSTATIONS

The addition of more dual-screen workstations **avoids unnecessary printing.**



PAPERLESS POLICY

A company-wide paperless policy was established in 2017, with recommendations to **reduce paper consumption**.

Dual screen at each workstation

Sharing documents in digital format

Possibility of submitting Board documentation via tablets, avoiding the need to print out all the documentation

Default option on computers for double-sided printing

Using recycled paper for certain documents

The application of all these measures has resulted in a continuous improvement in **environmental indicators and greater environmental awareness** in Neinor Homes' offices. **In 2023, energy consumption was reduced by 12.54% compared to the previous year** thanks to the good practices implemented in the offices (climate control) and having reduced some of the measures implemented during the pandemic and unnecessary at present (open windows, draughts), thus reducing consumption by a total of 247,327 KWh.

Moreover, **paper use** has been **reduced by more than 52% since 2019**, we have moved from **paper expenditure per employee of 4.65 to 2.23 in 2023**. Total use at company level has been 1,553 kg, 647 packs (773 packs in 2022). This reduction is even greater if we take into account that we continue to internalise posts that we had previously outsourced to service companies and therefore have to assume the provision of office supplies (APIS, PM and NW).

Neinor Homes is very conscious of the environment and sustainability and has therefore adapted all its work centres to be able to recycle all types of waste. In addition, Neinor Homes applies current legislation regarding to the collection and treatment of confidential paper, fluorescent bulbs, toner, batteries and sanitary hygienic products, with an external treatment company collecting each type of waste from the offices. In 2023, the commitment to digitalisation has continued and a new qualitative leap has been made in order to make further progress towards this objective; **the destruction of physical documentation** has increased by 202% compared to last year. This is a direct consequence of the relocation of an office, in which we have opted for the physical reduction of spaces destined to archive documentation, digitising it.

We have also recycled **65 kg of toner, 135 kg of key metal, 84 kg of batteries and 113 kg of sanitary ware**. There has been a small increase in the recycling of metal keys and batteries due to the relocation of the Bilbao office, the headquarters of Neinor Homes, where outdated materials were stored.

Neinor Homes employees have travelled **617,023 km** in their vehicles for work, which has meant a spending of **€226,905** in fuel. The use of videoconferencing has enabled us to reduce fuel consumption, both for journeys with personal vehicles and for journeys by different means of transport.

Finally, the **water consumption** of our seven territories was around **1,501 m³***.

*The water consumption for 2023 associated with the offices whose rent includes the payment of utilities has been estimated on the basis of the actual consumption of the remaining offices and the number of employees in these offices.

COMPARISON OF CONSUMPTION OVER THE LAST THREE YEARS*

	YEAR 2021	YEAR 2022	YEAR 2023
Nº of employees	328	297	283
kwh consumed	305,913	282,788	247,327
Kg paper used	1,500	1,855	1,553
Paper use per employee	2.10	2.54	2.23

*Data taking into account only the parent company.

5.7. THE IMPORTANCE OF COMMUNICATION WITH OUR STAKEHOLDERS

Communication at Neinor Homes is the visible face of the work carried out by the company, both at a business as well as corporate and professional level. It is the tool that connects us with society and allows us to publicise our activity while communicating our mission, vision and values.

In this connection, Neinor Homes focusses its efforts on **effective communication that highlights its role in the leadership of the residential sector in Spain and extols its brand attributes**; all with the ultimate goal of **contributing to a change in the sector and generating customer trust and approachability**.

To this end, we have a **360° communication strategy promoted and supervised by Senior Management**, with the **involvement of various corporate areas**, to promote open and bilateral communication with the main stakeholders:

INTEREST GROUP	WHY IS IT RELEVANT?	COMMUNICATION CHANNELS
 <p>INVESTORS AND SHAREHOLDERS</p>	<p>Shareholders are an excellent thermometer of a company's confidence and financial health.</p>	<ul style="list-style-type: none"> • Shareholders' Day • General Shareholders' Meeting • Investor Relations website • Email communications • Press releases • Corporate and product presentations
 <p>CUSTOMERS</p>	<p>Customers are the raison d'être of Neinor Homes, which strives to offer them the best service and the highest possible quality in order to achieve maximum satisfaction.</p>	<ul style="list-style-type: none"> • Neinor Experience website • Neinor Experience app • Development mailbox with personalised attention by NEXT manager • Neinor Store • Communication to clients • Newsletters • Satisfaction surveys • Direct care from Neinor Experience manager
 <p>EMPLOYEES</p>	<p>Employees are what make Neinor Homes what it is, so achieving their satisfaction and pride in belonging to the Company is the key to achieving maximum efficiency and being competitive in the market.</p>	<ul style="list-style-type: none"> • Meetings with the CEO • Work climate survey • Whistleblowing Channel • Corporate Newsletter • Performance appraisals • Inefficiency Channel

 <p>SUPPLIERS</p>	<p>Neinor Homes works with a large number of suppliers and they are in charge of carrying out the construction of the housing and a key element in maintaining high quality standards.</p>	<ul style="list-style-type: none"> • Ongoing dialogue • Regular meetings • App to evaluate Neinor Homes • Building committees • Supplier evaluation • Third party code of conduct
 <p>SOCIETY</p>	<p>Neinor Homes' activity has a significant impact on society, creating direct and indirect jobs, and contributing to the social and economic development of the places where the developments are located.</p>	<ul style="list-style-type: none"> • Corporate website • Dissemination of press release on our corporate and product milestones • Interviews and statements by our spokespersons in the media • Participation in sectoral forums and associations • Work with universities and associations • Participation in fairs and events • Social media

In addition, communication continues to be boosted through **social networks**, generating higher quality content on a fixed and regular basis, as well as through the internal communication channel with employees. Finally, the company continues to increase the presence of various company spokespersons at **events and forums in the sector**, thus reinforcing Neinor Homes' leading position in the market.



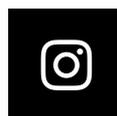
EN LAS REDES SOCIALES



LINKEDIN
49,424
followers



FACEBOOK
11,000
followers



INSTAGRAM
11,000
followers



TWITTER
3,725
followers



YOUTUBE
1,490
followers

5.8. SOCIAL ACTION

At Neinor Homes we continue to be committed to our employees and those who work with us, to society and to the planet.

Neinor Homes, aware that a sustainable company must be economically, socially and environmentally sustainable, and with its actions based on good governance, has taken the **17 Sustainable Development Goals (SDGs)** of the United Nations as a benchmark to define its Sustainability Plan, and therefore the social action to be pursued, with the conviction that the actions and cooperation of everyone - company, employees and those working with it - is essential.



In line with the SDGs and in compliance with the provisions of our Strategic Sustainability Plan, the social actions carried out by Neinor Homes in 2023 have sought to reach as many stakeholders as possible, focusing on having **the best possible impact on our employees, our customers and society.**

> OUR EMPLOYEES

To talk about social action, we believe that you have to start by talking about how you treat your employees or how you care for them, which is why we have put the focus of our social commitment on Neinor Homes' main asset: its workforce. We have encouraged various activities focused on improving their wellbeing, their work-life balance, promoting health, sport, a healthy lifestyle, teamwork, solidarity and their involvement in caring for the environment and leading a more sustainable lifestyle.

Some of these are detailed below:

- **Family and work-life balance**, understood as a means to achieve equality, is another of Neinor Homes' priorities. In addition to the measures already in place and implemented in terms of job quality, work and time flexibility (such as teleworking, which has increased this year), family support, personal and professional development, the Equality Plan approved this year has been incorporated, which is a guarantee of equal treatment and opportunities between women and men, as well as the elimination of discrimination.
- Neinor Homes encourages and pays for its employees to register for various sporting events to **encourage team sports and to support and help various social causes and charities**.
- Neinor Homes contracts the company Gympass so that it can offer our employees a comprehensive **physical and mental wellness programme** with access to multiple gyms, psychological care, therapy, personal trainers and nutritional apps at below-market prices.
- **Fresh fruit in the offices**. With the aim of creating better eating habits among our employees, fresh fruit for the week is distributed every week in each of the Neinor Homes branches.
- **Mindfulness workshop**. An 8-week course was given, with an hour and a half session per week, online, in which meditation and relaxation exercises were used to teach how to manage emotions, stress and anxiety.
- **Energy saving course at home and in the office**. An expert energy efficiency consultant, HOB BEN, gave a short seminar in 2023 to teach employees about habits and measures to be more energy efficient, save on electricity and gas bills, and be more sustainable in their day-to-day work.
- **Corporate gifts of solidarity**. This year Neinor Homes employees received a gift made by **Nahiar te**, an artistic creation space that offers a **personal and professional development programme for people with mental and/or intellectual disabilities**, unique hand-painted pieces from its workshop in Bilbao. In addition, they also received a bottle of organic extra virgin olive oil from the **social project "Apadrina un Olivo" (Sponsor an Olive Tree)**.

Moreover, in this area, we consider it essential to protect and safeguard health and safety, which we also pass on to **our suppliers** with a clear motto of no accidents on our sites, which we explain later in this report.

> OUR CLIENTS

- Neinor Homes has reached an agreement with **Papernest**, a comprehensive management platform where customers can manage all the utilities/supplies of their new home in one click, one call, at no cost and with preferential times. In this way, Neinor Homes **provides customers with a free sign-up service designed to facilitate their experience and save them time and effort**. When the time comes to hand over the property, the customer does not have to worry about arranging for these services, as they have the following benefits:

The best price and without a fixed-minimum contract: Endesa, Total Energies, Holaluz, etc.

A **fast sign-up process instead** of having to spend an average of 8 hours on the phone to deal with all the necessary formalities.

Faster activation of household meters. This will allow the active and available supply to be available sooner.

- Sign-up and contract with Hobeem, a company focused on home energy management, which, through the use of physical and digital devices, allows our clients to:

Analyse their energy consumption by hours, days, type of device with the highest consumption.

Be able to carry out an **energy audit**, to analyse whether the power, contract and type of tariff is adapted to the customer's needs.

Provision of a **comparative study of offers** from supply companies

Information on the hours of the day when the electricity tariff is cheapest.

Training and **energy saving** tips.



These services, and those detailed in point 7.1, have led us to be **chosen in 2023 as "Property Developer of the Year" for our customer service in the Pre-Sales area**, in the "Customer Service of the Year" competition.

> THE COMPANY

Neinor Homes is involved in social initiatives and solidarity movements:

- In cases where a tragedy occurs, such as a war, an earthquake, floods, etc., Neinor Homes launches initiatives for its employees to collect funds in order to alleviate as far as possible the consequences of these phenomena. Employee contributions are multiplied 2, 5 and 7 times by the company. This year, there was a fundraising campaign to help the **victims of the earthquake in Turkey and Syria**. Thanks to the solidarity of employees working together with Neinor Homes, **we were able to contribute funds to the following NGOs working in the area:**

UNHCR - ACNUR. The assistance focused on the provision of cooking utensils, shelter materials, tents and basic relief kits for displaced persons and refugees in the affected areas of both countries.

ALBOAN - ENTRECULTURAS. Together with the Jesuit Refugee Service (JRS), the emergency protocol has been activated, which calls for donations for the purchase of medicines, warm clothes, nonperishable food, etc.

- **Our continued participation in the Gavi Programme, the Vaccine Alliance through the "la Caixa" Foundation** through donations every year, to fight child mortality, save children's lives and protect the health of the most vulnerable populations.

During the **Christmas season**, coinciding with the arrival at the offices of corporate gifts from Neinor Homes' suppliers and collaborators, a raffle of the gifts received in each branch is organised to foster team spirit, as well as a donation to the NGO chosen by the most supportive branch (the one with the highest ratio of gifts received to gifts donated). The amount of this donation depends on the number of gifts donated by the employees/departments receiving them: for each gift received, accepted (provided it complies with our Anti-Corruption, Fraud and Bribery Policy, which does not allow the acceptance of gifts worth more than €100) and handed in for the raffle, the company contributes €10.

Last year, for the second consecutive year, the most supportive delegation was Valencia and the NGO to which the donation went was "Casa Caridad", pioneers in caring for the homeless and those at risk of social exclusion.

> IN THE AREAS WHERE WE ARE PRESENT

In line with our Sustainability Plan, and with the integration of the community and territories in which Neinor Homes has offices or in the places where it carries out its activities, during 2023, it has pursued various initiatives aimed at fostering and promoting links with these areas and the development of their communities:

- **Eibarrés Cycling Club:** Neinor Homes also collaborates with sports associations to support the values that sport promotes in the areas where it builds homes. As in previous years, in 2023 Neinor Homes has sponsored various cycling races and events organised by the Eibarrés Cycling Club, whose main objective is to promote cycling at all levels.
- **Neinor Homes sponsorship** to commemorate the **90th anniversary of Radio Bilbao** at the Euskalduna Palace in Bilbao.
- **Neinor Homes sponsors** a charity event **to raise funds for the "mia o que hago" Foundation located in Cordoba**, a private foundation that **helps children with disabilities throughout Spain** and helps them to improve their inclusion in society.
- Sponsorship of various **sports and cultural activities** (Alovera Athletics Club, sponsorship of children's football team, participation in cultural workshops in the **Alovera area (Guadalajara)**).
- **Volunteering to encourage and promote sport and its values** in the children's categories of the "Osos del Pardo" Rugby Foundation (Madrid).



Economic and social development / Resilience: In these rather economically unstable times, the **greatest social value that the company contributes is its own viability, because if it does not exist, neither does its ESG.** In this connection, it is worth highlighting the organic growth that the company has experienced, as a result of its exceptional results that generate enormous value to the environment, giving positive results every year and increasing them from one year to the next, which is vital for the creation of direct and indirect employment (one of the major problems nationally).

In addition to this organic growth, Neinor Homes has also grown inorganically through the acquisition of other companies in order to diversify the business (SDGs 8 and 11), ensuring activity by creating the construction line and to consolidate existing business lines to ensure the continuity of its activity:

RENTAL¹ With the consolidation of a large portfolio of homes for rent (both its own and acquired through corporate transactions) and the integration of the company Renta Garantizada (acquired in 2020).

CONSTRUCCIÓN. The acquisition of Quabit has allowed us to incorporate all its experience in the construction business into our Neinor Wors line.

ESSENTIAL². We have created a line of housing that is accessible to more social groups.

PUBLIC-PRIVATE PARTNERSHIP for the construction of social rental housing in Barcelona.

EXPANSION OF THE LAND PORTFOLIO through the acquisition of Quabit and other corporate transactions.

JOINT VENTURES for the development through co-investment of developments for sale, rental, senior living...

¹ Extended in section 5.3

² **Housing at affordable prices** for groups with difficulty in accessing housing and offering housing for less than €200,000, reinforcing this type of housing.

- **ESSENTIAL:** Unsubsidised housing
- **Subsidised housing**

06

OUR BUSINESS
IS BASED ON A
**MODEL OF
RESPONSIBLE
GOVERNANCE**



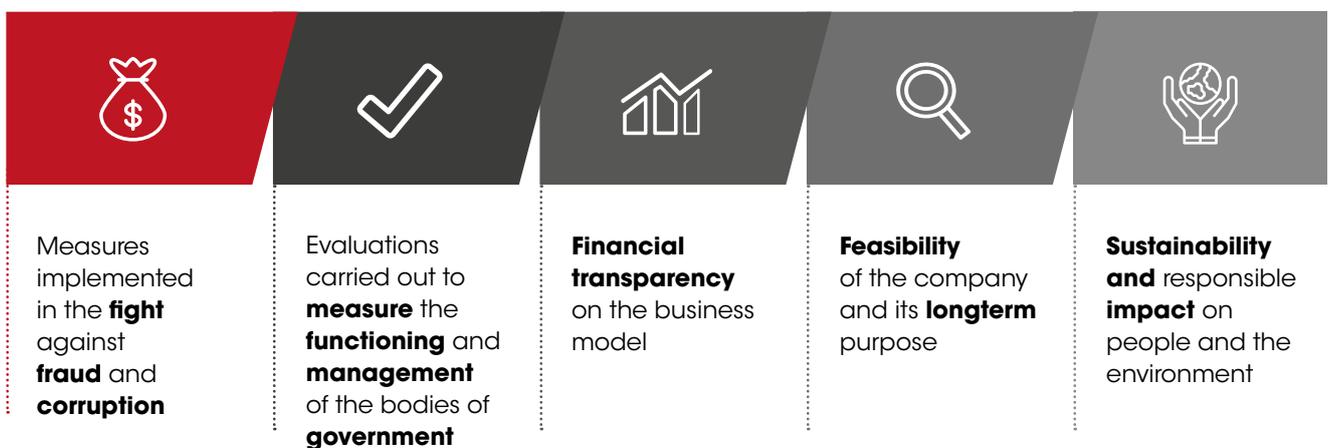
At Neinor Homes when we talk about **Corporate Governance we are talking about people and decisions**, with the understanding that these people are the right people and that they take the right decisions. We firmly believe that how we do things determines who we are and who we want to be. That is why we are governed by ethical, upright and transparent performance standards, so that our words are consistent with our actions.

6.1. PRINCIPLES OF CORPORATE GOVERNANCE

The company understands corporate governance to be the set of mechanisms at the service of generating value in a simultaneous and sustained manner for all of the organisation's stakeholders. Therefore, Neinor Homes carries out its activity in a **transparent and responsible manner, with good corporate governance** as one of the objectives of its Sustainability Policy.

The aim is to provide an efficient response to one of the aspects that arouses most interest among investors, shareholders and other companies in the sector. Good corporate governance is a key trend nowadays, and **stakeholders** are increasingly **demanding more information** on various related aspects, to which Neinor Homes **responds in different ways**:

Neinor Homes is the benchmark in the real estate sector in terms of good governance and responsible and sustainable management.



In addition, Neinor Homes monitors all good governance recommendations and trends, orienting its practices to achieve the highest standards of compliance and competitiveness. A regular **corporate governance diagnosis** is also carried out, analysing, among other aspects, compliance with the **CNMV's Unified Code of Good Governance**.

GOOD GOVERNANCE REGULATIONS AND POLICIES

- Articles of Association
- Internal Audit Function Articles
- Code of Ethics
- Third Party Code of Conduct
- Code of Good Practice in Real Estate Brokerage
- Anti-Corruption, Fraud and Bribery Policy
- Diversity and non-discrimination policy
- Book of good practices in Health and Safety on construction sites.
- Occupational Health and Safety Policy
- Regulations of the General Shareholders' Meeting
- Internal Code of Conduct for Securities Markets
- Rules of Procedure of the Compliance Function
- Rules of operation of the Electronic Shareholders' Forum
- Corporate Governance Policy
- Sustainability Policy
- Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors
- General economic-financial and corporate communication policy
- Internal manual for the disclosure of privileged and other relevant information
- Human Rights Policy
- Tax Risk Control and Management Policy. Adherence to the Tax Agency's Code of Good Practices
- Director Selection Policy
- Remuneration policy for members of the Board of Directors
- Sustainable Investment and Financing Policy
- Treasury Stock Policy
- Tax and good tax practices policy
- Conflict of interest and related party policy
- Policy on non-audit services to be provided by the auditor
- Employment policy for former auditors

6.2. GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is the **highest decision-making and control body** of Neinor Homes in the matters within its competence, through which the shareholder has the right to intervene in decisionmaking.

The convening, preparation and conduct of the General Shareholders' Meeting is governed by the **Regulations of the General Shareholders' Meeting**. All of this in turn is subject to the provisions of current legislation and the **Articles of Association**. All shareholders have the **right to attend** the General Shareholders' Meeting irrespective of the number of shares held and all have the **right to vote**.

The Board of Directors of Neinor Homes has informed the GRC, Internal Audit and ESG Management, as well as the Investor Relations Management that **one of its main objectives is to increase shareholder participation in the AGM**.

On 20 April 2023, the **sixth General Shareholders' Meeting of Neinor Homes was held with a quorum of 78.62% of the share capital** (0.52% present and 78.10% represented). All the items on the agenda were approved with a percentage of votes in favour of more than 98%, except for four items that were approved with 97.02%, 95.69%, 95.66% and 88.71% votes in favour, respectively, which shows the support of the shareholders for the decisions of the Board of Directors put to the vote.

We must highlight the support of the General Shareholders' Meeting for the company's track record in sustainability and good governance, with the examination and approval of the non-financial information statement and sustainability report for 2022 being the item with the highest percentage of approval at the General Shareholders' Meeting, with 99.9986% of votes in favour, making it the non-financial information statement with the highest support among all listed companies in Spain.

The Shareholders' Meeting was broadcast live on the corporate website and could be followed later in streaming on a delayed basis. In addition, all the documents generated from it have been posted publicly on the website.

Neinor Homes also has an **Electronic Shareholders' Forum** where **proposals** for inclusion on the agenda or **offers or requests for voluntary proxies can be posted**.

On 1 September 2023, the Extraordinary General Shareholders' Meeting was held, at which it was agreed to reduce the company's share capital in order to return contributions to shareholders by reducing the nominal value of the shares and redeeming treasury shares, and consequently amend Article 5 of the Articles of Association, thereby increasing the maximisation of the return to the company's shareholders.

On 30 June, 26 July and 13 November 2023, the company published significant facts which, in line with the Company's strategic plan for the period 2023-2027, communicated collaboration agreements with AXA Investment Managers Alts, Orion V European 24, S.á r.l, and Urbanitae Real Estate Platform, S.L. respectively, to carry out real estate developments in Spain for build-to-sell. The amount of investments associated with these collaboration agreements is approximately EUR 300 million in total.

These collaborations will be carried out through Joint Ventures (JVs) in which **Neinor Homes** has a stake of between 10% and 20%, and **will act as delivery partner manager**, supervising project design, licensing, marketing and construction.

POWERS OF THE GENERAL SHAREHOLDERS' MEETING

Approval of company management

Approval of the annual accounts, both individual and consolidated

Appointment and dismissal of the members of the Board of Directors and ratification or their appointments

Appointment and removal of the company's auditors

Agreement on the increase and the reduction of share capital

6.3. BOARD OF DIRECTORS

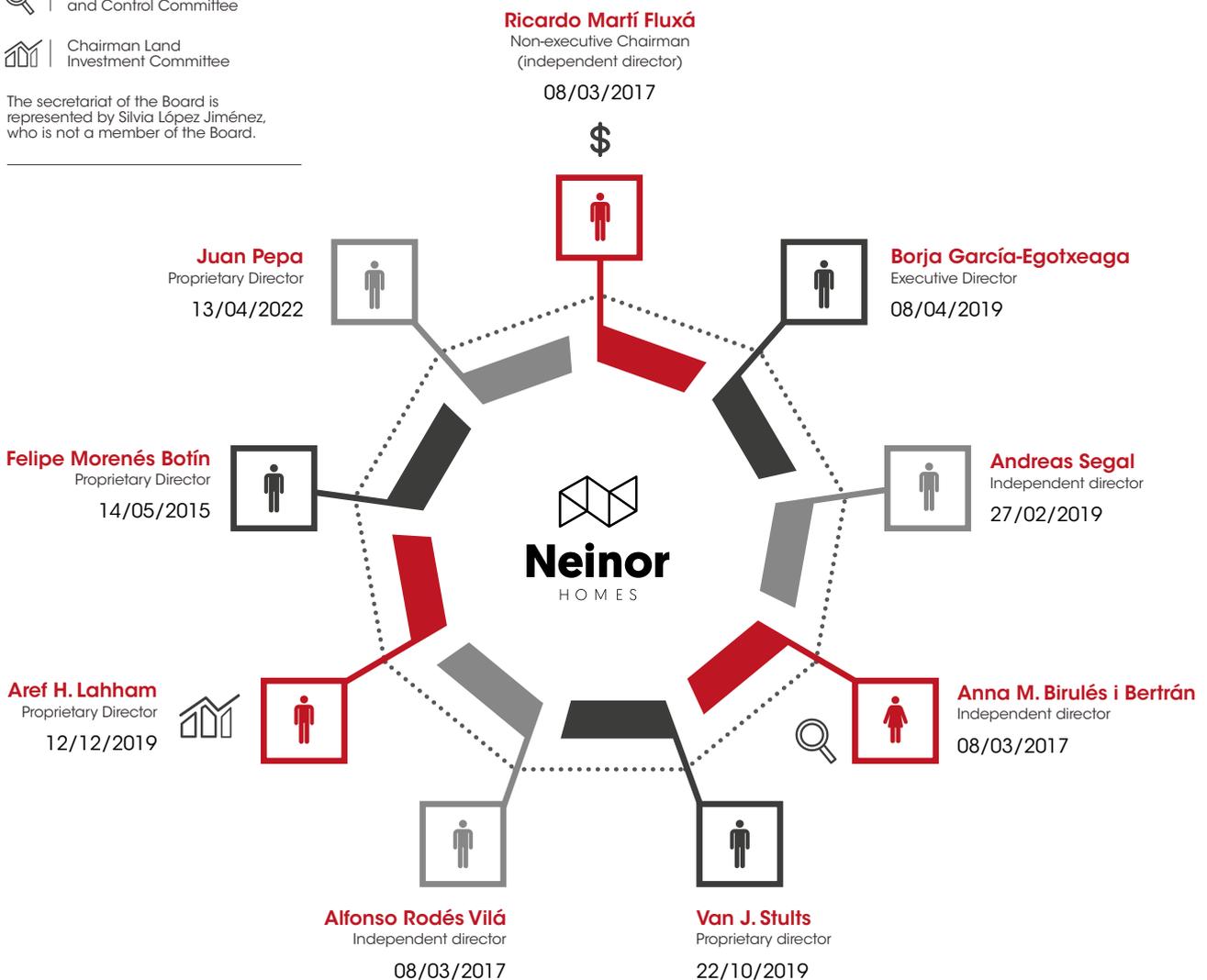
The Board of Directors is the highest governing body within the company and has **the broadest powers and authority to manage, direct, administer and represent** Neinor Homes. It therefore approves the company's strategy and general policies. Its functioning is governed by the **Regulations of the Board of Directors and by the Articles of Association**. The Board of Directors **meets as often as is convenient** for the proper performance of its functions, at least every three months. In 2023 the Board of Directors met on 12 occasions, and on 6 of these, ESG issues were dealt with.

At the 2023 close of business the composition of the Board was as follows:

44%
INDEPENDENT
DIRECTORS

11%
WOMEN

-  Chairman Appointments and Remuneration Committee
 -  Chairman Audit and Control Committee
 -  Chairman Land Investment Committee
- The secretariat of the Board is represented by **Silvia López Jiménez**, who is not a member of the Board.



Neinor Homes **evaluates the quality and efficiency in the functioning and performance of its Board of Directors and its respective Committees** on an annual basis, following the best national and international market practices. Once every 3 years, the Appointments and Remuneration Committee is assisted by an external expert in carrying out this evaluation, as was the case in 2020 and also that carried out in this exercise.

For the first time in the company's history, the 2020 assessment was carried out with the assistance of a prestigious external expert, identifying, among others, the following strengths:

- The structure of the Board of Directors of Neinor Homes **in line with best practices** in terms of its current size, with a noteworthy high degree of diversity.
- **Proper internal functioning** of the Board of Directors with regard to frequency of meetings, the notice period and the level of attendance by directors.
- **Effective development** of the decision-making process of the Board of Directors, resolving differences of opinion in a smooth and orderly manner.
- **Good level of interaction** maintained between the Board of Directors and Senior Management, highlighting the availability of the company's executives, the rigour and preparation of their appearances and the good acceptance of the Board of Directors' role of guidance and supervision.
- **Very positive evaluations** from the directors of the Board committees, as well as of the performance of the Chairman, the Chief Executive Officer, the Secretary of the Board, and a unanimously positive assessment of the performance of the head of the GRC and Internal Audit Department.

Similarly, some opportunities for improvement were identified, such as the opportunity to work on gender equality within the board, to increase the detail and depth of the Succession Plan or to increase the information on directors' remuneration in the annual report.

In 2023, this evaluation process was carried out for the second time with the assistance of an independent external expert. The result of the evaluation has determined that Neinor Homes has a solid governance model, characterised by a unified, active and dedicated Board of Directors, with a high professional and human value, with complementary knowledge and experience, which helps to enrich the debate and contributes to the proper functioning and efficiency of the various management bodies, thus positioning itself above its competitors and other companies in the international real estate sector.

This year, as in previous years, four working approaches have been followed in an attempt to achieve **greater visibility and objectivity**:

1

Review by internal audit of documentation and **internal functioning**, as well as measurement of the level of dedication, commitment, involvement and knowledge of the directors and analysis of the fulfilment of responsibilities.

2

Conducting a **self-assessment**: The Directors themselves evaluated and give their views on the effectiveness of the Board's performance and functioning, through anonymised questionnaires of questions prepared specifically taking into account the situation of the company and the director taking the questionnaire.

3

Conducting individual interviews: In addition to the self-assessments, individual interviews were also conducted with the four independent Directors to further enrich the evaluation results. The interviews lasted one hour, were conducted mainly through virtual meetings and the views and comments shared by Board members have been treated anonymously.

4

Corporate Governance Benchmark: Comparative analysis of Neinor Homes' Corporate Governance practices, with the aim of identifying the level of alignment of Neinor Homes' corporate governance practices with the main standards:

- **National standards**, set against the performance of comparable companies in the sector and benchmark companies in the field of good governance, as well as against the Good Governance Code of listed companies (CNMV).
- **International standards**, analysing the degree of alignment with the governance issues most in demand by major institutional investors and the main concerns of proxy advisors.

5

Diagnosis of the company's situation in terms of Good Corporate Governance based on the conclusions obtained throughout the evaluation process.

The areas of review taken into account were:

Compliance with good practice

Analysis of the tone at the top, awareness of and interest in, on the part of the Board and its Committees, ethics, compliance, transparency and continuous improvement for the implementation of best practices in corporate governance.

Diversity

Analysis of the number of women on the Board and its Committees. Number of foreign members on the Board and its Committees.

Experience and expertise of directors

- Analysis of the directors' sector experience based on the information contained in their CVs.
- Analysis of experience in Corporate Governance based on the number and type of Boards on which they participate other than that of Neinor Homes.
- Analysis of the training given to directors, within the framework of their membership of the Board and its Committees, in sectorial aspects and Corporate Governance.

Succession of directors

Analysis of the existence of a succession plan for the CEO and other directors.

Quality and availability of information

- Analysis of the level of adequacy and quality of the information supplied to directors for decisionmaking.
- Analysis of the availability, in due time and form, of the information supplied to the directors for decision-making.

Operation

- Analysis of the planning of the calendar of meetings and of the actual meetings.
- Analysis of the time taken to send out notices of meetings, as well as the agenda for the sessions.
- Analysis of the duration of meetings of the Board and its Committees.

Composition

- Analysis of the number of members of the Board and its Committees.
- Analysis of the number of directors by type: executive, proprietary, independent and other external.
- Analysis of the number of years in office of each director.

Liaison with Senior Management and/or external parties

Analysis based on the information in the minutes of the Board and its Committees of the participation of General Management and/or external auditors in the meetings of the Board and its Committees without the presence of the CEO.

Dedication / involvement of board members

Analysis of the number of absences of directors from meetings of the Board and its Committees, also considering the analysis of non-executive directors in accordance with Art. 11a) of the Regulations of the Appointments and Remuneration Committee.

Remuneration of directors

Analysis of the use of comparative market studies carried out by external experts on directors' remuneration.

The Strengths in said evaluation identified by the external expert have been the following:

1

The **overall performance of the various governing bodies and their functions has been very positive**, with all directors rating the performance of all governing bodies between "Very good" and "Excellent".

Of particular note is the overall performance of the Chairman and the Audit and Control Committee, whose performance was rated as "Excellent" by 100% of respondents.

Regarding the Chairman of the Board, interviewees highlighted his diplomacy, calmness and knowhow, as well as his ability to reach intelligent agreements that generate value for the Company. According to the directors, the Chairman acts as a moderator, which fits perfectly with the composition of the Board.

2

As regards the composition of the board, **all directors consider that the size of the board (9) and the proportion of independent (44%), proprietary (44%) and executive (11%) directors are adequate for its effective functioning.** In particular, they state that this size and composition is balanced and allows them to participate and discuss together.

The directors made reference to the fact that the current share capital structure of the company - which requires board members with different profiles, backgrounds, etc. - could pose a challenge for proper decision making. However, even taking this particular situation into account, they considered that Neinor's board was performing its duties in an outstanding manner.

In terms of the skills and competencies of the Board, all members consider that Neinor has the **right mix of knowledge, skills and experience within the Board** to perform its functions effectively, describing the Board as a "powerful combination of different skills".

3

As regards the **functioning of the Board**, the number of meetings, their duration and the quality of supporting documentation are appropriate. Board members emphasise the **Board's agility in decision-making, its ability to anticipate problems and the flexibility and availability of the Board** when extraordinary meetings have been required.

Moreover, some directors indicate that this agility is possible because (i) they have a number of proprietary directors with decision-making powers, and (ii) the senior management team is very strong and responsive.

4

All directors agreed that the working environment, dialogue and participation of the management team during meetings were satisfactory, highlighting that **interaction with the management team is very frequent and adds value.** In this regard, the **good work of the CEO** was highlighted, who is a very accessible figure and has contributed to generating a very positive atmosphere within the management team, as well as **the work of the GRC and Internal Audit area, describing it as an extraordinary team.**

5

In terms of **interaction and information between the Board and the Committees**, all Board members were very positive about the roles played by the various Committees. In the interviews, it became clear that the **meetings of the Committees have more extensive discussions, which means that the Board meetings are usually shorter** and are resolved in a more efficient and agile manner.

6

It should be noted that, in terms of the fulfilment of the responsibilities of each of the Committees, **the three Committees have been highly valued by their members**, with the Real Estate Investment Committee standing out, where 100% of its members stated that they "Strongly agree" that the Committee has satisfactorily fulfilled the responsibilities assigned to it.

On the other hand, as a result of the evaluation process, several aspects with room for improvement have been identified on which the company and its governing bodies will continue to work:

- Continue to work towards gender diversity. It should be noted that the board is aware of this aspect and all board members agree that this should be considered a necessity, although they are aware that it is not an easy process, given the capital structure of the company.
- The directors indicate the need to improve the information on the succession plan for the Chairman and CEO, and the discussion within the Committee. It is considered that this issue could be improved in terms of transparency and coordination between the governing bodies.
- Although the overall result has been very positive in relation to the supporting documentation shared at Board and Committee meetings, some directors have stated that receiving information earlier would be a valuable improvement, given the quantity and length of the documents in some cases, especially in the Audit and Control Committee.
- As ESG issues have become one of the key issues to be addressed within Boards, it is necessary for directors to familiarise themselves with the main issues related to sustainability. In this regard, some directors have referred to the importance of receiving training sessions on ESG issues and their “sizing up” in the real estate sector and in the company.

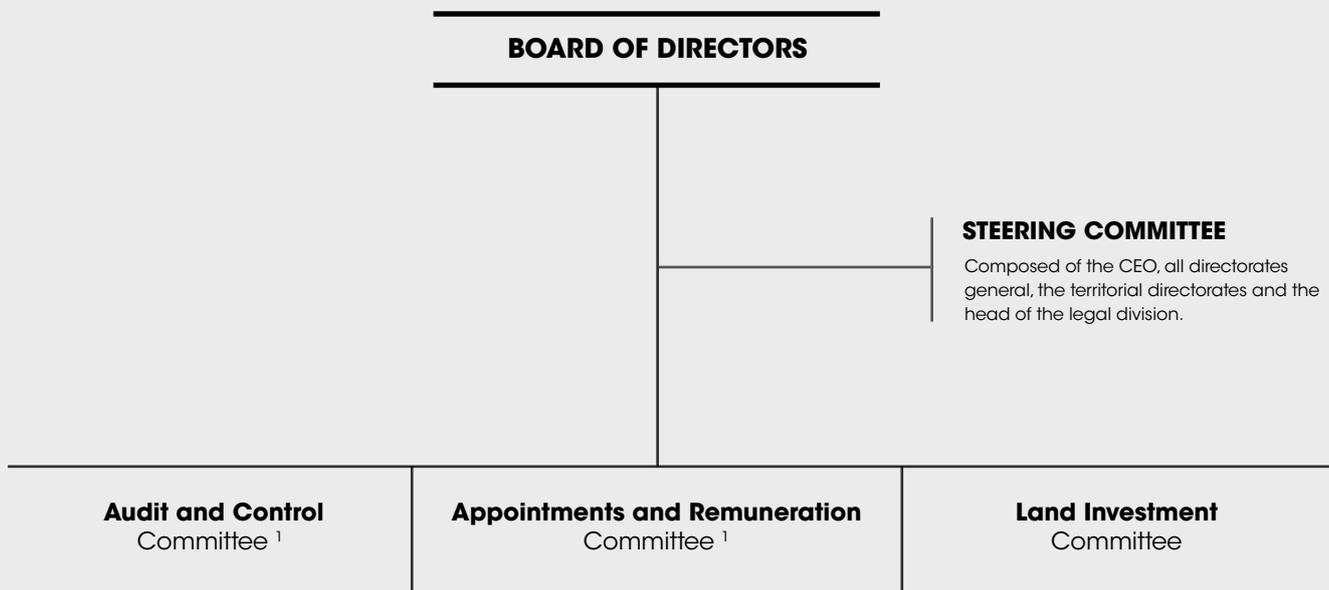
BOARD TRAINING

Neinor Homes has defined a **training plan for its Board of Directors and its Committees**, in which offers a programme of update of knowledge for its directors. During 2023, the directors have received training on the following:

- ESG and sustainability developments.
- European taxonomy and update of the Sustainability Plan.
- Valuation and appraisal of real estate assets.
- Cybersecurity and Information Security.

> DELEGATED COMMITTEES OF THE BOARD OF DIRECTORS

For **greater efficiency in the exercise of its functions**, the Board has the following delegated committees, the functioning of which is governed by the Regulations of the Board:



- Monitor financial and non-financial reporting.
- Monitor and evaluate compliance with the Sustainability strategy and practices.
- Monitor the effectiveness of internal control.
- Propose to the Board of Directors the appointment of the auditors.
- Review the adequacy and effectiveness of the Company's arrangements for its employees and contractors to report any possible irregularities.
- Oversight of the crime prevention model.

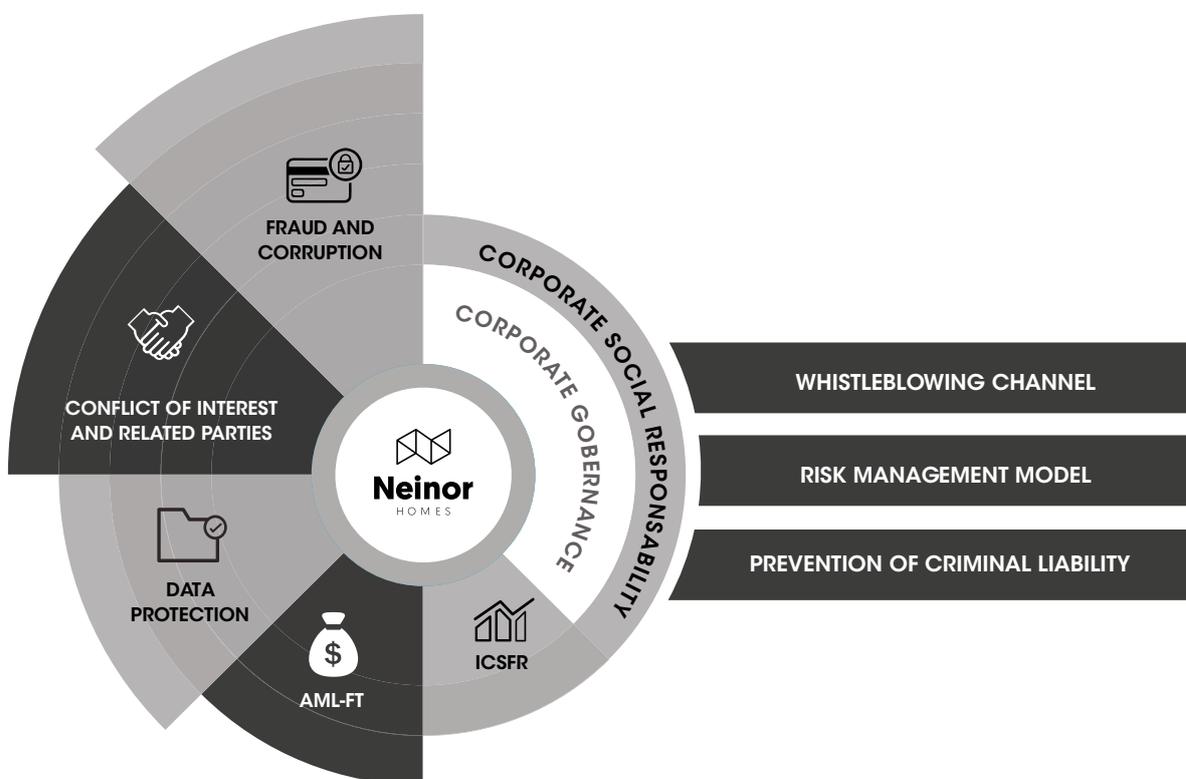
- Assess the skills, knowledge and experience required on the Board of Directors.
- Establish a representation target for the underrepresented gender on the Board and develop guidance on how to achieve this target.
- Propose to the Board of Directors the remuneration policy for directors.

- Define overall investment policies and strategies, investment objectives.
- Evaluate and take the final decision on the possible acquisition of real estate assets, property developments and the financing thereof.
- Analyse and monitor the company's investment performance results in relation to investment strategies, objectives, policies, standards and constraints.

¹ Bodies in which the majority of its members are Independent Directors.

6.4. A COMPREHENSIVE CONTROL, COMPLIANCE AND ASSURANCE MODEL

Neinor Homes has developed a **comprehensive Control, Compliance and Assurance model**, also called **Combined Assurance**, based on best practices in the sector and other sectors, which is a system that allows the **integration and alignment of assurance processes** so that senior management and the audit and supervisory committees obtain a **comprehensive and holistic view of the effectiveness of the governance, risks and controls** of their organisation. At the same time, it allows for **prioritisation and identification of necessary actions**.



With this system, a new integrated organisation chart was developed for the Audit, Risk and Compliance functions. With this, everything is subject to the same Governance, Risk and Compliance Management (GRC) and the main priority is the **integration of the Corporate Social Responsibility strategy** in the business, thus achieving an increase in its exposure and dissemination. With all this system, it is possible to **respond to the expectations of stakeholders**, to the requirements of legislation in terms of good governance policies and to the need to be based on an effective and dynamic risk management system.

This comprehensive model also establishes an **internal regulatory framework**, establishing a series of specific management models for each area (fraud prevention, anti-money laundering, ICFR, conflicts of interest and data protection and privacy) which in turn define policies, procedures and responsibilities.

MODEL	POLICIES/RESPONSIBILITIES	
FRAUD AND CORRUPTION PREVENTION MODEL	<ul style="list-style-type: none"> • Spending and reporting policy • Ethical channel management procedure • Supplier Selection, Approval and Evaluation Policy • Code of good practice for real estate brokerage 	<ul style="list-style-type: none"> • Code of Ethics • Monitoring and Control Committee • Code of Conduct for Third Parties • Complaints channel and log • Gift policy and log
ANTI-MONEY LAUNDERING MODEL	<ul style="list-style-type: none"> • AML/CFT Manual • Internal Control Body • Specific AML Unit • Practical guide to AML • KYC files: natural and legal person • Trade Compliance Form and Questionnaire 	<ul style="list-style-type: none"> • AML procedure for management of unique assets and retail • AML procedure for management of new builds • External audit
INTERNAL CONTROL SYSTEM FOR FINANCIAL REPORTING	<p>Adaptation of the information to the contents required by the CNMV (matrix of risks and controls of the processes in operation and responsibilities assigned, accounting policies manual, evidence repository, among others).</p>	
CONFLICT OF INTEREST AND RELATED PARTIES MODEL	<ul style="list-style-type: none"> • Conflict of Interest and Related Party transactions log • Review and approval of related-party transactions • Reporting to the Board and the Audit and Ratification Committee 	<ul style="list-style-type: none"> • Conflict of interest and related party transactions policy • Communication channel for transactions
DATA PROTECTION AND INFORMATION PRIVACY MODEL	<ul style="list-style-type: none"> • Privacy Policy • Incident Management Procedure • Stakeholder Rights Procedure • ISMS Procedure • Personal Data System Management Procedure Committee • Personal Data Privacy and Regulation 	<ul style="list-style-type: none"> • Procedure for personal data processing life cycle • Regulator consultation procedure • PIAC procedure • Information Security • Communication Channel Policy

> CODE OF ETHICS

One of the commitments and essential values for Neinor Homes in the area of good corporate governance is to **act in accordance with the strictest corporate standards in relation to ethics and transparency**, ensuring and demanding that all staff, members of the governing bodies and related entities act in accordance with the company's ethical principles and moral criteria.

In 2015, Neinor Homes approved the **Code of Ethics**, which establishes the ethical principles, values and rules of conduct that should guide the actions of all companies and individuals that form part of the company and its third-party collaborators. For this reason, all employees receive regular in-person and online training on the Code, as do some suppliers.

In addition, in 2017 the **Code of Conduct for third parties** was approved, which defines the highest ethical standards that must be met by all **third parties that provide any type of service to Neinor Homes**, and the company undertakes to publicise this Code. The **principles and values** contained therein are based on best market **practices** and the **principles of the United Nations Global Compact**.

Neinor Homes ensures compliance with human rights in all areas related to our business. To mitigate the risk of human rights vulnerability we have published on our website a code of conduct for third parties that our suppliers or subcontractors must accept and comply with, our Code of Ethics, which includes the principle of managing human rights vulnerability and the complaints management procedure which describes how to manage complaints or claims received through the company's whistleblowing channel.

In addition, we regularly review our ethical values and related policies and codes, as well as our other compliance and corporate governance policies, to ensure that they are always up to date.

WHISTLEBLOWING CHANNEL AND MANAGEMENT PROCEDURE

In 2022, Neinor Homes completely renewed its Whistleblowing Channel both to comply with regulations, with the entry into force this year of European Directive 2019/1937, and to address certain aspects of improvement detected, being more useful and secure for anyone who wants to report possible irregularities or conduct that goes against the Company's code of ethics, allowing completely anonymous communications, without the need to enter any personal data on the part of the reporter.

Although the channel is managed internally, its data is hosted on an external, thirdparty encrypted server, shielding the security of the communications received.

This communication system helps to detect and prevent risks and violations at an early stage, before they can materialise and impact the company. In this way we are also promoting a strong compliance culture inside and outside the company, in line with our Code of Ethics.

[Ethics Line | Neinor Homes](#)

The GRC, Internal Audit and ESG Department is responsible for processing and managing the complaints received, ensuring strict compliance with the Code of Ethics and promoting the use of the Whistleblowing Channel. Mechanisms are in place to ensure impartiality in the event that communications are received about the GRC Management or persons or bodies with responsibility for it.

The Board of Directors is regularly informed about the management of **complaints through the Audit and Control Committee**. In 2023, no complaints were received in areas related to ethics, legality or regulatory compliance, but complaints were received on matters affecting our customers in the purchase of their home or after the purchase of their home, which were included in the complaints that are allowed to be reported in accordance with the channel management procedure. All complaints were dealt with in the manner and within the deadlines established in the channel's management procedure.

As a result of the complaints received, some of the company's internal procedures have been refined with regard to the sale of properties and subsequent management with our customers. No complaints were received concerning discrimination, human rights violations, corruption or bribery, or breaches of the Code of Ethics. All complaints were reported to the Audit Committee as part of the Annual Compliance Activity Report.

Neinor Homes refrains from working with third parties who do not comply with the provisions of the Code of Conduct, reserving the right to terminate the business relationship with those who fail to comply with any of the stipulated points.

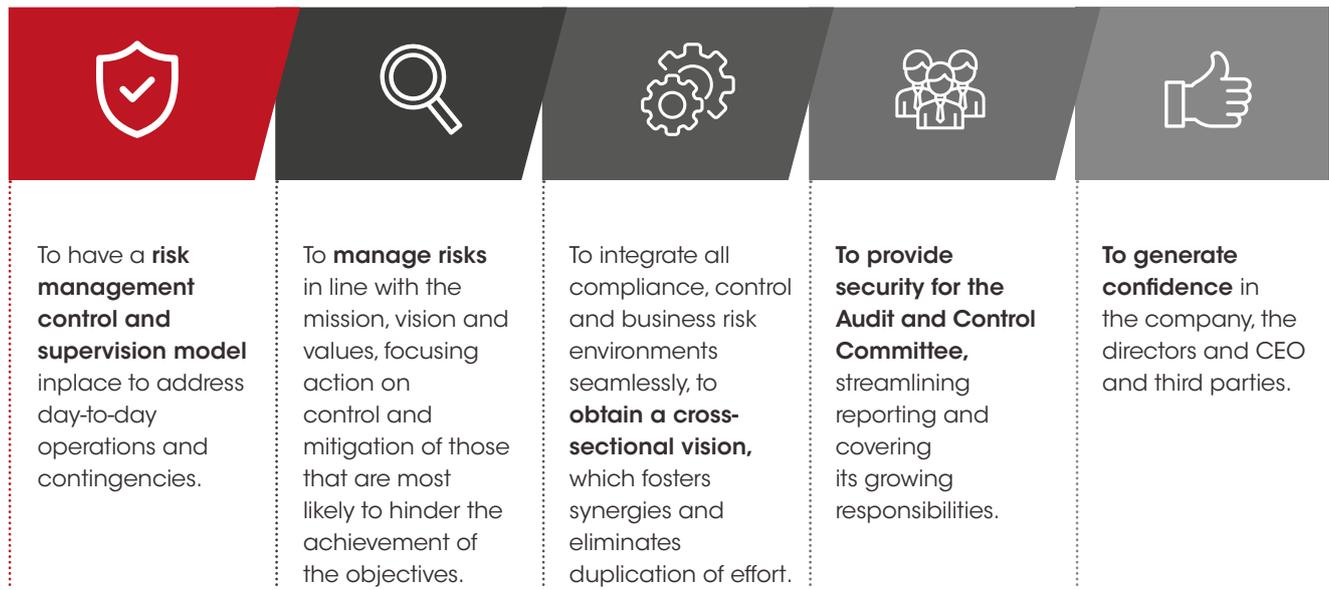
Mandatory **training** is given to all Neinor Homes **employees** on an annual basis to guarantee knowledge and encourage the application of all the regulations and internal tools in force in the ethics and transparency area.

In 2023, 100% of Neinor Homes employees and the subsidiary Quabit Construcción received this mandatory annual training, which was given by the CEO and by the Director of GRC, Internal Audit and ESG, and covered, including cases and practical examples, about Ethics, the Neinor Homes Compliance system and its elements, the Ethics Channel, gender diversity, new developments in sustainability and ESG, and the Group's mandatory documents and policies: Code of Ethics, Third Party Code of Conduct, AML/CFT Regulations, Internal Code of Conduct, data protection and cybersecurity, etc.

This training session, in addition to the topics described above, included training on energy efficiency at the workplace, on the commute to work and at home.

> RISK MANAGEMENT MODEL

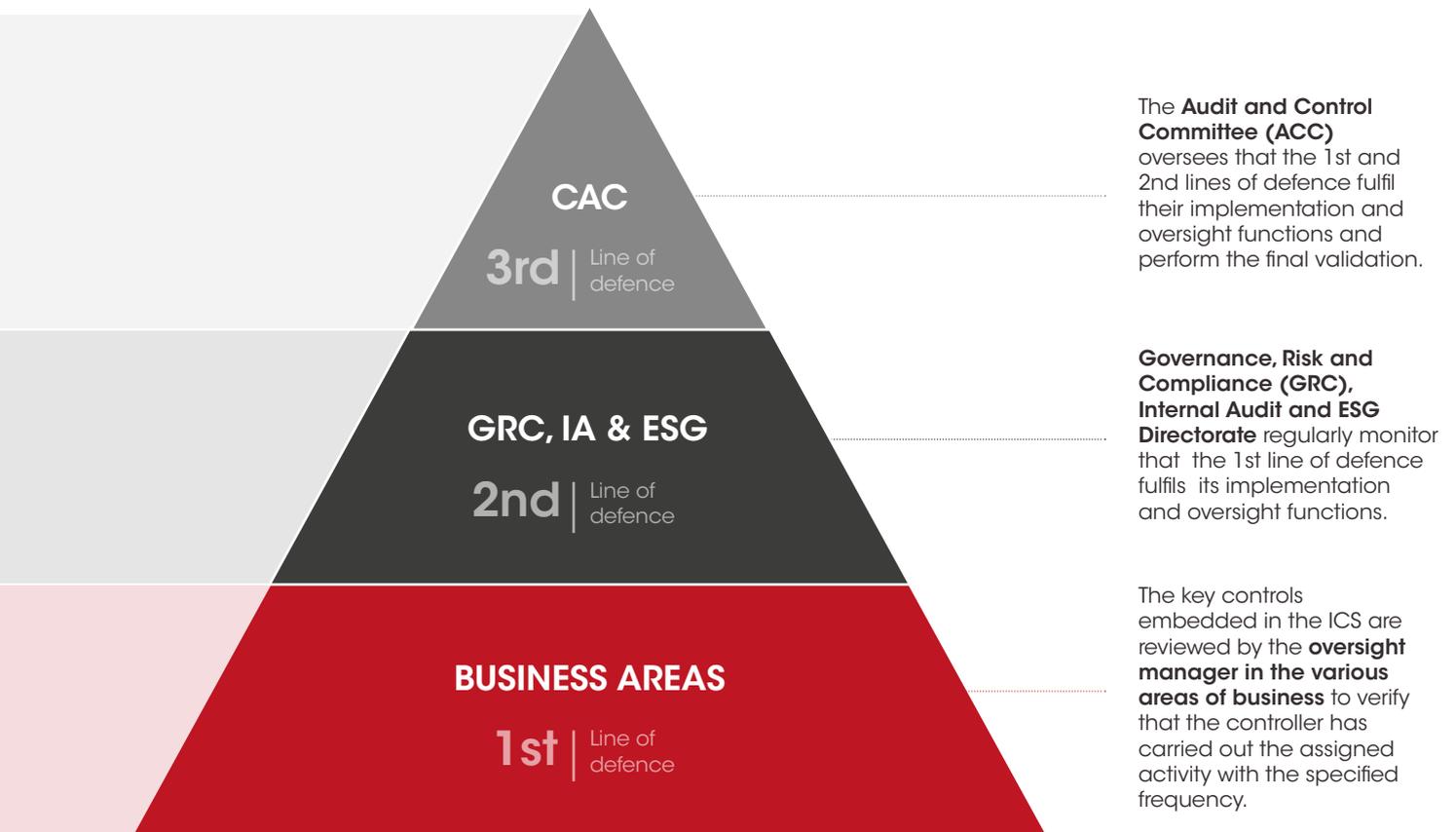
Neinor Homes continuously manages its risks under an **Integrated Internal Control System (ICS)**. This **comprehensive scorecard** associates risks with **strategic objectives, processes** and **control activities** in which those responsible for their execution and supervision are incorporated, as well as the evidence that supports the system. The objectives of the ICS are:



In order for the ICS to have **ongoing updates**, it is essential to have internal and external communication channels and to be able to count on the commitment of all those who make up Neinor Homes. **External updates** are mainly provided by legal experts, advisors, forums, networks and suppliers.

The model monitoring can be summarised in **three lines of defence**:

Neinor Homes has a management model for ongoing and dynamic risks.



The **main inputs** to the ICS are **compliance, corporate and business risks and controls**.

In 2022, as an essential part of updating its risk map, Neinor Homes has **identified its corporate risks through** an analysis of the company and the real estate sector, taking into account the experiences of Neinor Homes' executives and other external experts in the sector.

The Internal Audit Department participates in the risk identification phase, together with the Compliance Department and all the persons responsible for risks and controls in the various areas of the company. Neinor Homes has thus classified the various risks to which it is exposed into **6 categories**:

ENVIRONMENTAL RISKS

1

Related to the real estate sector and the cyclical nature of the business. Correlation of our sector to macroeconomic cycles. Business structure/resources not aligned to changes in the cycle / diversification of activity: Property / Rental / Construction. Administrative impact of the sector. New fiscal and regulatory policies in the sector, land policies, management and licensing periods. Increased construction and land acquisition costs due to higher raw material costs and inflation. Shortage of third parties necessary for the development of our activity, such as construction companies, due to their insolvency. Changes and impact on consumer demand and the environment as a result of climate change.

OPERATIONAL RISKS

2

Management of customer expectations and satisfaction. Excessive dependence on suppliers and sometimes limited capacity of suppliers to provide in due time and form. Loss of business knowledge due to outsourcing of essential services in the value chain. Retention and succession of key persons. Inadequate adaptation to the industrial model. Being alienated from the transformation and digitalisation of the sector. Business stoppages due to external agents.

COMPLIANCE AND ETHICS RISKS

3

Failure to comply with deadlines and quality of homes delivered. Illegal acts / criminal offences established by regulations carried out by the company or its employees. Non-compliance with the rules and regulations to which the company is subject.

FINANCIAL AND MARKET RISKS

4

Management of the capital market and all those related to the fulfilment of the expectations agreed with the shareholder / market. Excessive linkage to the financial sector. Non-compliance with the margins and profit expected by investors and the market.

STRATEGIC RISKS

5

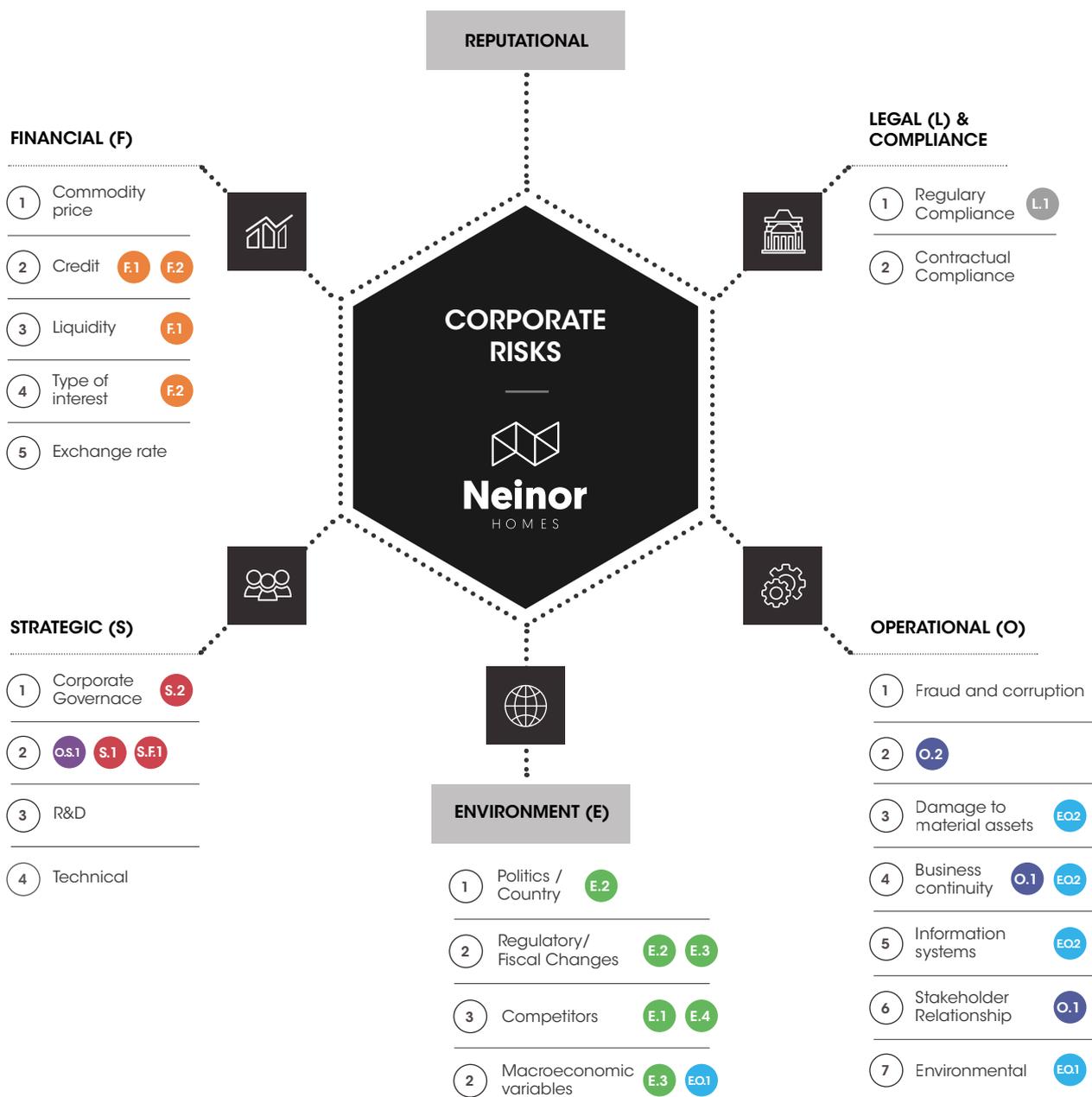
Failure to meet deadlines or cost targets for strategic (not ready for development) land development / and for land acquisition. Asset valuation and lack of discipline, consistency and reasonableness in land acquisition. Failure to meet the sales forecast in the business plan. Lack of diversification of the company's activity in a single line of business. Conflicts of interest in the strategic development and viability of the company in the long term versus expectations of investors and the market with a more short-term vision.

CLIMATE CHANGE RISKS

6

Following the main risks and opportunities identified by theTCFD (Task Force on Climate-related Financial Disclosures) in its recommendations for disclosures on climate-related risks and opportunities for financial institutions and non-financial companies, recommendations that were published in 2017 and are widely recognised internationally as guidelines on the subject. Transition risks (Political/Legal, Technology, Market, Reputation) and acute and chronic physical risks. The nature of the development activity means that Neinor Homes must assess and, where appropriate, mitigate both the risks inherent in the transition to a low-emission economy and those related to the physical impacts of climate change. See note on Environmental Impact in the financial statements.

Given that the Integrated Control System (ICS) implemented is a dynamic tool, which aims to provide updated and continuous information on the possible risks faced by the company, Neinor Homes periodically compiles, from the various risk detection sources defined, the events that could become a risk, in order to facilitate their analysis and continuous monitoring and to take measures to remedy them, as well as if appropriate, the incorporation of a control mitigation activity, or the analysis of the effectiveness and efficiency of one already existing within the ICS.



The Risk Management methodology used by Neinor Homes is based on the latest version of **"Enterprise Risk Management"** (also known as COSO III), which enables the contribution of added value through the identification, management and monitoring of business risk management.

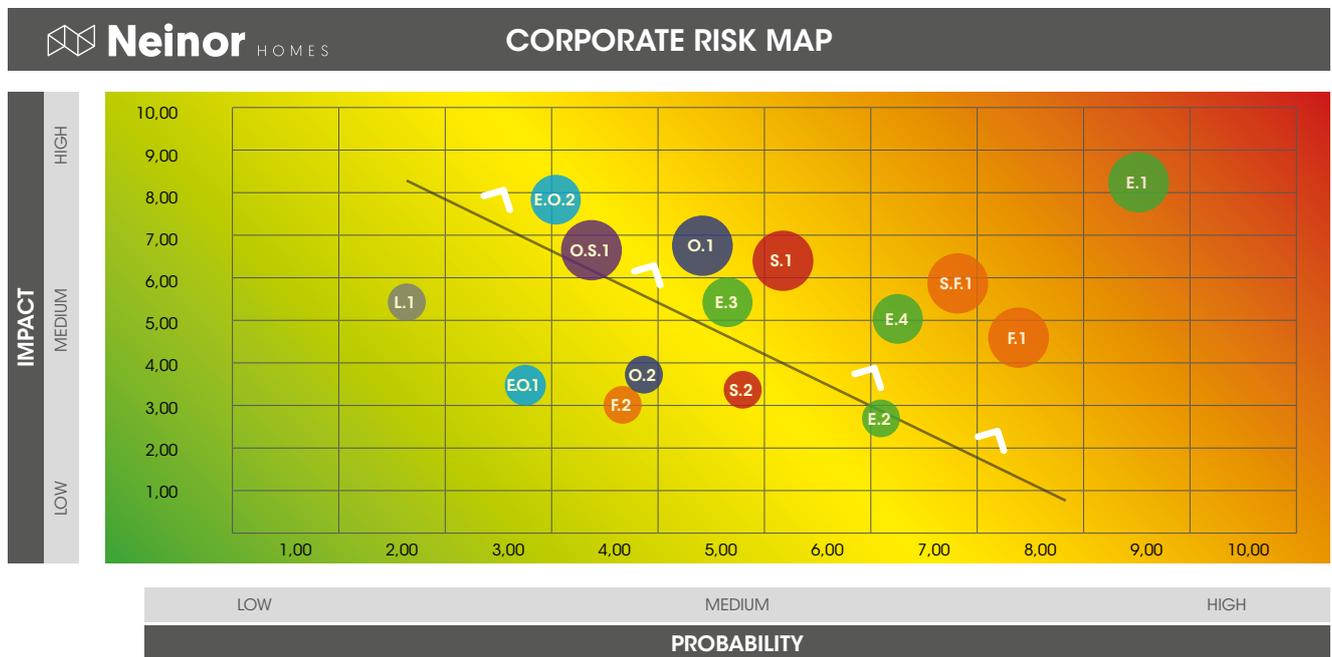
The Corporate Risk Map is reviewed periodically, making it a fully dynamic model that is continuously monitored, thus increasing the company's resilience in the face of adverse situations.

The best proof of this is that in 2020, with the irruption of Covid-19, the company defined a specific model to deal with the risks derived from this situation (Project Scipio), which was transferred to the entire organisation. Many of the actions defined in this project remain in place today, such as the possibility of digitally signing contracts or the use of videoconferencing programmes, as they have resulted in an improvement and modernisation of work processes and mitigate certain business and operational risks, especially those related to external agents or business interruption, reinforcing Neinor's capacity to adapt to different situations.



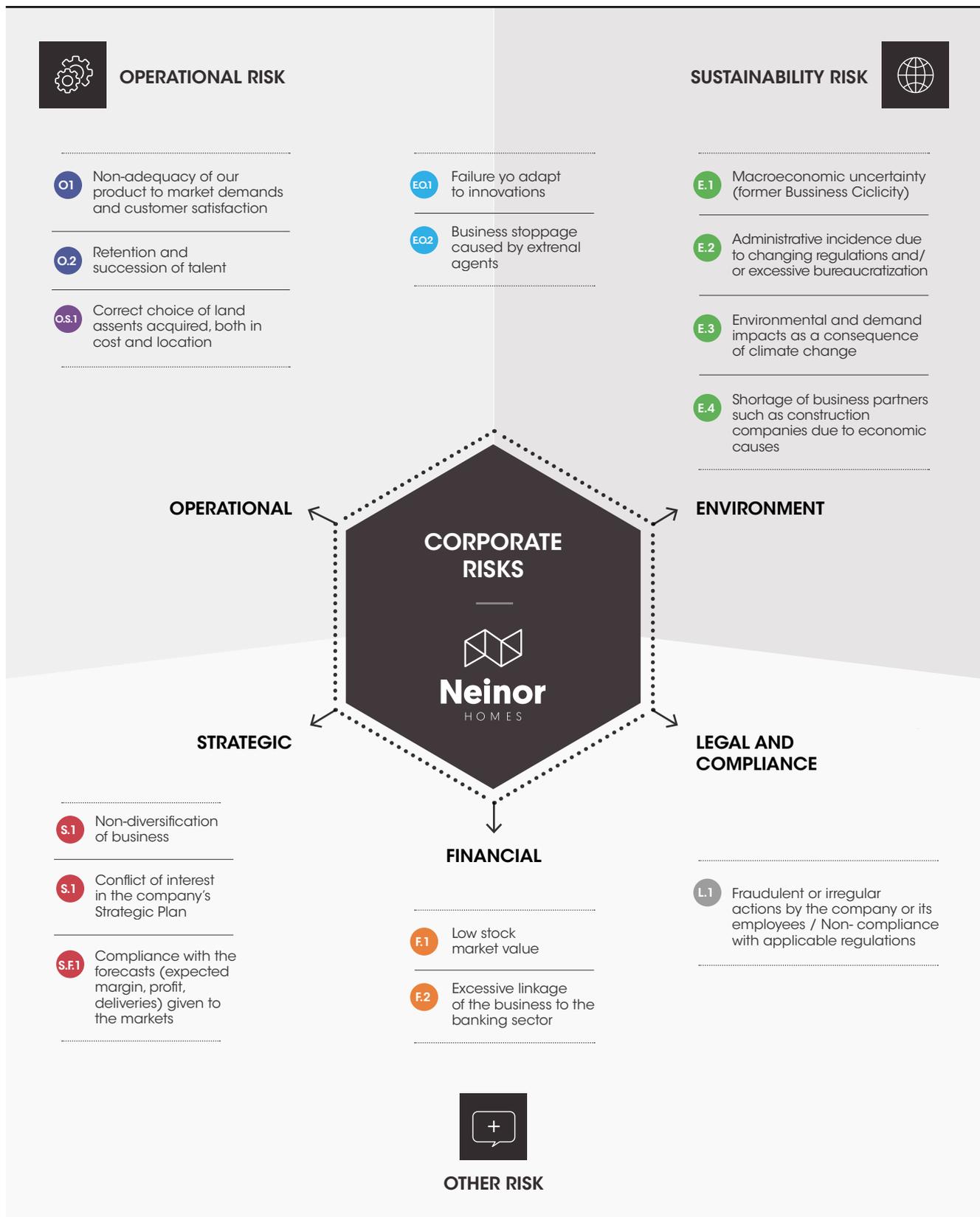
As mentioned at the beginning, Neinor Homes has updated its Corporate Risk Map in 2022 and, as in previous years, has considered environmental and climate risks. In this regard, one of the actions carried out was the analysis of climate risks for all the company's developments (see point 8.5).

15 strategic and operational risks have been identified for the company and **classified according to their likelihood, impact and size**, thus forming the risk map.



Neinor Homes has classified the various risks to which it is exposed into 6 global categories, which are set out in Section E.3 of the ACGR.

The risks identified, for which corresponding management measures have been proposed, are as follows:



> PREVENTION OF CRIMINAL LIABILITY

All the people who form part of Neinor Homes must maintain strict observance of the legal regulations in force. In this regard, the company develops the necessary internal policies and procedures to comply with this principle and makes every effort to **prevent the commission of criminal offences** to which it is exposed in the course of its activities. In the event that any of these offences were to take place, Neinor Homes would investigate the perpetrator, cooperate in repairing the damage caused and denounce the perpetrators, cooperators or accessories.

The **Criminal Risk Prevention Manual** is the framework in which the principles of management and crime prevention within Neinor Homes are detailed and its main objective is to define the rules of action and behaviour that regulate the company's activity, as well as the control systems it has in place in order to prevent the commission of crimes defined in the Spanish Criminal Code.

If it is detected that a crime is being committed by any of Neinor Homes' managers, employees or those under its auspices, there is a **protocol that sets out the guidelines for action**.

The **Manual** and its principles are **disseminated** via the website and by e-mail to all staff. Likewise, new recruits receive it together with the Code of Ethics in the welcome pack. Finally, Neinor Homes has a **specific training plan** for the Prevention of Criminal Risks, ensuring knowledge and dissemination of the rules of conduct with regular training and an aptitude test on their content.

> ZERO TOLERANCE FOR CORRUPTION

Neinor Homes applies the principle of “zero tolerance” towards corruption. The company’s commitment against corruption and bribery is materialised through the provisions of the Code of Ethics and through the **Anti-Corruption, Fraud and Bribery Policy**, both documents published on the website.

ANTI-CORRUPTION, FRAUD AND BRIBERY POLICY

This governs and prohibits the following cases:

- Making and offering gifts, favours and services on advantageous terms.
- Receiving and soliciting gifts, favours or services on advantageous terms.
- Donations, sponsorships and other non-profit contributions: Donations made must have a social purpose and must be earmarked for entities with an acknowledged track record. All donations must be reported to the Compliance Department.
- Professional meetings, congresses, conventions, seminars and other events: attendance at these must be authorised by the Compliance Department, which keeps a record of the expenses incurred.
- Trading in influence: it is prohibited to exert any kind of influence on a public official for the purpose of taking advantage of the exercise of the powers of his or her office.
- Recruitment of advisors, agents, intermediaries and suppliers: this must be subject to a verification and valuation procedure and their remuneration must be in line with the market.

Employees and members of the governing body periodically confirm their commitment to complying with the Code of Ethics and group policies, with specific training provided in 2023 for employees and Directors. In addition, new hires are provided with both confirmation documents and specific ethics and compliance training upon joining the company.

> CONFLICT OF INTEREST MANAGEMENT

At Neinor Homes there is a **Policy for Managing Conflicts of Interest and Related Party Transactions** that is applicable to all parties concerned and that establishes the criteria and procedures for approving transactions involving related parties, which is defined as when one of the parties has significant influence in the financial or operational decisionmaking of the other.

Other types of transactions that may involve a conflict of interest are those carried out by the company with companies related to directors and/ or members of senior management. These transactions are reviewed internally by the Internal Audit Department, and these persons confirm such transactions in a declaration.

The GRC management shall keep a **register of related-party transactions and conflicts of interest** and shall report annually to the Audit and Compliance Committee and the Board on transactions carried out under the terms established, requesting explanations from the directors, should they deem it necessary. In addition to all the analyses carried out on conflicts of interest and related parties, 4 full investigation reports on conflict of interest transactions were carried out this year.

In 2023, in line with the company's strategy of co-investing with partners for the development of housing developments, due to the materiality of these operations and the implications that an alliance with partners who do not share the same performance guidelines in terms of matters such as regulatory compliance, business ethics or the fight against corruption and criminal offences could have for Neinor Homes, the GRC Department has developed and implemented the **Potential Investor Self-Assessment Form**, which all potential partners must complete. The self-assessment form requires information on topics such as their economic activity and their development in **areas such as compliance, business ethics, human rights, environmental management and cybersecurity.**

Once the completed form has been received, **the GRC Department performs independent due diligence on these potential partners** and subsequently, if there are indications of compliance risk, prepares an **Internal Assessment Report** presenting the conclusions obtained and associating a risk level to each potential partner, issuing a recommendation of nonassociation with the investor if the risk is unacceptable.



Are any of the directors or executives of the potential investor relatives, related to, or have any conflict of interest with any employee, executive or director of the Neinor Homes Group? (If yes, please identify)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the company or fund conduct employee training on ethics, sustainability, corporate governance and/or compliance?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the society or fund have a policy or public statement that expresses its commitment to respect human rights?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there independent bodies or departments within the company or fund that perform internal audit and/or compliance functions?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the society or fund have a policy or procedure against discrimination (on the basis of sex, race, religion, etc.)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the company or fund have a sustainability or environmental policy?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the company or fund have a team or individual responsible for managing cybersecurity and responding to incidents that may occur?	<input type="checkbox"/> Yes <input type="checkbox"/> No

> ANTI MONEY LAUNDERING AND COMBATTING TERRORIST FINANCING

Neinor Homes maintains a firm commitment to anti money laundering and combating terrorist financing (AML/CFT), with an **AML/CFT Manual** that establishes rules that all members of Neinor Homes and its external sales agents must be cognizant of and strictly comply with, as failure to comply with it could result in the corresponding disciplinary or employment sanctions. It is the responsibility of each member to be familiar with it, and the company also provides face-to-face and online training for both employees and sales agents, in which attendance must be duly accredited and a test of the knowledge acquired must be passed.

The **Anti Money Laundering and Combating Financing of Terrorism Model** is monitored by an in-house internal Control and Communication Body, with the Board of Directors being the most senior body responsible. In addition, during the year 2023 it has been supervised by an independent expert who has stated that the model is effective and efficient and has not revealed any relevant incidents.

In addition, we carry out an annual Risk Self-Assessment Report to gain a more effective understanding of our customer typology, with a view to adapting our AML mechanisms accordingly.

In 2023, the AML Unit analysed a total of 2,797 transactions, including both assets registered during the year and assets for which a reservation or sale and purchase contract has been signed and not yet delivered, as well as housing and other assets (garages, land, etc.). Of these 2,797 transactions, alerts were generated for 1,012, for which the AML Unit carried out enhanced due diligence, increasing the requirements necessary to be able to approve their formalisation.

With regard to the homes delivered during the year, the AML Unit again analysed the situation of the customers prior to and close to the deeds, the situation of a total of 1,666 operations, in order to request the necessary documentation to ensure that they continued to comply with current legislation on AML/FT, and thus detect possible alterations since the date of reservation of the home.

The Prevention of Money Laundering and Terrorist Financing model has been audited.

> DATA PROTECTION, CONFIDENTIALITY AND INFORMATION SECURITY

Neinor Homes is aware of the importance of the **confidentiality of the information** that it handles on its customers and those working with it, which is why the Code of Ethics establishes the obligation of all professionals not to disclose, cede or distribute confidential and sensitive information.

In addition, Neinor Homes has a Privacy Policy on Personal Data Protection which sets out the different uses of personal data and the purposes for which the company uses them. There is also a **Procedure for the fulfilment of the rights of data subjects** approved in March, 2018, which provides the minimum guidelines necessary to ensure that data subjects are provided with the necessary mechanisms to exercise their rights with respect to the processing of their personal data.

Neinor Homes has a Data Protection Officer (DPO), responsible for supervising, coordinating and disseminating the data protection policy both inside and outside the company.

The Data Protection audit carried out in the current financial year has concluded as follows: *'In the review carried out on Neinor Homes, Quabit Construcción and Renta Garantizada, regarding compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 and Organic Law 3/2018, of 5 December, on Data Protection and Guarantee of Digital Rights, the interest of all of them in respecting the legislation and the work carried out to achieve this objective is reflected'.*

In this regard, aware of the **importance of raising awareness** of data protection and cybersecurity, **specific training** has been given to **employees and users of the Neinor Homes network** in both areas. In addition, specific training on cybersecurity has also been given to the Board of Directors. Furthermore, simulations of phishing attacks are carried out on an occasional but recurring basis.

Neinor Homes considers **cybersecurity** to be a key part of its digital strategy and has **ISO/IEC 27001** certification that guarantees the robustness of the information security management system, whose validity and compliance is reviewed annually by an external expert. As a result of this concern, flexWAN multi-technology has been implemented, which responds to customers' need for native integration of cybersecurity services in their connectivity and communications, given that the protection of the WAN network, LAN, WIFI, access to the cloud or teleworking must have a single point of management that allows security policies to be defined, deployed and monitored in a fully coordinated and efficient manner.

Neinor Homes
has the
ISO 27001
certification.

The **Regulatory Framework** of the Neinor Homes Information **Security Management System** aims to achieve adequate protection of information assets, preserving the security principles of **confidentiality, integrity and availability**. Furthermore, in the event of a possible threat of cyber-risks, Neinor Homes has developed a **Cybersecurity Management Model** that aims to guarantee the protection of assets, operations and the integrity of information. The security requirements and objectives are determined by the **Information Security Committee**.

In 2023, a cybersecurity audit was carried out, in accordance with the Audit Plan approved by the Committee, to assess the company's overall risk level through a series of controlled penetration tests, in order to uncover existing vulnerabilities and subsequently remedy them. The result of this audit has shown an **improvement with respect to the observations issued in the audit carried out in 2022**, with those aspects that posed a potential risk having been immediately resolved.

› INTERNAL CONTROL SYSTEM FOR FINANCIAL REPORTING

Neinor Homes has various mechanisms that make up the **internal control and risk management systems in relation to the process of issuing financial information (ICSFR)**. The implementation of this ICSFR is the responsibility of the company's own business areas, which are in charge of putting into practice the control mechanisms and activities to ensure the reliability of the company's financial information. For its part, the Board of Directors oversees the proper development and implementation of the system, with the support of the Audit and Control Committee.

The General Financial Management is responsible for the preparation of financial information, although all areas of the company must ensure the **transparency and veracity** of the information handled and supplied to the market.

In addition, Neinor Homes voluntarily submits the information relating to ICSFR included in its annual Corporate Governance Report to an **independent external verification**.

In addition, the effectiveness and model of the ICSFR is reviewed each year by Internal Audit. In the current year, an internal assessment has been carried out on the compliance of the ICSFR in terms of the development, design, effectiveness and functioning of the existing controls and the need to redesign some of them.

In relation to the control of tax risks, Neinor Homes has adopted the necessary control mechanisms to ensure compliance with tax legislation as part of appropriate business management. It also dedicates adequate and sufficiently qualified human and material resources to this end.

In particular, in the tax area, on an annual basis, the entity's head of tax matters reports to the Board of Directors, either directly or through the audit committee, on the tax policies applied by the company.

In tax matters, Neinor Homes ensures strict compliance with the tax regulations in the various territories in which the Group operates, paying the taxes that are payable in accordance with the legal system on the basis of a reasonable interpretation of the applicable regulations, without prejudice to any legitimate disputes that, in accordance with its policy of good tax practices, may arise with the tax authorities regarding the interpretation of the applicable regulations.

In relation to tax risks, Neinor Homes has implemented control mechanisms to ensure due compliance with tax regulations and its commitment to the application of good tax practices, in particular:

- Approval of tax criteria in line with the company's tax policy and its commitment to the application of good tax practices. These criteria are reviewed and validated annually by the head of tax matters;
- Ongoing monitoring and control of the proper implementation of the agreed criteria. Such monitoring is carried out both internally, by those responsible for tax matters, and externally, by an independent tax expert;
- On a regular basis, the head of tax matters of the entity reports to the Board of Directors on the outcome of the tax risk control mechanisms.

On an annual basis, all employees are informed of changes to our compliance, ethics and internal control codes and policies. In addition, each employee receives a packet of letters to confirm receipt, understanding and acceptance of these codes and policies.

07

WE OFFER A
**PERSONALISED
SERVICE TAILORED
TO THE NEEDS
OF THE
CUSTOMER**



We are aware that our customers rely on us for one of the most important decisions of their lives, and that is why **we take great care** in the service we provide. In all our processes we try to continuously improve by applying new technologies and implementing specific measures aimed at greater satisfaction.

Neinor Homes' commitment to customers is total and is its main raison d'être, with **customer-oriented quality** as its hallmark and seeking to achieve customer satisfaction as its main objective. For this reason, it always strives to offer excellent customer service that meets the real expectations of its customers, so that they become the best ambassadors of the Neinor Homes brand.

A customer-centric culture must be at the heart of our Company and therefore the objective on which to base our strategies for growth both internally and externally.

We have various **measures aimed at getting to know better the customers** who are interested in Neinor Homes:



We have implemented **CRM and Customer Centric** tools that are unique in the real estate sector and allow for a very detailed knowledge of the customers. The aim is to build developments that are more in line with what customers expect from their homes.

For Neinor Homes, each customer is unique and we offer a **personalised service**, endeavouring to be their travelling companion at all times and keeping them continually informed. Furthermore, Neinor Homes designs all its projects with the customer's needs in mind and for all its developments it carries out a thorough prior analysis of the market and the target buyer.

Aware of the importance of sustainability and energy efficiency for our customers and the arrangements that must be made when they move into their new home, Neinor Homes has made available to customers a **free service to help with the contracting of individual utilities**, with the aim of speeding up the move into their new home as much as possible. Neinor Homes assumes the costs of this service, avoiding the days established by the companies to activate the supplies.

In turn, when the homes are handed over, the company offers customers the possibility of scheduling meetings with them to provide them with training and advice on the correct use of home automation, domestic appliances and the rest of the systems installed in their homes, so that they are aware of how they work and can optimise energy consumption.

By the end of 2023 Neinor Homes had more than 20,980 customers.

> VALUE-ADDED SERVICES

FAMILY HOMES PROTECTION (FHP) INSURANCE

1

Neinor Homes was the **first developer to offer a payment protection insurance policy for its customers that covers the capital outstanding on the property** from the signing of the purchase contract until the keys are handed over, in the event of death due to accident or absolute permanent disability (IPA) due to accident. It also insures the payment of the outstanding periodic amounts, with a maximum of 6-12 monthly payments, in the event of involuntary loss of employment, temporary disability or hospitalisation.

In 2023 we have incorporated a new insurance, which has been offered free of charge to the customer, covering absolute permanent disability and death for any cause of the purchasers (including non-occupational accidents). In this way, their heirs receive help to be able to pay for the property.

NEINOR MOBILITY PACK

2

Within the framework of ***Neinor Lab***, the initiative arose to offer customers the possibility of adapting their homes in aspects that facilitate their **habitability, accessibility and comfort, especially in circumstances in which their mobility has been reduced**.

This initiative, which has the backing of **ILUNION Technology and Accessibility**, focuses on aspects of **design, equipment and technology and home automation**, and consists of a set of measures offered as a **personalisation pack for homes**.

> PERSONALISATION OF HOUSING

For Neinor Homes it is essential that the user is satisfied with their own home. For this reason, it offers the possibility for the customer to **personalise their home** to their taste with a predefined catalogue to adjust it to their needs.

To manage this, there is a process that allows personalisation to be carried out systematically. Neinor Homes offers customers a series of alternatives that they can see physically at the points of sale or through the NEX website where their options appear, and they have the option to save, modify their selection and, once confirmed, formalise their choice with the sales team.



STANDARD CUSTOMISATION

The proposals are divided into 3 core packages:

- **Bathrooms:** there is a choice of two possible alternatives for the layout, if the bidet is to be removed or kept, and if the bathtub is to be replaced by a shower tray.
- **Kitchen:** there is a choice of two possible alternatives for the layout, and the combination of furniture and kitchen worktop from three possible options.
- **General housing:** the flooring is chosen from two options and the wall paint from three possible shades.
- **Always adjusting to the marketing plan and commercial needs of each branch.**
- **Standard customisation** is always offered where possible based on technical feasibility.



WITH-COST PERSONALISATION PACK

In some developments, due to commercial needs, customers are offered more advanced personalisation options in the form of packs at a cost.

- **Mobility Pack:** Neinor Homes offers the possibility of adapting the home for people whose mobility is reduced due to various circumstances with the Neinor Homes Mobility Pack, which entails an added cost for the customer.

SOME OF THE POSSIBLE PACKAGES ARE:

- **Home Automation Pack:** Allows home automation at a cost depending on commercial needs.
- **Partition Wall Pack:** Allows elimination of the partition wall between the kitchen and living room to unify the spaces.

The Commercial Department, Neinor Experience, Product, Personalisation Manager, and the Technical Team of the construction participate in the **process of personalising** the homes in order to coordinate the customer's choice.

7.1. NEINOR EXPERIENCE

Neinor Experience is the **exclusive customer service** offered by Neinor Homes to all its customers, to accompany them from the moment they sign the reservation of the property until the keys are handed over and the subsequent after-sales service, guaranteeing maximum transparency. Customers can request information by e-mail or telephone. In addition, a newsletter is sent every month informing them of the progress of the construction work. All this is coordinated by a Neinor Experience manager in each development, who can also respond to the customer and look after their interests whenever necessary.

The services offered by *Neinor Experience* can be broken down into 7 stages that occur during the purchase of a home:



WELCOME PACK WITH THE RESERVATION

When the client signs the Reservation Contract, the Neinor Experience service is activated, sending a Welcome email, explaining each of our areas:

- Access to the website and the Neinor Experience App, which includes content on the project, the team involved in the project, the home, documents, information on financing, consultations, surveys, etc.
- Neinor Experience personal manager's contact details: email address and telephone number.

COMMENCEMENT OF WORKS/ MANAGEMENT OF THE CONTRACT OF SALE

The process of signing the Sale and Purchase Contract begins with the customer, where they are informed of any possible changes to the project and the monthly Newsletters are sent out which contain:

- Description of the monthly status of the work.
- General progress of the development.
- Details of the construction site including information on any construction process of interest or commercially relevant information on the development.
- Photos of the progress of the work in that month and the degree of progress by chapters.
- Corporate news about Neinor Homes.
- Culture Experience: cultural events in the city or province where the development is located.

PERSONALISATION OF THE HOME

Once the work on site has progressed and specific established milestones have been reached, the choice of customisation materials will be scheduled. All customers who have signed a Purchase and Sale Contract will be informed of the process and the NEX website will be enabled so that this milestone can be carried out together with the Marketing Company.

COURTESY VISIT PRIOR TO HANDOVER

Close to the handover and the signing for the property, Courtesy Visits are carried out with the customer. For this purpose, an agenda will be set up on the Neinor Experience website, where each customer will select their appointment and they will receive an explanation of what the visit will consist of in order to meet their expectations for their first contact with the properties they have purchased.

MONITORING THE HANDOVER PROCESS

- Coordination and management of the entire process with all the parties involved, ensuring that the established deadlines are met and that all the documentation required to complete the transaction is correct.
- Control and monitoring of the state of the property for its correct handover and signing.

OTHER ACTIONS

Satisfaction surveys. Several satisfaction surveys are conducted at various milestones of the developments:

- App / Reservation / Buying and selling / Showroom / Courtesy Visit / Signing.

The Covid-19 pandemic has changed the way we work with our customers; safety, health and commitment have been our priorities:

- Virtual tours to get to know the Developments.
- Online booking.
- Electronic signatures of documents.
- Security protocols at the Notary's office for the signing of deeds.
- This year, 260 buyers have been "protected" under Neinor Homes' policies against possible contingencies that could make it difficult to continue with the payment of their future homes:
 - **Family Homes Protection** has covered the possible situations of unemployment, temporary disability and hospitalisation for 210 buyers.
 - **VidaCaixa** has covered absolute permanent disability and death from any cause for 50 buyers, with their heirs receiving a grant to help them pay for the home.
- Payment flexibility

We promote the digital transformation of the real estate process, in which the use of new technologies is key.

One of the strengths of **Neinor Experience's Customer Service** department is to have ascertained the **Customer Satisfaction Level** in order to implement corrective measures in the areas that need it.

To do this, certain parameters are measured at significant milestones in the homebuying process, in order to close the interaction circuit with the customer and determine whether all the dealings with the customer have been effective in generating the planned level of satisfaction.

The Company's overall figures for 2023 were as follows:

- Average CSI data **for the year_ 3.34 out of 4**

The milestones on which we assess customer satisfaction are:

- App/Reservation/Showroom/Courtesy Visit/ Signing

Covering the whole process, from the moment the customer signs the reservation contract until he/she has been living in the property for a year.

In addition, Neinor Homes has reached a collaboration agreement with **Papernest**, a leading company in supply contract management, to provide customers with a **free sign-up service**, designed to facilitate their experience and save them time and effort.

This means that when the time comes to hand over the property, the customer does not have to worry about managing these services, as they have the following benefits:

- **The best price and without a fixed minimum term:** Endesa, TotalEnergies, Holaluz, etc.
- **A fast sign-up process** instead of having to spend an average of 8 hours on the phone to manage all the necessary formalities.
- **Faster activation** of household meters. This will allow for earlier availability of active and available supply.

Accessible at
www.neinorexperience.com
or via the App.

We work hard so that the customer can recommend our Company to his/her circle of acquaintances, since a satisfactory experience is also a recommendable one.

Our motto, customer satisfaction, can be defined as the feeling or attitude of the customer towards a product, company or service provided by the same, working to ensure that these three points meet customer expectations.

In September 2023 Neinor Homes was chosen as 'Real Estate Developer of the Year' for the quality of its customer service in the Pre-Sales and NEX (Neinor Experience) Call Centre areas, in the 'Customer Service of the Year' competition.

Organised by SottoTempo, the main objective of this important award is to recognise and reward excellence in the customer service of outstanding companies from various sectors in Spain, with awards going to Samsung, Bosch, Leroy Merlin, Lidl, Hacer, DHL, Aegon and Eroski, among others.

This year, the competition, in its 13th edition in Spain, has included for the first time a real estate category in which the pre-sales customer service of several companies in the sector has been evaluated, through mystery shopper, satisfaction surveys and telephone, email and web interaction monitoring, with NEX's pre-sales area obtaining the best score.

> COMMUNICATION CHANNELS OF NEINOR EXPERIENCE

Neinor Homes offers its customers a wide range of two-way communication channels:



For each development there is a specific email address where the customer can contact the Neinor Experience manager directly, and through which the Neinor Homes staff responsible for the development can make personalised contact, or generic contact through press releases, to provide information on the progress of the development.



The **Neinor Experience website**, through which customers can consult the progress of everything related to the purchase of their home. Each customer has a **private web area** where all the documentation relating to the purchase can be found.



The monthly **newsletter** which includes a section called "the construction work in detail". As well as current news about the company.



The **Neinor Responde channel** is a corporate service offered to all non-new-build customers. It is a telephone consultation service via an internal un **call center**.



Call centre service to deal with customer incidents. During the year 2023, 38,290 incidents were resolved, with an average response time of 1 minute.

MAIN FIGURES FOR 2023

43,958

Sessions on the
Neinor Experience
website

10,780

New contacts

1,037

APP
downloads

7.2. COMPLAINTS AND CLAIMS HANDLING

Neinor Homes acts with due diligence when faced with complaints and claims from its customers, having **specific procedures** in place and enabling **various accessible channels** through which the complaints received are logged and those responsible for their resolution are assigned. Understanding and evaluating customer complaints and claims is an opportunity to gain a more accurate understanding of their expectations and needs, allowing for progress and continuous improvement.

Likewise, once the title deeds to the properties have been signed, **after sales claims** begin, due to problems in the operation of the installations and faults in the finishes due to small knocks or stains on the paintwork, wood, etc. In this case, an agent will arrive to take note of the incidents, always before the customer moves in and, if possible, with sign-up to the various utilities already done.

The Neinor Experience manager of each development is in charge of processing all incidents registered through the **call centre** or the **exclusive email of the development**. In the case of urgent incidents, the incident is strictly monitored until it is completely resolved. All other incidents are handled on a case-by-case basis.

The improvement of digital transformation, which was accelerated by the COVID-19 pandemic, allowed the creation of pre-sales and postsales records during the same visit to the property in an agile way (with photographs and documentation), from a smartphone or tablet.

In 2023
Neinor Homes
received 38,290
communications
with an average
response time of
1 minute.

NEINOR HOMES AFTER SALES SERVICE

Neinor Homes establishes guarantee periods to attend and respond to customer recommendations, in compliance with current regulations

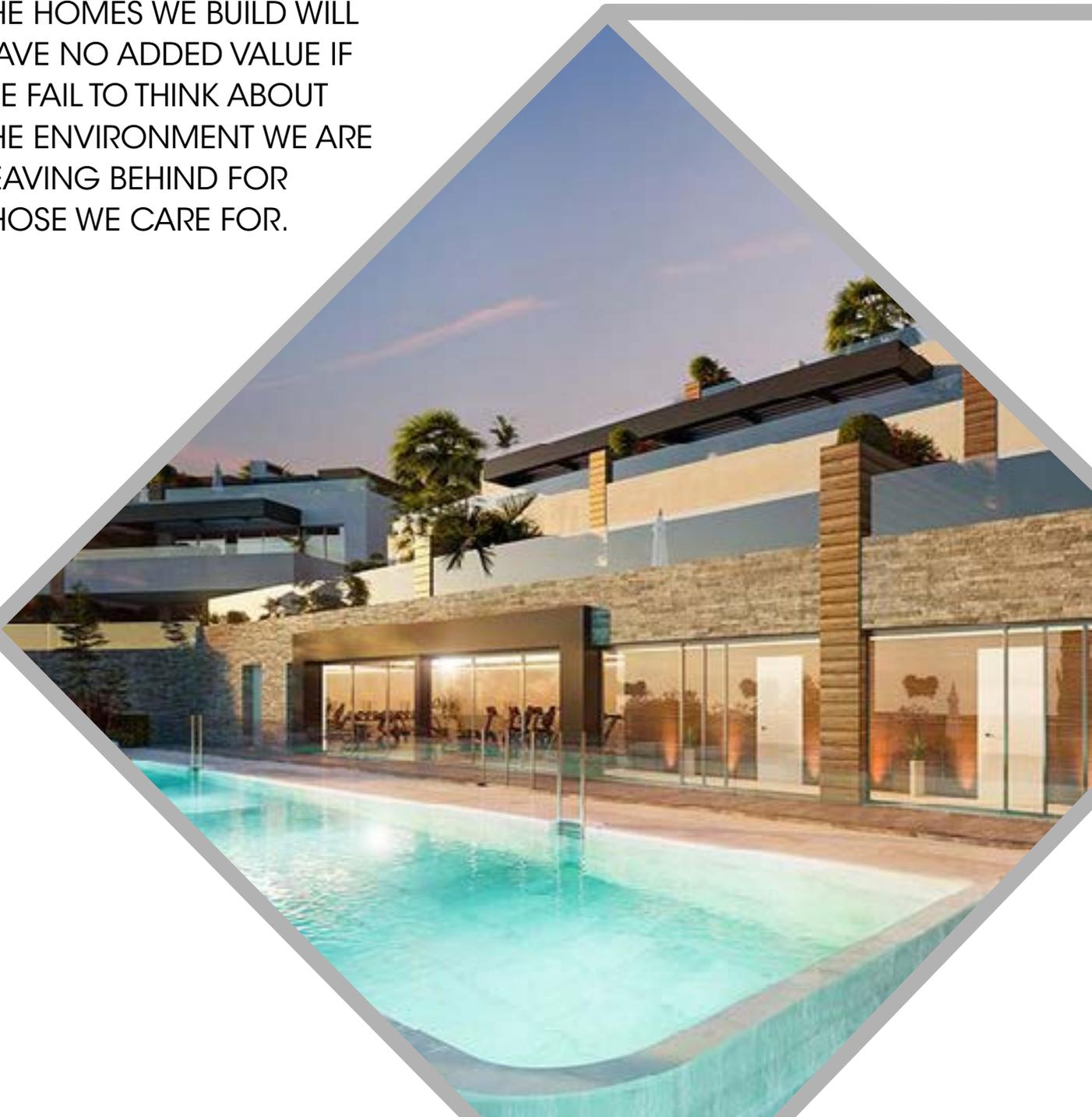
Finishes: 1 year from receipt of the construction

Installation faults, appearance of **dampness** leaks:
3 years from receipt of the construction

Serious errors in the **structure**:
10 years from delivery of the dwelling

ENVIRONMENTAL IMPACT.

THE HOMES WE BUILD WILL
HAVE NO ADDED VALUE IF
WE FAIL TO THINK ABOUT
THE ENVIRONMENT WE ARE
LEAVING BEHIND FOR
THOSE WE CARE FOR.



In the design of our homes we take into account **demanding quality, sustainability and health criteria** so that our customers enjoy a product that they are satisfied with and allows them to live better. The environmental impact of our activity is non negotiable; it is one of our priorities in our decision-making.

According to UN figures, in total, the building sector typically produces around 40% of global energyrelated CO₂ emissions, if emissions from the construction industry and emissions linked to the operation of buildings are taken into account. These emissions have been increasing in recent years.

At Neinor Homes we believe that rising emissions in the buildings and construction sector clearly show an urgent need for a three-pronged strategy to aggressively reduce energy demand in the built environment, to decarbonise the energy sector and to implement materials strategies that reduce life cycle carbon emissions.

In addition, on an environmental level, we must not forget other factors that directly or indirectly have a significant influence on climate change and the emission of greenhouse gases, such as the circular economy, the use and exploitation of water or pollution in general.

In the following sections we will see how all these aspects are being managed, using a very procedural model, reaching agreements with third parties and carrying out a thorough risk analysis.

8.1. HOUSING

EXCELLENCE AND QUALITY MANAGEMENT

The **quality of homes is a priority** for Neinor Homes, one of its main hallmarks and a source of pride. This responsibility begins before designing and building, through a process of market research. This is the only way to create innovative 21st century homes that are excellent in design and quality, and above all, sustainable.

Neinor Homes has an **Environment, Quality and Innovation Policy** that establishes the principles that have to guide the company's activity in terms of quality, minimising environmental impact and promoting innovation. In this regard, in 2023 the company continued for the seventh year with the maintenance of the AENOR ISO 9001, ISO 14001 and UNE 166002 management certifications. Work has been carried out to improve procedures that directly involve the company's value chain, seeking out inefficiencies in processes and better work methodologies.

With the premise of achieving maximum quality and sustainability, Neinor Homes applies a **process of Research + Listening + Development** in the launch of all its developments and in the construction of its homes, which is a differentiating factor compared to the competition.

Therefore, after selecting the best ready-for-development plots, all developments begin with an indepth **analysis of the physical environment, an analysis of demand** and a market study to define the product to be offered in each development. **Benchmarking** is also carried out in other sectors to detect solutions that can also be implemented in the real estate sector.

Once the research and listening process has been carried out, the project is defined, adapting it to the demand and studying its **technical, social and environmental viability**, taking the utmost care with quality, after which construction begins. **Interaction with the customer** is present throughout the entire life cycle of the home.

CHARACTERISTICS OF NEINOR HOMES DEVELOPMENTS

- **Economy of maintenance:**

design, careful selection of materials and innovative technological solutions allow for savings in long-term maintenance costs.

- **Habitability and functionality:**

maximum use is made of every metre of floor space.

- **Attractive:**

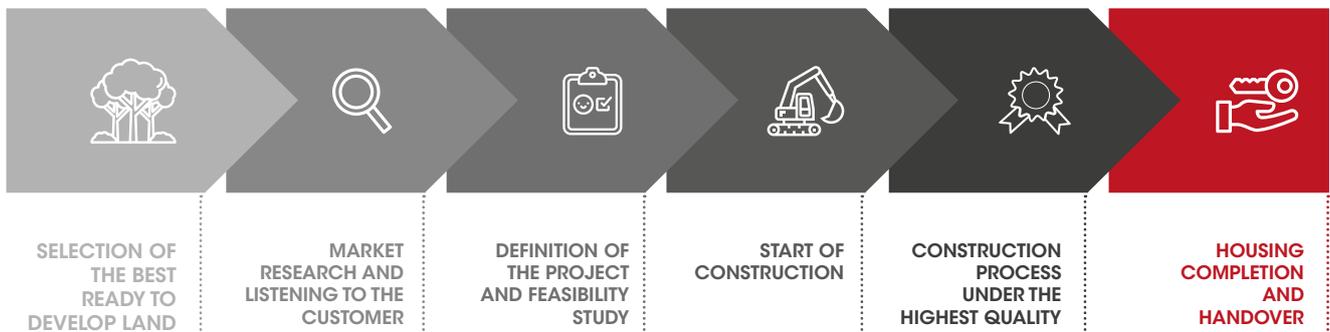
homes that adapt to the new lifestyle and environment in which they find themselves.

- **Acoustic comfort:**

thanks to the exterior insulation and interior layout.

- **Security:**

healthy and safe homes in the face of natural hazards.



> QUALITY IN HOUSING THROUGH THE WHITE BOOK

Neinor Homes is a pioneer in the development of a **design and construction manual** called the **White Book**. The main objective of this manual is to **standardise the quality, sustainability and design parameters** that define all the Company's property developments.

In this way, the Neinor Homes White Book ensures that all developments have **Neinor Homes' own design criteria and product attributes** and are adapted to the needs of the customer in each territory, which are always applied irrespective of the architectural firm developing the project. The standards it sets are independent of the design used and each product is customised for each development.

The White Book is a living tool and its success lies in the fact that it is **constantly being revised** to adapt to the conditions and trends of the sector and the company, to new systems or materials that arise and to the experience acquired. In addition, **the whole company has the possibility to suggest and contribute changes and updates**. Thus, the White Book allows Neinor Homes to **lead the transformation of the sector**, as it has an implicit know-how that allows the transfer of knowledge, capacities, standards and ways of doing things.

The White Book is a pioneering manual in the sector.

8.2. MEASURING THE CORPORATE CARBON FOOTPRINT

The environment is one of the company's three strategic pillars, and includes **climate change as one of its main areas of action**.

In line with its sustainability strategy, in 2022 Neinor Homes calculated the greenhouse gas emissions of its operations for the first time, taking 2021 as the base or benchmark year. The calculation of Scope 1 and Scope 2 emissions was performed following **the methodological guidelines of the GHG Protocol: A Corporate Accounting and Reporting Standard**, and the guidance for the calculation of Scope 2 emissions, accounting for **all activities over which Neinor Homes has 100% operational control**.

In 2022, as an exercise in transparency in the company's emissions reporting, **Neinor Homes conducted a Scope 3 screening** to identify the emission categories that are material for the company.

The result of the scope 3 screening indicated that, of the 15 emission categories, the categories of product purchases, goods and services, other fuel and energy related activities, waste management, use of products sold, end of life of products sold and leasing of downstream assets **accounted for 99.84% of the total scope 3 emissions** and could be considered as material for Neinor Homes.

EMISSION CATEGORY	MATERIAL
Purchase of products, goods and services	✓
Purchase of capital assets	NA
Fuel and energy-related activities not included within the scope of 1 and 2	✓
Upstream transport	✗
Waste management	✓
Business trips	✗
Trips to and from work	✗
Upstream rental of assets	NA
Downstream transport	NA
Processing of sold vehicles	NA
Use of products sold	✓
End of life of sold products	✓
Downstream rental of assets	✓
Franchises	NA
Investments	NA

Subsequently, in order **to reduce the uncertainty** of the carbon footprint analysis and identify the material categories for Neinor Homes, **a more detailed calculation of these 6 categories was performed** with specific activity data and using the GHG Protocol's Scope 3 technical guidelines as a benchmark. This analysis resulted in a Scope 3 carbon footprint in 2021 of 609,528.65 tCO₂e, and that the categories of **purchase of products and services** (category 1), and **use of products sold** (category 11), **accounted for 99.2% of total Scope 3 emissions.**

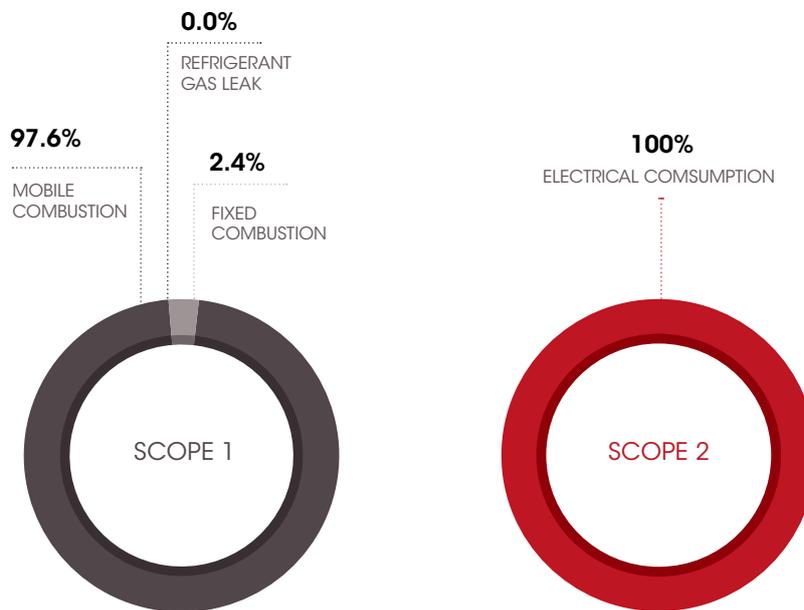
In this connection, and **with the aim of focussing efforts and investments on those emission sources where the greatest impact on climate change is generated**, these two Scope 3 categories were deemed material for the company and will be included in the calculation of the carbon footprint from the 2022 analysis onwards.

> CARBON FOOTPRINT RESULTS 2023

[SCOPES 1 AND 2]

SCOPE / EMISSION SOURCE	EMISSIONS 2023 (tCO ₂ e)	EMISSIONS 2021 (tCO ₂ e)
Scope 1	182.26	219.08
Fixed combustion	4.35	79.74
Mobile combustion (leasing vehicles)	177.91	137.25
Leakage of refrigerant gases	0.00	2.09
Scope 2	225.39	131.01
Electricity consumption	225.39	131.01
Total (tCO₂e)	407.65	350.09

EMISSION BY EMISSION SOURCE (%)



SCOPE 1

Mobile combustion, the main source of Scope 1 emissions, recorded a 29.6% increase in GHG emissions compared to the base year, as the increase in construction activity required the hiring of additional leasing vehicles to attend construction sites. Emissions associated with **stationary combustion** decreased by 94.5% compared to 2021 due to continued work on the elimination of generator sets (currently only one point of sale has generator sets). Finally, during the reporting year no **refrigerant gas recharges** were carried out, and therefore zero emissions are recorded under this category.

Neinor Homes remains committed to reducing its Scope 1 emissions by 42% by 2030, compared to 2021.

ALCANCE 2

Emissions associated with **electricity consumption** in offices and Neinor Stores increased by 72% due to the opening of new points of sale and changes in the contracting of suppliers.

Neinor Homes remains committed to reducing its Scope 2 emissions by 42% by 2030, compared to 2021.

> CARBON FOOTPRINT RESULTS 2023

[SCOPE 3]

EMISSION TRENDS

According to the GHG Protocol, it is advisable to annually review calculation methodology, available data and changes in the organisation to ensure a complete carbon footprint, bringing it as close as possible to company reality. Under the methodology, once this analysis has been carried out, it may be necessary to recalculate the baseline year emissions when any of the following situations arise:

- **Structural changes** in the organisation
- **Changes in methodology**
- **Identification of errors**

In 2023, during the review of the baseline year calculation, the following improvements were identified in the calculation methodology for Scope 3:

PURCHASE OF PRODUCTS

For the calculation of this category, the emissions associated with the manufacture of construction materials used in 3 standard developments completed during the reporting year were taken into account, and the result (expressed as tCO₂/m²) was extrapolated to the built floor area of the dwellings delivered, excluding below ground and common areas. The analysis determined that it is more appropriate to extrapolate the result to the total floor area of all developments built during the reporting year, since a completed development has already had emissions from its construction emitted, irrespective of whether the dwellings have been sold or delivered.

In addition, it would not make sense to apply, for the delivered part of a development, the emission coefficient obtained from the three developments selected in that year with the emission factors and tables corresponding to that year, and then when the remaining dwellings of that development are delivered, the ratios obtained in the three selected developments of the year in which those dwellings are delivered would be applied to them. In this connection, the main methodological change is as follows:

- Extrapolation to the total floor area (floor area above ground, below ground, commercial, balconies and porches) of the developments built during the year.

USE OF PRODUCTS SOLD

For the calculation of this category, the energy intensity of each development (kWh/m² /year) was used and was multiplied by the built floor area of the dwellings delivered, without ground floor or common areas. However, during the analysis it was identified that the floor area of commercial premises was not being taken into account, and that it is more appropriate to use the useable floor area, such as "heatable" floor area, i.e. maintaining a desired temperature and lighting. Moreover, the possibility of changing the useful life taken into account for the assets was also assessed and practices and regulations were identified. Thus, the main changes to the methodology are:

- Inclusion of the useable floor area of commercial premises built during the reporting year.
- Use of useable floor area of homes built during the reporting year (instead of built floor area).
- Doing the calculation for an estimated useful life of 50 years and 100 years.

Considering this new methodology, the base year was recalculated in order to provide comparative figures.

Once the calculations had been made, recalculating the baseline, we obtained the company's total emissions and per tonne of CO₂/m² for the homes delivered for the three financial years (a practice that we consider inappropriate, for the above reasons), as well as for the emissions from the developments completed in the year, for 2021 and 2023 (we believe that these emissions are more in line with reality).

After analysing the results, we note the following:

- No indication or standardisation of any kind was identified in the regulation or in the practices seen, of such significant references to be considered in the calculation, such as the useful life to be taken into account or the typology of square metres that have to be considered.
- Selecting three developments and applying the emissions emitted per square metre therein to the total number of completed developments/homes delivered, when the number of developments completed this year was 31, means that there could be a great deal of subjectivity and the characteristics of the selected developments are so significant that it could be the case that if the real emissions of all the developments were lowered, if these three developments were "more polluting" than the average, the result could be that emissions have increased and vice versa. We therefore consider the sample to be unrepresentative.
- Emissions are calculated on the basis of the type and quantity of the materials used and an emission coefficient is applied to these, a coefficient that is taken from international tables from various countries and that is not adjusted to the coefficients that materials may have in Spain, taking into account, for example, the national energy mix, among other factors.

Given the above considerations and in line with the current SBTi objective, where we committed to work on the measurement and reduction of Scope 3 emissions, in 2021 Neinor Homes began a life cycle analysis project for developments. This means that all projects started from 2022 have their corresponding life cycle analyses, to improve the quality of the calculation of the scope 3 material categories identified in the materiality analysis carried out in 2021 (purchase of products and services (category 1), and of the use of the products sold (category 11)), and thus be able to identify and implement more efficient decarbonisation measures in these activities. This project is ongoing through 2024, which will allow Neinor Homes to have a quality 2022-baseline Scope 3 carbon footprint and publish it with the entry into force of the new climate change reporting requirements included in the new European Corporate Sustainability Reporting Directive (CSRD).

However, to date, data on LCA and embedded carbon in new buildings in the EU are scarce, so there are challenges in terms of accessibility, quality, comparability and representativeness. There is no harmonised framework of LCA reference levels in Europe, and in Spain there is still no regulation governing LCA calculation methodology or a national environmental database.

In Europe only a few countries have national legislation and databases, but these may vary, for example, in the scope of life cycle modules, the scope of building elements, the reference study period, environmental data on building materials, etc.

CONCLUSION

We have obtained 3 emission measurements for the year using accepted methodologies used in the calculation of emissions, and both the ratio of emissions per square metre and the total data give completely different figures. For this reason:



We prefer not to report Scope 3 emission figures for the current year in order not to pass on to the market data that we could easily use for our convenience, but that may not be comparable / standardisable with those used by other companies or which may not reflect our reality.

In addition, internally we are considering LCA as the most reliable methodology and we are calculating all emissions for all developments delivered in 2022 and 2023, and we are processing this data, to identify the main environmental impacts from the acquisition of raw materials to the end of life of the assets, focusing our efforts on the construction materials, design and project phases that have the greatest impact on the decarbonisation of our activity.

THE ROAD TO DECARBONISATION

In this regard, it is worth highlighting the partnerships that have been reached with various suppliers for the use of low-emission building materials, such as:

CEMEX and Neinor Homes have developed in Madrid the first residential development in Spain built entirely with Vertua® 'green' concrete, an innovative product developed by CEMEX R&D and which, thanks to its technology, is able to confer sustainability characteristics on the construction site, both in the construction process and during its useful life.

The Torrejón Park Homes development has been built with concrete from the Vertua Plus range, which has been manufactured with between 50% and 70% less CO₂ emissions than concrete with similar traditional performance. It is a complex of 81 homes with almost zero consumption, with energy certification A, BREEAM Good certification and a recovery of construction waste of more than 80%. Neinor Homes was the first developer in Spain to use a product of these characteristics in the construction of its developments.

Cemex and Neinor Homes have reached an agreement to implement green concrete in all developments.

Alliance between Neinor Homes and Cortizo for the use of recycled aluminium and PVC. All Cortizo brand joinery, both aluminium and PVC, installed in the new Neinor Homes developments will be made from recycled materials, significantly contributing to the reduction of CO₂ emissions in their manufacture. The aluminium windows installed in the homes will be made from Infinity, a 100% recycled billet made entirely from post-consumer scrap. In addition, the joinery will include an innovative recycled polyamide thermal break, made from PA 66 thermoplastic and glass fibre, both reused and from post-industrial channels.

Neinor Homes and Saint-Gobain (construction materials) have signed an agreement to promote sustainable construction through the use of sustainable construction solutions manufactured by Saint-Gobain in Neinor Homes projects. The main objectives of the alliance are the decarbonisation of processes and the use of products with a low carbon footprint, the circular economy, water and biodiversity management, innovation and the promotion of a green economy.

Neinor Homes has signed an agreement for the incorporation of Porcelanosa's ECO products

The main objective of the agreement is to move forward in the construction of more sustainable homes with a full life cycle approach. With this, Neinor Homes aims to consolidate and increase the use of these sustainable materials and solutions available to Porcelanosa Group, some of which have already been used in the past in the developments of Evergreen Homes (Mijas), Sa Llosa Homes (Es Mercadal-Menorca) and Santa Clara Homes (Marbella).

Neinor Homes and Uponor are working together to reduce pollution in construction.

Neinor Homes will include sustainable solutions from Uponor's portfolio such as Uponor PEX Pipe Blue technology pipes based on bio-based materials and Uponor's 'Sustainable Invisible Climate' ecosystem in its new construction projects.

Furthermore, Neinor Homes is working on reducing emissions in Category 11 (use of products sold) in the following areas:

- Agreements with suppliers that guarantee energy from renewable energy sources.
- Customer solar panel installation initiatives (Neinor Smart Sun)
- Recognising the importance of promoting low energy buildings and greater energy efficiency, we are increasingly turning to aerothermal energy as a renewable energy source as opposed to fossil fuel based systems such as gas boilers.
- Agreements with suppliers of tools for reporting and improvement of energy consumption to customers (agreement with Hobeem, see point 5.8 (customers)).

Currently 61% of our developments have a BA/BB Energy Certificate and 27% have an AA Energy Certificate, a figure that will increase as the company meets its Sustainability Strategic Plan target, in which more than 70% of the homes launched by 2023 will have A certification.

Aware of the importance of taking action in the fight against climate change to limit the increase in the average global temperature to below 1.5°C, at the end of 2022 Neinor Homes submitted its emissions reduction targets to the Science Based Targets (SBTi) initiative, committing to reduce its Scope 1 and 2 emissions by 42% by 2030, with respect to 2021. The targets have been approved and validated by SBTi.

8.3. ENVIRONMENTAL SUSTAINABILITY AND HEALTH IN HOUSING

Neinor Homes is taking into account sustainability, health and quality criteria in its developments, so that the homes meet the increasingly demanding requirements of customers.

In this regard, it has been committed from the outset to green certifications for its homes, independently of environmental regulations. The company is currently focusing on compliance with the technical environmental criteria of the Taxonomy, on improving the energy efficiency of its homes and on reducing emissions during the construction period of its developments.

At the date of publication of this Report, Neinor Homes continues to be the developer with the most Breeam[®] certified homes in Spain since the implementation of the Breeam[®] seal in Spain more than 9 years ago.

> BREEAM[®] CERTIFICATION

BREEAM[®] is the most visible part of a global project to transform the building sector worldwide.

It promotes more sustainable construction that results in economic, environmental and social benefits for all the people involved in the life of a building (tenants, users, developers, owners, managers, etc.), while at the same time conveying the company's Corporate Social Responsibility to society and the market in an unequivocal and very visible way. It is responsible for assessing certain requirements divided into categories, the weighting of which is adapted to the country in which it is implemented.

Since its inception, Neinor Homes has registered around 8,000 dwellings to obtain the BREEAM[®] seal.



Neinor Homes, from the outset, decided to start certifying a significant number of its developments with an environmental seal, as a first step and a benchmark with the aim of encouraging the sector to build developments with a better environmental impact, which is why it has certified many of its developments with the requirements of the **BREEAM®** sustainability **certification** at Good or Very Good level.

The main motive for this initiative of ours was to provide developments that have a lower environmental impact, that are more energy efficient and have lower emissions during construction, so that this benefits our customers and the environment. However, we also hoped this would serve as a guide and for other developers to support us and to consolidate in Spain one of the most recognised environmental seals worldwide at a time when it had just started its activity in our country. In this way, we fulfilled one of our aims of being a benchmark and of leading the way.

In this regard, in 2023 we have made progress in fulfilling this commitment. **Of the total number of developments delivered since the company was founded (181), 78 have the final BREEAM® certificate or are in the process of certification, which represents 43.09%. Of these 78 developments, 68 are certified at the good level and 6 at the very good level.**

In addition, of the **33 developments delivered this year**, 4 are BREEAM® certified, i.e. 12%.

When a building meets the **requirements of BREEAM® certification**, **this ensures that both the user and the environment benefit** from the following aspects:



HEALTH

- Use of **paints, varnishes and materials** with minimum harmful elements.
- Homes with **amenities to enjoy and relax**: swimming pool, communal leisure areas, etc.
- **Proximity to basic services** (less than 500m from a hub of bus stops, a school, grocery shops, health centres, etc.)



COST SAVINGS

- **Thermal envelope** design that saves on heating and air conditioning.
- Choice of **efficient lifts**.
- Use of **energy-saving** and efficient **lamps and lights**.
- Installation of **solar panels** to supply part of the demand for domestic hot water, resulting in significant economic savings and a reduction in greenhouse gas emissions.
- Installation of vegetation on roofs and in gardens to create a pleasant environment with low maintenance and water consumption, as they are **native plants** with low water requirements.



ECOLOGY

- Choice of **consumption saving taps**.
- Reduction of **private car journeys** due to the proximity of the dwelling to basic services.
- **CO₂ emissions reductions**.
- **Recycling of waste** generated on site.
- **Legal timber procurement**.
- Installation of **grease separators** to minimise contamination of watercourses.

Neinor Homes guides its commercial managers and collaborators to transmit the benefits of BREEAM® certification to users and builders.

> CIRCULAR ECONOMY AND POLLUTION

With regard to environmental sustainability, there are other very important fields, such as the circular economy and the reduction of pollution, in which the company is working through the exchange of experiences and solutions to improve the environmental impact on the environment. Some of the actions being carried out are as follows:

- **Neinor Homes, ACR, Cocircular and ROCKWOOL** have joined forces to achieve zero waste. Neinor Homes and the construction company ACR, working together with Cocircular, will implement ROCKWOOL's innovative Rockcycle service in the construction of the San Andrés Homes development in Mondragón. Rockcycle makes it possible to recover pallets and leftover rock wool on site, and take them back to the ROCKWOOL factory in Caparroso (Navarra), where they are processed and recycled into new rock wool, maintaining the original performance, quality and durability, preventing them from ending up in landfill and moving towards zero waste.

<https://www.estrategiasdeinversion.com/actualidad/noticias/empresas/neinor-homes-acr-cocircular-yrockwool-se-unen-n-646629>

- **Neinor Homes joins forces with Grupo Mondi** to recycle construction sacks from its building sites. Neinor Homes and Grupo Mondi, a paper producer, have set up a system for the collection and recycling of sacks used in the construction of their projects, which will extend their useful life and reduce waste. This initiative has already been implemented in the Zorrozaure Homes II, Olarizu Homes IV and Serena Homes II projects, allowing us to move towards a zero waste policy in our developments.

<https://www.europapress.es/economia/noticia-neinor-homes-alia-grupo-mondi-reciclar-sacosconstruccion-obras-20230712140342.html>

In addition, Neinor Homes supervises to ensure that at least 80% of construction waste is recovered at all construction sites. This supervision is monitored and reported through monthly monitoring reports for each construction site, which are verified by an independent third party.

Likewise, recycling and recovery clauses are included in the contracts with suppliers in 100% of the developments. All these actions have enabled us to meet the various objectives related to the circular economy detailed in the Sustainability Plan.

Moreover, at corporate level, the sustainability area is in continuous contact with the rest of the company's areas, influencing decisions that can reduce pollution and carrying out activities that benefit the environment.

In this respect, we know that innovation and technological progress are key to discovering lasting solutions to the economic and environmental challenges we face. We remain committed to **teleworking and videoconferencing**, both inside and outside the workplace, which also avoids sometimes unnecessary travel and trips, and **digital signatures and virtual visits** to our developments, which also contribute to reducing pollution and greenhouse gases in our cities.

We remain more committed than ever to a clean, **green, safe and more resilient economy**. Our efforts to create a more sustainable world continue: In addition to plastic reduction, selective recycling, the use of green energy and the rational use of our resources, some of our employees are involved in campaigns to maintain and clean up our oceans.

8.4. CLIMATE RISK ANALYSIS OF OUR HOMES

In line with the requirements of Appendix A of the European Taxonomy Delegated Regulation 2021/2139, the assessment of physical climate risks is necessary to satisfy the Assessment of climate risk and vulnerability section, where vulnerability, sensitivity, adaptive capacity and areas of improvement thereof must be reported for an activity to be considered aligned with the European Taxonomy.

In this context, Neinor Homes has carried out a study to identify and integrate measures to adapt to climate change based on the best practices available and on Neinor Homes' business model, based on the identification of assets vulnerable to the risks of climate change in order to contribute to sustainable development and to the requirements of the European Union's Taxonomy of Economic Activities Regulation. To carry out the analysis, a multiple methodology was used, compiling bibliographic and documentary analysis, cartographic analysis, statistical analysis and compilation of Neinor Homes' own documentation and information.

For the study, two climate scenarios have been selected in line with the recommendations of the IPCC (Intergovernmental Panel on Climate Change) and the EU Taxonomy. These scenarios are SSP2-RCP2.6 for short-term economic activities and SSP2-RCP8.5 for long-term economic activities. In this way, the entire 21st century is covered and a sufficiently broad and short time horizon is established for the correct analysis of the set of climate vulnerabilities of Neinor Homes.

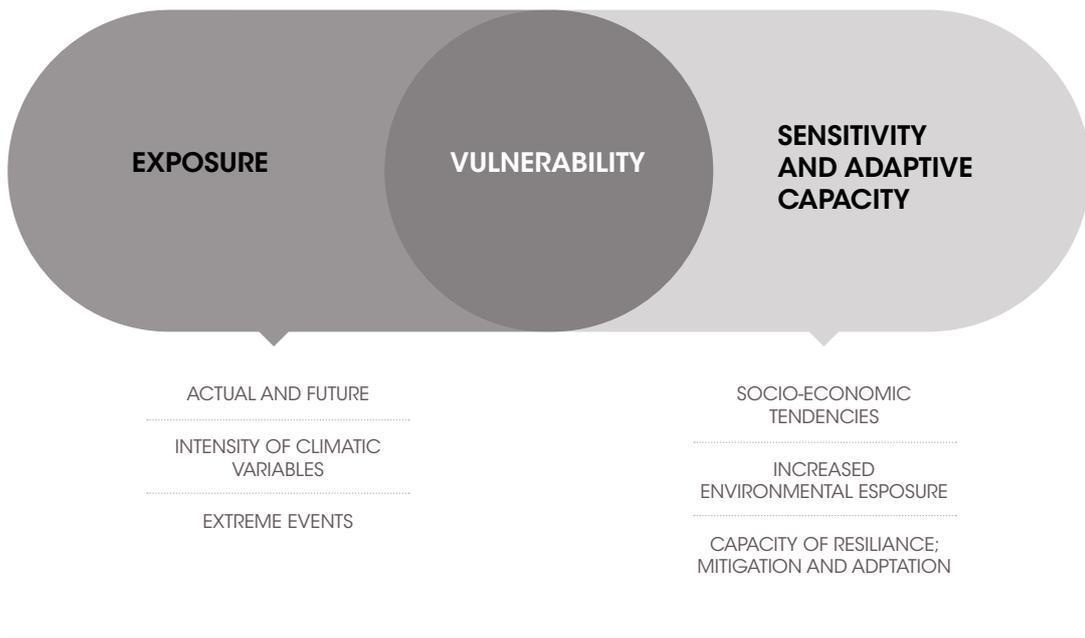
> VULNERABILITY OF INFRASTRUCTURES AND PROJECTS

The EU taxonomy determines a series of climate hazards that must be taken into account for the study of vulnerability¹. However, since Neinor Homes' activity is limited to the Iberian Peninsula and the Balearic archipelago, with little or no presence of property developments in high mountain areas, climate hazards such as avalanches or glacier overflows, among other hazards, are excluded from the analysis in questions.

¹ Delegated Act on Climate, Annex I, Appendix A.

Vulnerability is defined as the predisposition that a system or set of systems may be adversely affected². Vulnerability has been determined on the basis of a variety of concepts such as sensitivity, exposure and adaptive capacity of a system. Vulnerability thus depends on both the exposure and sensitivity of the system and its adaptive capacity. The higher the severity of the assessed risk and the lower the adaptive capacity, the higher the vulnerability of a system.

VULNERABILITY DIAGRAM



The climate hazards that represent the maximum value of climate vulnerability based on the 80% percentile, i.e. with a high or very high vulnerability index for Neinor Homes, are:

For real estate developments under construction and Neinor Stores

- Temperature variations (air, freshwater, seawater)
- Heavy precipitation (rain, hail, snow or ice)
- Floods (fluvial, pluvial, coastal and/or groundwater)
- Heat wave

For Neinor Homes offices and rental property developments

- Temperature variations (air, freshwater, seawater)
- Heat wave
- Drought
- Water stress

² Climate Change: Impacts, Adaptation and Vulnerability.

> ANALYSIS OF ACTIVITIES

Depending on the location and useful life of Neinor Homes' assets, a series of climate hazards have been identified that may be more accentuated in some locations in Spain than in others.

Due to the very significant climatic and geographical heterogeneity of the Spanish territory, 3 geographical areas have been identified at company level in Spain (Iberian Peninsula and Balearic Islands), in order to identify the main climatic hazards or threats that affect the economic activities of Neinor Homes in these geographical areas. These are the north of the peninsula (Cantabrian coast and Pyrenees), the interior of the peninsula (central area and areas far from the influence of the sea) and the Mediterranean coast (Andalusian coast, Levante and Balearic Islands).

Based on these three geographical areas, we have looked most closely at those climate hazards to which Neinor Homes' assets have the highest climate vulnerability index, corresponding in this case to the medium (V3), high (V4) and very high (V5) indices.

TIME HORIZONS - ECONOMIC ACTIVITIES	CLIMATE HAZARDS	GEOGRAPHICAL DIVISIONS		
		NORTHERN PENINSULAR	PENINSULAR INTERIOR (CENTRE)	MEDITERRANEAN COAST (SOUTH AND EAST)
Short Term (<10 years) SSP2-RCP2.6	Temperature variations (air, freshwater, seawater)	V3	V5	V4
	Heavy precipitation (rain, hail, snow or ice)	V4	V3	V5
	Floods (fluvial, pluvial, coastal and/or groundwater)	V4	V3	V5
	Heat wave	V3	V5	V4
Long-term (>30 years) SSP2-RCP8.5	Temperature variations (air, freshwater, seawater)	V4	V5	V4
	Heat wave	V4	V5	V4
	Drought	V3	V4	V5
	Water stress	V3	V4	V5

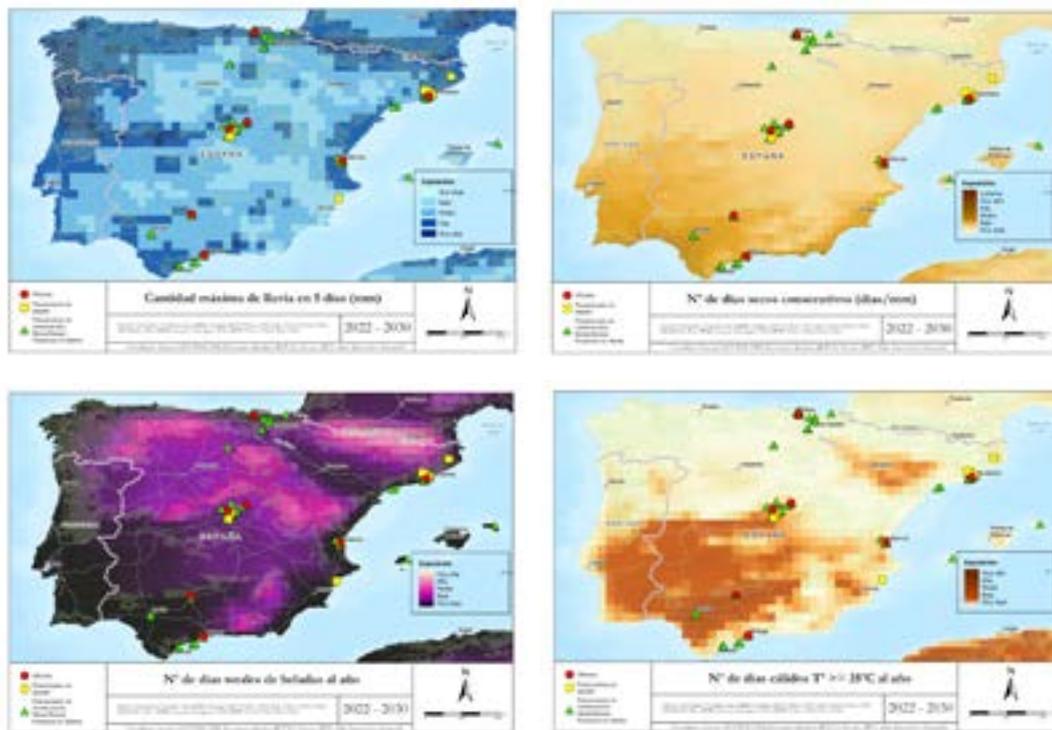
On the one hand, real estate assets under construction and Neinor Stores (short term) in the north of the peninsula have a medium vulnerability to temperature variations and heat waves. On the other hand, they are highly vulnerable to heavy rainfall and to river, rain and coastal flooding.

As regards the central peninsular area, real estate assets have a very high vulnerability to temperature-related climate risks (heat waves and temperature variations), in particular extreme heat events that are intensified as a result of the effect of continentality. In the case of the Mediterranean coast, it is observed that the assets have a very high vulnerability to both temperature and water-related climate risks, mainly due to the amount of heat energy absorbed by the Mediterranean Sea which leads to stronger storms and supercells and, therefore, increases exposure and sensitivity to severe flooding.

On the other hand, rental real estate assets and Neinor offices (long term) in the north of the peninsula show a medium vulnerability to periods of drought and water stress conditions; and a high vulnerability to temperature variations and heat waves.

As regards the central peninsular area, real estate assets have a very high vulnerability to temperature-related climate risks (heat waves and temperature variations), in particular, extreme heat episodes that are expected to increase in intensity and frequency. In the case of the Mediterranean coast, it can be seen that the assets have a high and very high vulnerability to both temperature and water-related climate risks, mainly due to torrential rainfall leading to severe flooding.

In this regard, all Neinor Homes developments have been analysed with their exposure to all the aforementioned climate riskse.



> ADAPTATION MEASURES FOR PROJECTS AND INFRASTRUCTURE

Finally, in order to adapt to or mitigate the impacts of climate hazards on Neinor Homes' activity, a series of solutions have been identified to address the most significant climate hazards.

Some of the proposed measures, shown in the Status of Implementation of Measures column in the table below, have already been implemented by Neinor Homes, and therefore present an adaptive advantage in the face of some of the risks that may materialise in the future. In addition, another series of adaptation measures for each of the hazards experienced by Neinor Homes' most vulnerable projects and infrastructures have been identified and are currently being analysed for implementation.

CLIMATE HAZARDS	ADAPTATION MEASURE	APPLICATION	STATUS OF IMPLEMENTATION OF MEASURES
Heat wave and heat stress	Creation and design of parks and green spaces	P	Implemented
	Installation of green roofs	E + P	Under review
	Strategic tree planting	E + P	Under review
	Implementation of early warnings for owners	E + P	Under review
	Location and solar orientation of the building	P	Implemented
Water stress and drought	Implement rainwater harvesting systems	E + P	Implemented
	Adjust watering schedules to periods of lower evaporation	E + P	Under review
	Use xerogardening techniques for the surrounding vegetation areas	E + P	Under review
	Installation of individual meters to measure water consumption	E + P	Implemented
	Use of high-efficiency appliances	E + P	Under review
	Design measures for water recycling	p	Implemented
Heavy precipitation	Installation of Sustainable Urban Drainage Systems	E + P	Under review
Floods - Avoidance	Establishment of watertight walls and permanent barriers	E + P	Under review
	Temporary flood barriers	E + P	Under review
	Landscape-integrated earthworks and embankments	E + P	Under review
Floods - Resistance	Use of materials resistant to water, abrasion and impact due to solid dragging	E + P	Under review
	Increase the flexibility of the building and its systems, allowing the building's responsiveness	E + P	Under review
	Sealing of the external walls of the building with waterproof coatings	E + P	Implemented

CLIMATE HAZARDS	ADAPTATION MEASURE	APPLICATION	STATUS OF IMPLEMENTATION OF MEASURES
Floods - Resistance	Screed made of damp-proof brick courses or concrete with a waterproof membrane	E + P	Under review
	Raising door and window thresholds by means of automatic or manual, permanent or temporary protection measures	E + P	Implemented
	Protection of ventilation openings or similar	E + P	Under review
	Checking of drains and pipes, together with the state of septic tanks	E + P	Under review
	Design the building so that the first habitable floor is above flood levels. Establish platforms or piles to protect people and spaces from potential risks	P	Under review
Floods - Toleration	Establishment of a good drainage system	E + P	Implemented
	Relocation of valuable equipment or systems to elevated locations	E	Under review
	System of pumps and non-return valves in the pipes to drain into the sewer	E + P	Under review
	Design the building to locate facilities and services in elevated areas protected from the flood level, so that material losses are reduced	P	Implemented

8.5. URBANISATION AND ACTIVATION OF THE ENVIRONMENT

Neinor Homes, aware of the need to improve and recover the most degraded areas, is committed to a new urbanism that transforms and generates wealth: investment in projects for the revitalisation and redevelopment of urban areas, and the remodelling of industrial areas.

Three standout key activities of which Neinor Homes is a part are:

BOLUETA AREA (Bilbao)

A strategic urban regeneration project framed within a set of decisions and measures aimed at recovering, for the benefit of society, disused industrial land in Bilbao's surroundings due to its potential value for completing and renovating the city.

This project represents an opportunity to reverse the initial situation of degradation associated with obsolete industrial facilities in favour of urban regeneration and environmental recovery that will enable the integration of this area of the city into the urban, social and environmental fabric of Bilbao, with plans for the rescue and enhancement of the natural landscape.

This operation combines the intrinsic value it has as a generator of protected housing with the environmental recovery of land and spaces, and is presented as an opportunity to adapt the habitability conditions and productive facilities of the residents and pre-existing economic activities, and all this from the promotion of citizen participation in decision-making and administrative power in urban planning matters.

Bolueta Homes Development



MONTESA STRATEGIC RESIDENTIAL AREA (Esplugues de Llobregat)

The Montesa SRA is the first major housing land reserve in the metropolitan area of Barcelona.

This project is located in an area where there was a progressive abandonment and decline of nonspecialised industrial uses, which began with the demolition of the Montesa factory and the moving away of its activities.

The proposed planning defines the land as a significant opportunity for metropolitan centrality, as it has very good links to major mobility infrastructures and adjacent municipalities, and will allow for a large number of social housing units.

The amendment to the development plans for the area envisages a redefinition of the urban planning to make the transformation of the area viable, reconsidering the delimitation of zones and systems and revising the housing typologies planned.



Before



After

ZORROTZAURRE (Bilbao)

The Zorrotzaurre project is the latest major urban regeneration operation to be launched in Bilbao.

This is a zone that experienced an era of industrial boom in the mid-1960s, with the consolidation of industrial activities related to port activity on both sides of the Deusto canal. However, the economic crisis of the time led to a decline in industrial activity and a deterioration in the standard of living in the area as a result of the ageing of buildings and public and private spaces. Today there are barely half a thousand residents.

The urban environs of Zorrotzaurre occupy an area of 838,781 m², of which more than half belongs to public entities (Basque Government, Bilbao City Council and the Port Authority of Bilbao), the rest being divided between various private owners.

The General Urban Development Plan of Bilbao, approved in 1995, changed the industrial use of Zorrotzaurre to residential. At the same time, it left the definition of the urban design of the area to the drafting of a Special Plan.

In 2001, public and private owners of Zorrotzaurre constituted the Management Commission for the Urban Development of Zorrotzaurre, with the objective of promoting and executing the urban regeneration plan for the area.

The Master Plan for the project was designed by the prestigious Anglo-Iraqi architect Zaha Hadid in 2004 and revised in 2007. It incorporates the complete opening of the Deusto Canal, which means the transformation of the Zorrotzaurre peninsula into an island, thus guaranteeing the nonflooding of the area.

The regeneration of Zorrotzaurre represents an integral and balanced project, defined under criteria of sustainability, which recovers a currently degraded area to convert it into a new district of Bilbao, well connected to the rest of the city, with affordable housing, areas for non-contaminating businesses, numerous social and cultural facilities, and large areas for the enjoyment of citizens. The Zorrotzaurre I and II developments are currently under construction.

Zorrotzaurre Project



OTHER URBAN DEVELOPMENT INITIATIVES

Neinor Homes has also carried out urban and industrial regeneration initiatives in other projects in Spain:

- **ARRASATE (Mondragón, Guipúzcoa)**

Regeneration in residential use of industrial sector, demolishing and clean-up of the former industrial activity of Polmetasa. Work completed on the 2023 unsubsidised housing part.

- **ARRATE (Eibar, Guipúzcoa)**

Regeneration for residential use of an urban sector through a Special Development Plan that has enabled the demolition and clean-up of the land on which the former El Casco stapler factory stood. Work completed in 2023.

- **AMÉZOLA (Bilbao)**

Project for the rehabilitation of an existing industrial building, maintaining the protected D2 level façade in the inventory of the Bilbao City Council, in order to make residential use compatible.

- **LOS GUINDOS, SELENA HOMES (Málaga)**

Demolition and clean-up of land on which there are pavilions for urban tertiary use in the centre of Malaga. Project completed.

- **MUNGUÍA (Vizcaya)**

Demolition and clean-up of land on which the Mesa factory is located. Demolition and urbanisation pending. Basic project completed.

- **LA CATALANA R16 AND R17 (Sant Adrià de Besòs, Barcelona)**

Clean-up and regeneration for residential use of industrial land in the La Catalana Sector. Completed project.

- **OLARIZU IV (VITORIA)**

Clean-up to regenerate the industrial activity of the Esmaltaciones factory for residential use. Work in progress.

8.6. INNOVATION AS AN ENGINE OF TRANSFORMATION

Innovation, technology and digital transformation have been in the DNA of Neinor Homes since its inception, with the vision that its drive allows it to gain a **competitive advantage and maintain a leading position** in the transformation of the Spanish residential and real estate sector.

From a purely product point of view, new buildings are expected to be sustainable, smart, safe, adapted to new user lifestyles and different climate scenarios.

Neinor Homes has analysed the **trends forecast for the building sector** and the challenges it will face in the next 20 years, considering aspects such as ethics, transparency, customer focus, industrialisation, digital transformation, automation and new sustainable materials, among others.

In this context, innovation is one of the fundamental values that govern Neinor Homes, acting as a cross-sectional thread running through the company's three strategic pillars: Environmental, Social and Governance.

In **2023** Neinor Homes renewed the

AENOR Certification 166002:2021

it has been obtaining since 2016.

Neinor Homes is aware that the future of the sector involves a commitment to the trends and new technologies that will transform the homes of the future.

> COLLABORATIVE INNOVATION

Neinor Homes is committed to the **exchange of experiences and solutions** with the rest of the real estate sector and with other sectors, in order to **seek new solutions in innovation** and adapt them to the new needs of customers.

- Along these lines, in 2023 the **Neinor Mobility Pack** has continued to be offered in conjunction with ILUNION Accessibility (ONCE Social Group), which was also the first initiative to emerge from Neinor Lab. Neinor Homes was a pioneer in establishing an agreement to facilitate the inclusivity of groups with different capacities.

Neinor Homes leads the way in innovation in the real estate sector.

- **Building Cluster:**

<https://clusteredificacion.com/>

The building sector is one of the strategic sectors in Spain due to its size and its economic, environmental and social importance. In this field, the Building Cluster operates as a non-profit association and is made up of companies, universities and research centres.

The objective shared by all is to innovate in the construction of existing and new buildings of any use or tenure.

- **PTEC: Spanish Construction Technology Platform:**

<https://plataformaptec.es/>

PTEC aims to contribute to the improvement of the construction sector through public-private cooperation in research, development and innovation, carried out between companies, business associations, universities, research centres, technology centres and customers.

- **Implementation of the Life Cycle in all works: LCA Neinor**

<https://itec.es/infoitec/sostenibilidad/neinor-homes-implanta-el-analisis-del-ciclo-de-vida-en-todas-sus-obras/>

Implementation of a digital tool in all works to carry out Life Cycle Analysis and quantify their environmental impact automatically, according to the different stages of the manufacturing process, construction, use and end of life.

Project backed by the independence of the Institute of Construction Technology, whose environmental database BEDEC Sustainability provides rigour and transparency.

This is an innovative initiative that confirms Neinor Homes' commitment to the environment and sustainability in its strategy to reduce the Scope 3 carbon footprint. Fundamental objectives to decarbonise the development sector and respond to the housing needs that exist in Spain without compromising the future of coming generations.

AGREEMENTS WITH SUPPLIERS

In addition, Neinor Homes is actively working through technology and research and development, together with many of our main material suppliers, to reduce our emissions and increase the recycling and reuse of waste (cases and agreements detailed in the environmental sections 8.2 and 8.3); the impact in the media is set out below:

<https://www.estrategiasdeinversion.com/actualidad/noticias/empresas/neinor-homes-consolida-sualianza-con-cemex-para-n-644675>.

<https://www.bolsamania.com/noticias/empresas/neinor-homes-alia-cortizo-uso-aluminio-pvc-recicladoproyectos-14716524.html>

<https://www.estrategiasdeinversion.com/actualidad/noticias/bolsa-espana/neinor-homes-firma-un-acuerdo-con-porcelanosa-n-673523>

<https://www.europapress.es/economia/noticia-neinor-homessaint-gobain-firman-acuerdo-impulsar-construccion-sostenible-20240109120811.html>

<https://www.bolsamania.com/noticias/empresas/neinor-homes-yuponor-colaboran-para-reducir-la-contaminacion-en-laconstruccion-15923190.html>



COOPERATION AGREEMENT WITH CEMEX VENTURES

In 2023, a cooperation agreement between CEMEX Ventures, CEMEX's Corporate Venture Capital, and Neinor Homes remained in place with the aim of **establishing synergies** to improve the construction and development industry. Through this cooperation, both companies would **exchange information on startups** that may be of interest.



INNOVATION PROCESS IN CONSTRUCTION

At Neinor Homes we understand industrialisation to be a **holistic process of integrating all the design, planning and construction processes** in which people, processes and technology play a fundamental role. That is why from the outset we have opted for the implementation of all its projects in **BIM**, a digital work environment that allows the degree of cooperation between agents and the flow of information and resources necessary for the development of industrialised construction. We are developing an open industrialisation that allows us to adapt to the needs and requirements of each project. Depending on the typological and morphological characteristics of the product, requirements and location of the plot, as well as cost, time and sustainability needs, we select the systems that best adapt to these circumstances. There are several projects in which we have incorporated industrialised construction processes and elements for the construction of the structure or façades.

PARTNERSHIP AGREEMENT WITH PAPERNEST

For Neinor Homes, our customers are the most important thing. That's why we always accompany you throughout the entire purchasing process to enhance your experience.

In addition to the company's digitalisation strategy, we can say that we are proud to have reached an agreement with Papernest, a comprehensive management platform where customers can manage all the utilities/supplies of their new home in one click, one call, at no cost and with preferential times.

> DIGITAL TRANSFORMATION

The CEO himself has been involved from the very start in the Digital Transformation Acceleration Plan. Each project has had an operational manager and an implementation manager whose functions were to monitor each of the initiatives that were being developed.

At Neinor Homes we understand digital transformation to be **part of our corporate culture**, as a vision and a way of doing things, rather than as one or several projects. For this reason, it is something that we imprint on all elements of the company.

We have various **internal applications for the use of the staff**, which digitally controls their shifts, their holidays or teleworking and allows them to access general information, such as the company's organisation chart.

Moreover, technology is something we apply throughout the entire real estate value chain, from the selection of land to the study of its suitability, to the feasibility of the project, to how we build.

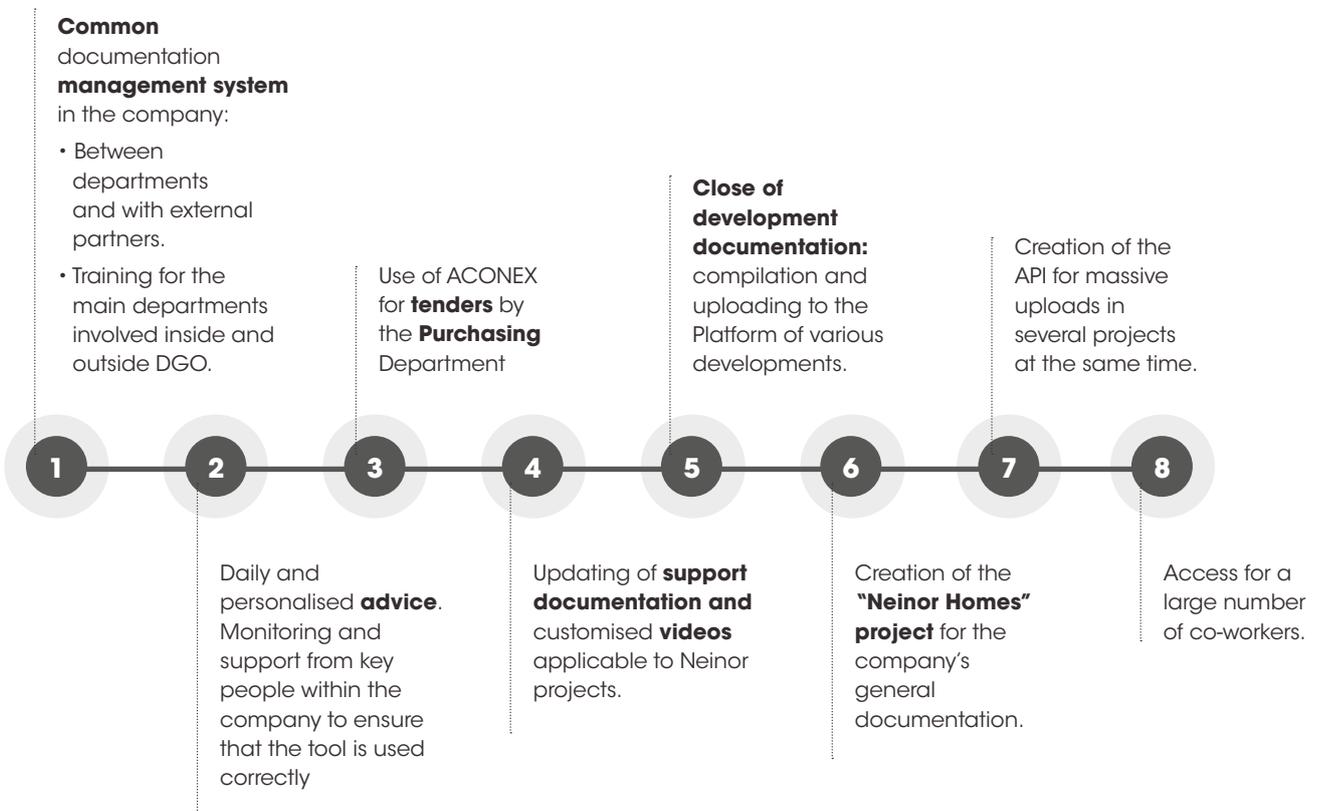


ACONEX

Having a document manager for the organisation is essential in order to promote communication, information and project management.

Aconex is working on the integration of this tool so that the information is organised and accessible, whatever the project, all in the same way.

WHAT HAVE WE ACHIEVED SO FAR?



WHAT ARE THE OBJECTIVES FOR 2023?

Creation of **workflows**:

- Commercial documentation.
- Project phases.
- [...]

- Single use for all documentation management (internally and externally).
- Correct file naming and labelling.
- Version management.
- Traceability.

Reducing the documentation load in F: **Upload all common company documentation to Aconex**: Upload procedures and templates

SUPPLIER PORTAL

- Ease of signing up of suppliers and receipt of invoices.
- Reduction of deadlines and costs.
- Increased visibility of invoice status.
- Avoiding risks of CEO-type payment attacks.

DIGITAL SIGNATURE

- Through digital signatures, contracts can be signed digitally without the need to sign them in person.
- Implemented in the purchasing area, for the signing of works contracts and framework agreements and for commercial for customer reservations.
- **+ 4,000 transactions signed in recent years.**

ONLINE SALE / RENTAL

- Immediate availability, with information updated in real time: a customer can purchase at any time.
- Reduced fees and commissions: as we are direct sellers we avoid commercial intermediation payments.
- Global reach: we are extending our borders and opening up to international buyers, who can buy from Spain and from any country.
- Competitive advantage over competitors: online sales are becoming more and more common in all sectors, including property development. Being the first to implement it reinforces our brand image and strengthens our track record, as well as putting us ahead of the competition.
- Low-cost sales channel: once the first technological investment has been made, it does not require significant amounts of maintenance. The investment in processes derived from its implementation is used to obtain synergies in other aspects; digital signature, automatic synchronisation with Prinex, WEB synchronisation, etc.

INVOICE APPROVALWORKFLOW

We have succeeded in automating the process of invoice endorsement and approval for real estate business anytime, anywhere and from smartphone or tablet.

This provides managers with an easy-to-use endorsement tool, for use in any location without having to be connected to the ERP.

This allows us among other things to:

- Endorse invoices with a choice of different routes for the final approval of each invoice.
- Authorise payments by providing remarks or reasons for refusal, if any.
- Consult all the information on an invoice, as well as the documentation associated with it.
- Know the budget allocations that each invoice line has.

PURCHASE REQUESTWORKFLOW

We manage all purchase requests from the time they are registered with each of the companies until they are approved.

This also allows us to monitor the quantities requested compared to those budgeted to immediately detect deviations.

It is possible to allocate invoices from the approved purchase requisition until fully consumed.

AFTER SALES APPS

Aimed at improving and providing a better service to our customers through complete functionality, to be able to carry out a proper management of after sales services as a key and stand-alone feature.

This is available via a mobile phone app for the visitor role, and via web app for the supervisor, allowing, among other things:

- Creation of pre-sales and post-sales incidents during the same visit to the property in a quick and easy way (with photographs, documentation and customer approval) and all from a smartphone or tablet.
- Incident management by the supervisor: assignment to suppliers, transit of incident statuses, etc.
- Issuance of work reports to suppliers.
- Creation of Big Data for exploitation.

DGO GUARANTEES

WEB application for the management of bank guarantees received, maturity calendar and automatic e-mail alerts management.

PURCHASING APP

Web platform for purchasing department management, divided into the following main modules:

- Developments
- Companies
- Recruitment (recruitment database)
- Framework Agreements (services)
- Approval notes (related to supplier evaluation)
- Tenders (ratios, savings tables)
- Price (database of items/references per development)

A series of Power BI files have also been designed to obtain interactive graphics.

APPROVAL OF SUPPLIERS

All suppliers working with Neinor, including Architects and Construction Companies, must be previously approved in line with the quality levels required by Neinor. The updated approval table can be found in the Purchasing App. Re-approval is annual.

EVALUATION OF SUPPLIERS AND SUBCONTRACTORS

- **Suppliers:** All approved suppliers working with Neinor are periodically evaluated through an app. Both scores (evaluation and approval) generate an overall score for the supplier which is recorded in the Purchasing App.
- **Subcontractors:** The subcontractors contracted by the builder are also evaluated in order to keep a record of each one and to avoid working with those, if any, that have not given good results on site.

FRAMEWORK AGREEMENTS

- **Web platform** for monitoring framework agreements with various manufacturers nationally. Access from two types of user profile.
- **Project Managers**
- **Neinor Purchases**

Entries for manufacturers with whom we have a framework agreement for the calculation of the agreed rebate are compiled by development. A PowerBI has also been designed to obtain graphs.

And, last but not least, we apply technology to the end of this chain, which is customer service for customers who have already bought a home with us. For this purpose, we have Neinor Experience, made up of a great team that responds to any incident or doubt that the customer may have, accompanying them at all times from the moment they reserve their home, while it is being built and even after delivery, all through both traditional and digital channels.

Our approach to innovation is aimed at covering the entire value chain of the company, from the study for the purchase of land to the after sales of the development delivered. Throughout the entire process, needs have been identified and cross-sectional projects have been defined to cover these needs.

In this way, as the leading residential platform in Spain, we apply our vision of digital transformation to all of the company's business lines.

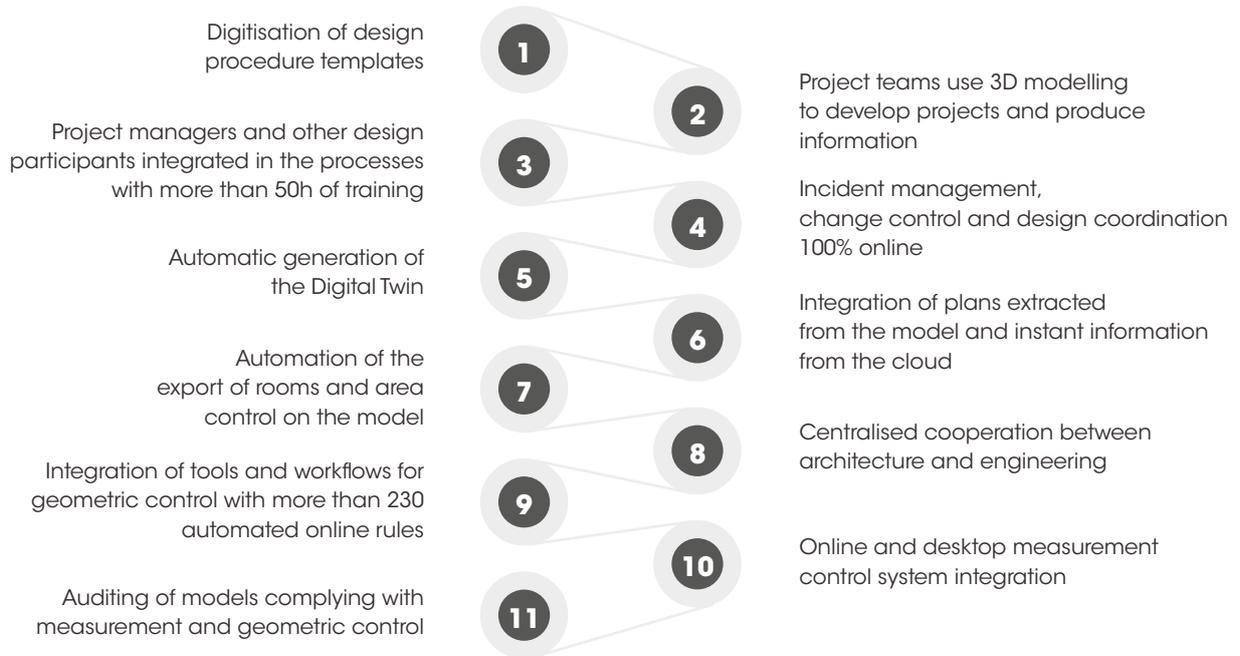
At Neinor Homes we use and have **incorporated technology and various digital enablers** throughout the entire product lifecycle.

- We support land acquisition through our Big Data tool that allows us to take better decisions. This **Big Data** tool provides us with a great deal of data about a piece of land, an area, how prices are going to behave etc., which allows us to make decisions based on concrete data, not on intuition, and that ultimately allows us to mitigate risk. But data without knowledge is useless. We need the human factor and experience to know how to interpret this data, and that is where Neinor Homes provides stand-out value, thanks to the combination of technology with the best professionals in the sector.
- From the design to the construction of the homes, we incorporate **BIM**, which allows a cooperative work methodology that centralises all the information of a project in a digital model.

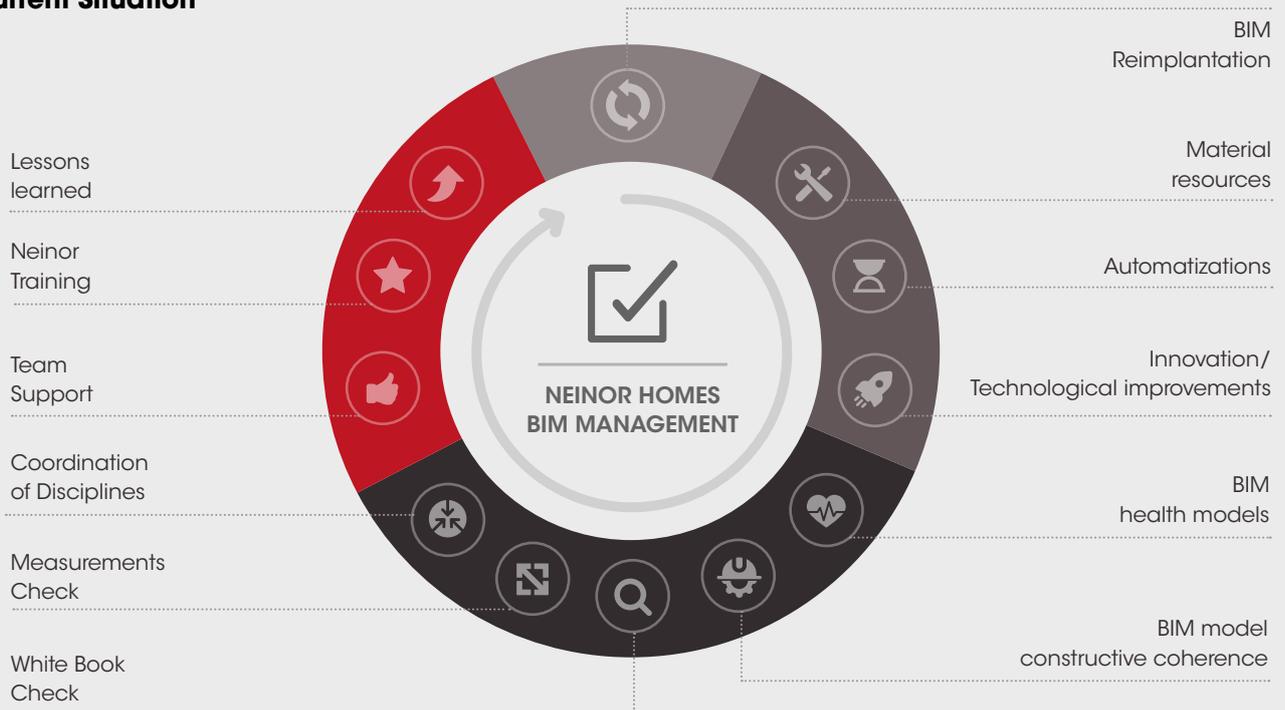
BIM

One of the most important projects within the Operations Area has been the commitment to the digitalisation of our developments in all their phases, starting with an integrated management of the project phase, in order to be able to close the circle with the construction phase in the near future.

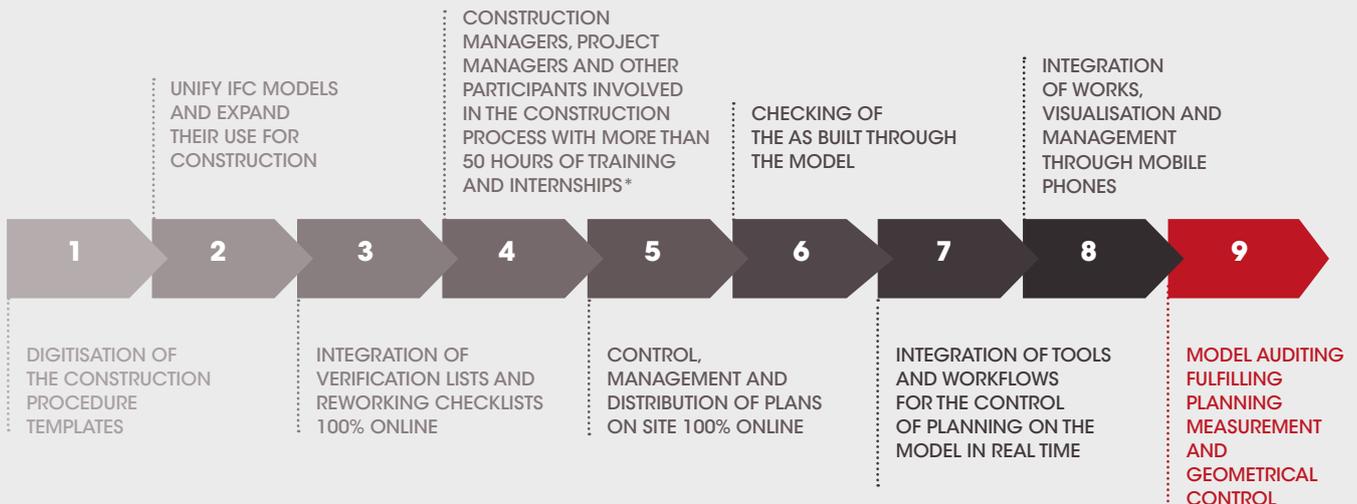
To date **we have achieved:**



Current Situation



2023 Objectives



* With more than 50 hours of training and internships.

TOOL DEADLINES

We have achieved:

- Optimisation of the company's internal processes
- In response to this, a Deadline Management tool has been built to improve the coordination and monitoring of our processes, leading to a reduction of internal efforts and an improvement in the delivery times of our developments.
- Knowledge in real time of the status of tasks and projects.

Territorial Director who wants to know when the draft infographics will arrive.

Marketing agent who needs to know when the marketing pack will be available.

Marketing manager who needs to know when the Basic Plans will arrive to send them to infographics and mock-ups, etc.

- Save **time by eliminating meetings** dealing with to-do's, status updates and spreadsheet updates.

Thursday meetings (Launch 1st GO).

Meetings in each territory to gauge the status of pending launches.

- Improves teamwork productivity irrespective of physical location.
- It has **task notifications**, so it is harder to miss something important.

Working with increasing volumes increases the possibility of forgetting things.

Notifications make it easier to organise the tasks to be carried out during the week.

- All persons assigned to a project can **consult project files and documents**, without having to request them by mail, which **speeds up work and decision-making**.

Back Office will not have to chase the various departments so that they send the information by mail.

Marketing agents will not be so insistent on knowing when the marketing pack will arrive.

- Allows comments to be **entered, partially eliminating the sending of emails** and logging a history of the conversation.

Possible oversights when copying someone involved.

Eternal searches for e-mails proving "I told you so" ...

- All **tasks and updates are synchronised and in the cloud**, so information is always backed up and secure.

This eliminates the possibility of not knowing what the final infographics are.

- For the marketing of our homes we apply various technologies both in the physical and online channels:
- On the one hand, we have created Neinor Stores, a technological sales space that allows us to increase the satisfaction and knowledge of our customers, where we combine Virtual Reality, interactive screens and real-time analysis tools to better understand the profiles and needs of our customers.
- On the other hand, we now allow online booking and are working to complete the home buying process in an online environment, increasing the accessibility, simplicity and intelligent conveyance of the property to increase and guarantee the confidence of our customers.
- In the delivery of our homes, our **Neinor Experience** digital platform allows us to control the entire process digitally, from the deed signing process to the after sales process.

It is also worth highlighting the developments we are implementing to promote our new **Neinor Rental** business line, with which we have the first platform capable of offering 100% of the rental services. In this regard, within this business line we are working on the development of online booking and rental.

8.7. LIFE CYCLE ANALYSIS

All of the company's projects, from 2022 onwards, will have a corresponding Life Cycle Assessment.

Neinor Homes has a digital tool that makes it possible to digitise and automate the Life Cycle Analysis of all the company's projects and to quantify the environmental impact of all its projects automatically, according to the different stages of its processes.

This analysis is carried out in accordance with the international standards ISO 14040 and 14044, 15804 and 15978 and the guidelines of the ILCD Handbook and provides the traditional environmental impact indicators, such as renewable and non-renewable energy, CO₂ equivalent emission and waste, as well as 10 other environmental impact and resource use indicators.

The rigour and transparency in the calculation and the data obtained are ensured through an independent body, i.e. the Institute of Construction Technology (ITeC) and its environmental database BEDEC Sustainability, the only database in Spain that has a licence to market updated carbon data based on ECOINVENT, a database recognised by the Joint Research Centre, a research body of the European Economic Community.

09

WE HAVE A
**COMMITTED
TEAM**

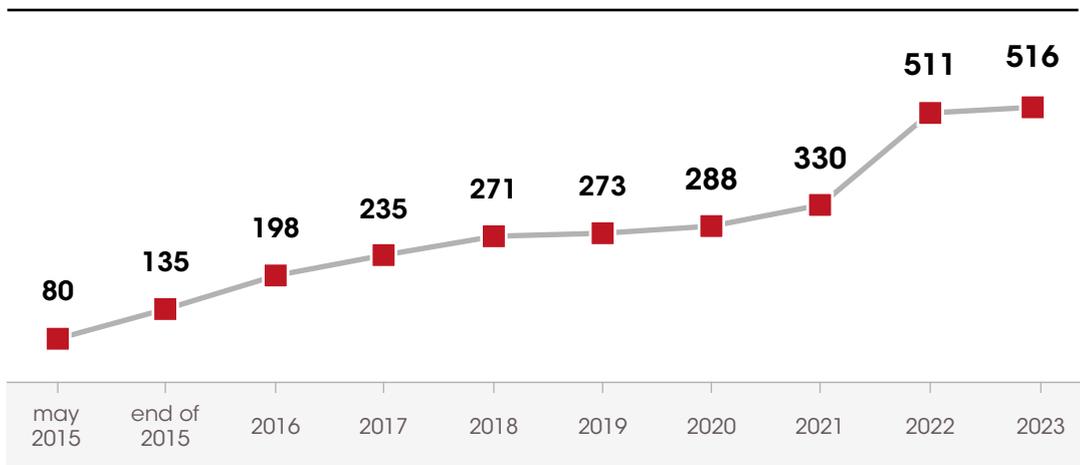


One of Neinor Homes' priorities is to offer its human team an **attractive environment** where they can develop professionally and where they can reconcile their personal life with their work. All of this is based on **equal opportunities, transparency, health and safety**.

Neinor Homes is a benchmark company in the real estate sector, offering an **attractive environment in which to work**, generating quality employment, fostering the development of talent and continuous training and promoting well-being, work-life balance and safety. The company always seeks **maximum transparency in communication and involves the entire workforce in the innovation and growth** of the company. Only by working daily with all these values in mind can we be at the forefront in a sector that increasingly demands **greater dynamism and professionalism**.

Since its creation in 2015, Neinor Homes has grown exponentially increasing its workforce by a factor of 6.5 in those 9 years. This requires effective people management, which is determined by a **Strategic Human Resources Plan** closely linked to the company's three strategic pillars.

STAFFING TRENDS

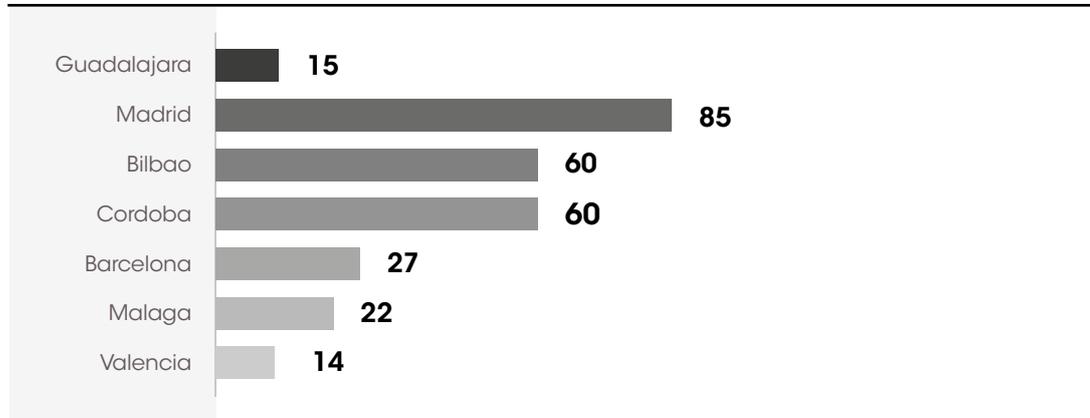


In 2023 Neinor Homes had a workforce of **283 employees***, **55.12% men and 44.88% women**. Neinor Homes is committed to talent and professionalism when it comes to putting together its work teams, which is why it has a great diversity of profiles. In this regard, the **average age** of employees in 2023 was **45.05 years**. The **average length of service** of the workforce is 6.91 years, as the company has grown significantly in recent years. In 2022 the number of employees increased considerably due to the Group's inorganic growth through two corporate operations that incorporated Renta Garantizada and Quabit Construcción into the Group.

*Employees of Renta Garantizada (35) and Quabit Construcción (198) that are being integrated into the group are not included in these calculation.

During its first 9 years it has not only grown in the number of employees, but also in the number of branches. Currently, it is located in **7 territories** throughout the Iberian Peninsula: Madrid, Bilbao, Cordoba, Barcelona, Malaga, Valencia and Guadalajara.

GEOGRAPHICAL DISTRIBUTION OF STAFF*



DISTRIBUTION OF THE WORKFORCE BY AGE RANGE*



Neinor Homes is a company committed to the differential value of its candidates/employees. In some cases, this is a given due to specific training and qualifications and, in many other cases, to years of experience in the sector.

As shown in the graph above, more than 50% of the workforce is between 46 and 65 years of age. In addition, 26 new employees joined the company in 2023, 14 of whom were over 45 years of age.

At Neinor Homes, **100% of employees are subject to the construction industry collective bargaining agreement** in force in the autonomous community in which its headquarters are located. In addition, freedom of association is guaranteed and union representatives are provided with meeting rooms for their meetings, with trade union representatives affiliated to the ELA union in Bilbao, and in Cordoba to the UGT and CCOO unions. Collective agreements in the construction sector establish the health and safety aspects of the sector's activities, including issues such as the minimum safety provisions applicable on construction sites and health and safety training to be provided.

*Not including the employees of Renta garantizada (33) or Quabit Construcción (181) who are being integrated into the group.

9.1. EQUALITY AND DIVERSITY

Neinor Homes is firmly committed to **equal opportunities, non-discrimination and respect for diversity**, which is also reflected in the principles of its Code of Ethics and Code of Conduct with third parties and in its Diversity and Non-discrimination Policy. The best proof of this is that there is practically **parity between men and women** among its employees, which is remarkable considering the particularities of the sector in which it operates. There are currently 12 women in STEM (Science, Technology, Engineering and Mathematics) or similar positions, and 30% of management positions are held by women. However, at Neinor Homes, equality is applied in a broader concept than gender, as it aims to promote equal rights and obligations for all people. In this regard, the company's practices are aimed at complying with the **ten Principles of the United Nations Global Compact**, and the 17 Sustainable Development Goals (SDGs), particularly in this case those relating to **human rights, labour and equality**.

At Neinor Homes, there have been no complaints of human rights violations, respecting freedom of association and collective bargaining as evidenced by the interrelationships with workers' delegates and committees. There is no employment discrimination of any kind and no forced or compulsory labour is carried out.

The Board of Directors of Neinor Homes has approved a **Diversity and Non-Discrimination Policy** that establishes the criteria and guidelines to achieve equal treatment and opportunities and to eliminate any type of discrimination based on gender, origin, age, race, culture, ideology, religion or disability.

Moreover, no complaints of discrimination or inequality have ever been received.

In addition, in 2023, the **protocol for the prevention of sexual and gender-based harassment** was approved.

Diversity and non-discrimination policy **guidelines**:

Equality
Plan approved
in 2023.



PROMOTING EQUAL OPPORTUNITIES

Guarantee for all employees of equal treatment and equal opportunities in terms of access to employment, job classification, performance evaluation and promotion, remuneration, training and work-life balance.



RESPECT FOR DIVERSITY

Rejection of any discriminatory or intolerant behaviour in the organisation, considering diversity as a value that contributes different visions and promotes the generation of new ideas and creative and innovative alternatives.



INTEGRATION AND INCLUSION

Cooperation and teamwork so that all professionals, irrespective of their seniority in the company, previous experience or any other condition, can form part of the company, with a strong commitment to the inclusion of specific groups with different abilities.



CONDUCT OF THIRD PARTIES

Extending of commitments to respect diversity and non-discrimination to all stakeholders, particularly with regard to raising awareness among suppliers and contractors.



WORK ENVIRONMENT

Preserving a harassment-free environment at work, fostering an atmosphere of respect and acceptance, strengthening the company's diversity, inclusion and non-discrimination awareness and culture, and guaranteeing freedom of association rights as set out in international standards.

> EQUAL PAY

The Board of Directors of Neinor Homes strives to ensure that remuneration for positions of equal responsibility and functions is the same throughout the company. This is because avoiding discriminatory biases in remuneration is key to fostering an environment that promotes diversity, which is considered one of the main values of the company's human capital.

Neinor Homes guarantees respect for equal pay and has reflected this in its Diversity and Non-Discrimination Policy. Furthermore, in its 2022-2025 Sustainability Plan, it is committed to introducing measures to eliminate the wage gap, in line with the company's goal of achieving wage parity among employees. The Human Resources department is responsible for ensuring that this course of action is implemented between 2022 and 2025.

The remuneration structure of all professional and responsibility categories in the group is conceived under the criterion of gender neutrality. Furthermore, in order to promote wage parity, Neinor Homes monitors and compares the annual salary of women and men, at all management levels, during the salary review process that the company carries out annually, and which is based on the individual performance assessment and common criteria for both genders.

Based on the principle that men and women are entitled to equal pay for equal work (salary equality), the difference between the average pay received by men and women (pay gap) has been calculated.

In the area of remuneration, 100% of the company's employees are covered by general collective agreement terms, thus improving the minimum conditions established by the various employment regulations. The Collective Agreements govern the remuneration received by the employees subscribed to them, and in particular establish criteria of equity between similar jobs, thus avoiding the existence of gender discrimination and the wage gap between equivalent jobs. However, the mathematical calculation of the pay gap, understood as the difference between the average hourly remuneration of men and women compared to the average hourly remuneration of men, is 45.61%, the average remuneration of the Group being €54,998: €64,057 for men and €35,476 for women.

The information obtained from this analysis will be used to study the data by line of business and level of responsibility to define whether there is a gender gap in jobs of equal activity, or whether the difference is due to any other cause (seniority, performance, results, etc.). Neinor Homes' objective is to eliminate any cases of this type of inequality that may be detected.

In addition, a specific analysis of inequitable pay situations will be carried out through the annual pay review process. This action plan is regularly monitored by management, which evaluates progress at each level of the organisation.

GENDER PAY EQUALITY ANALYSIS¹

CATEGORY	AVERAGE REMUNERATION	Nº OF PERSONS	AVERAGE AGE	AVERAGE LENGTH OF SERVICE	% VARIATION	ADJUSTED AVERAGE REMUNERATION	ADJUSTED % CHANGE
TOP MANAGEMENT	312,038	6	44.71	8.03			
Men	312,038	6	44.71	8.03			
AREA MANAGERS	97,980	30	50.50	10.05			
Men	103,095	25	51.89	10.25	29.76%	93,130	19%
Women	72,407	5	43.52	9.03			
MANAGERS	54,687	48	47.37	9.06			
Men	60,697	27	49.18	8.94	22.63%		
Women	46,959	21	45.04	9.22			
TECHNICAL STAFF	41,203	109	43.45	6.20			
Men	44,563	58	45.39	5.78	16.11%		
Women	37,382	51	41.24	6.56			
ADMINISTRATIVE	25,076	66	43.17	7.22			
Men	25,618	19	42.41	5.51			
Women	24,856	47	43.47	7.92	2.97%		
SITE PERSONNEL	39,917	24	47.56	1.21			
Men	40,609	23	48.08	1.25			
Women	24,000	1	35.62	0,5			
GRAND TOTAL	54,998	283	45.05	6.91			

¹ Remuneration is calculated on the basis of the contractual conditions of each employee.

The underlying cause of the pay gap existing in certain categories is the lower presence of women in the workforce, a situation common in the development and construction sector, and which is accentuated in senior management positions, area managers (the two areas with the highest remuneration) and site personnel. However, although women are well represented in our company (44.88% women, 55.12% men), the Sustainability Plan sets out a commitment to introduce measures to increase the number of women in management positions between 2022 and 2025.

In this sector there is usually a greater presence of men, although this was much more accentuated in the past. In this connection, most of the people who have a great deal of experience in this sector are men, and the direct consequences of all this experience is that they have a higher salary and are in positions of greater responsibility.

That said, our workforce has a high percentage of senior employees who are in the category of area managers. There are 3 men between the ages of 55 and 65 with more than 15 years of seniority in the company, whose salary is almost double the average remuneration for the reasons explained above, in addition to seniority reasons. Therefore, in order not to distort the figure, an adjustment has been made in the calculation. Thus, if their exclusion is taken into account in the calculation, the percentage difference drops from 29.7% to 19%. *

Neinor Homes defends salary equality and is committed to reducing the pay gap. To mitigate this situation, in 2023 Neinor Homes has approved its Equality Plan, for the preparation of which it has reviewed that the commitments and plans in terms of equality are aligned with the European Strategy for Gender Equality 2020- 2025 and national legislation.

The approval of the Equality Plan represents the attaining of a milestone of the 2022- 2025 Sustainability Plan. The next milestone to be reached, also included in this Plan, is to train in equality and diversity (as a minimum) the management team, those responsible for selection processes and the members of the Equality Committee (the composition of which is defined in the Equality Plan).

With regard to **remuneration equality of the Board of Directors** of Neinor Homes, this is fully in place and there is no difference between the salary received by men and women, as detailed in the Remuneration Policy and in the Annual Remuneration Report.

The remuneration of non-executive Directors, who qualify as "independent" and "other external", is as follows:

Fixed remuneration:

- Pr-Chairman of the Board: €121,325 per year;
- Other independent and other external directors: €89,675 per annum each.

Per diems for attendance at meetings of the Board and its Committees:

- Board meetings: €3,000 per meeting;
- Committee meetings: €1,500 per session of each Committee.

The average amount received in 2023 by the 4 Independent Directors (1 woman and 3 men) was €141,462.50.

Given the above, the only thing that makes the salaries received by Directors different is the allowances for attending Board and Committee meetings, which in turn depend on the number of Committees on which the Director sits and the number of times they meet during the year.

* The gap is explained by more work experience and more seniority in the company.

In 2023, the Board met 12 times, the Audit and Control Committee 6 times, the Appointments and Remuneration Committee 9 times and the Land Investment Committee 4 times. Some of the meetings were held in writing, which did not give rise to any entitlement to attendance fees. The remuneration of each Director, both annual remuneration and attendance fees (per diems) are described in the Annual Remuneration Report.



EQUALITY PRACTICES AND MEASURES ADOPTED AT NEINOR HOMES

- **Access to employment:** definition of requirements in job offers that provide equal employment opportunities and non-discriminatory recruitment and interviewing processes.
- **Performance evaluation and promotion:** use of objective and egalitarian criteria when evaluating the performance of employees and their promotion. In addition, the presence of women on governing bodies is encouraged.
- **Remuneration:** seeking homogeneity by professional category to reward employees according to their development and performance evaluation, not encouraging the existence of unjustified inequalities.
- **Training:** Training courses for all members of the company to improve and broaden their knowledge for the development of their job.
- **Work-life balance:** definition and implementation of 13 measures that favour equality and that reconcile and integrate professional activity with family and personal responsibilities.

The Human Resources Department, together with the GRC Department, will ensure compliance with and application of this Equality Plan, in collaboration with the rest of the departments that make up Neinor Homes. For its part, the Internal Audit Department periodically reviews and reports on compliance with the guidelines of the Diversity and Non-Discrimination Policy. In 2023 Neinor Homes had 1 employee with atypical abilities.

9.2. PROFESSIONAL AND PERSONAL DEVELOPMENT OF THE EMPLOYEES

The achievements so far and the continued growth of the company have allowed 26 new hires in 2023, 12 of which have taken place in Neinor Works (construction, 10 men and 2 women) and of the remaining 14 hires, 7 have been women and 7 men. Of the 26 new hires, 3 were in the 20-29, 13 in the 30-45 and 10 in the 46-65 age brackets, made possible thanks to the search for the best professional training and the attraction of talent in the selection of personnel. In 2023 the recruitment rate was 12%.

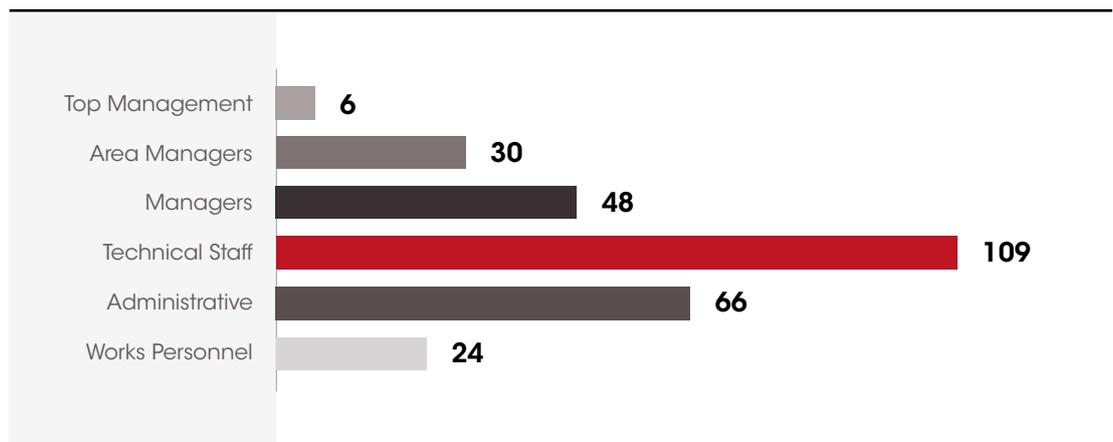
In 2023 we worked hard to internalise the selection processes for as many positions as possible in order to be able to rely on the valuable information that facilitates these processes having closed 93% of new hirings by this means, despite it being a year in which the structure of the workforce has been consolidated, and the number of new hires in terms of promotional activity has been less than 5% and has mainly involved technical positions, where the requirements for the positions has made it impossible to evaluate internal candidates. Even so, the company remains committed to the talent of its teams and studies the possibility of growth and promotion on each occasion, with one internal promotion having taken place in 2023.

Neinor Homes defends quality employment and fosters a sense of belonging among its workforce and its consolidation, which is why practically the entire workforce, 97.52%, has a permanent contract, 95.40% of which are full-time, including medical insurance. Despite the fact that the competition is attracted to its valued workers, and it continues to be a focus for recruitment for head-hunters and recruitment experts, the turnover rate in the 2023 financial year was 12%. We can affirm that each year we have more experienced staff, with greater seniority, which allows us to be without doubt a consolidated benchmark in the real estate sector.

Neinor Homes has a team of talented professionals to encourage internal promotion.

In 2023, the number of non-voluntary terminations was 14: 6 women (1 between 30-45 years old and 5 between 46-65 years old) and 8 men (1 between 20-29 years old; 3 between 30-45 years old; 4 between 45-60 years old). The total number of dismissals, most of which were due to objective causes, continue to be the result of organisational restructuring processes as well as the termination of the servicing business line. During the last two years we have tried to relocate as many colleagues as possible to other areas, but in 2023, despite the effort, we have had to dismiss some colleagues due to oversizing and a lack of workload in some departments.

DISTRIBUTION OF STAFF BY PROFESSIONAL CATEGORY



DISTRIBUTION OF STAFF BY TYPE OF CONTRACT

DISTRIBUTION OF STAFF BY TYPE OF CONTRACT

	WOMEN 130	MEN 155	20 -29 YEARS	30 - 45 YEARS	46 - 65 YEARS	TOP MANAGEMENT	AREA MANAGERS	MANAGERS	TECHNICAL STAFF	ADMINISTRATIVE STAFF	SITE PERSONNEL
FIXED CONTRACT 293	124	151	8	135	132	6	30	48	105	63	24
TEMPORARY CONTRACT 2	3	4	2	0	5	0	0	0	4	3	0
FULL-TIME 291	124	152	8	135	133	6	30	48	108	63	22
PART-TIME 4	3	3	2	0	4	0	0	0	1	3	2

Neinor Homes is committed to the professional growth of talent within the company, favouring the evolution and development of its employees. In relation to this, **annual salary reviews** are carried out of fixed and variable salary, which are directly linked to the employee's performance and their ability to achieve the company's objectives.

Neinor Homes works with universities and schools; we offer internships in the company with the possibility of future recruitment.



ATTRACTIVE AND FLEXIBLE REMUNERATION

Neinor Homes has implemented a variable remuneration policy to ensure the sustainability of the company. The variable potential is linked to the achievement of EBITDA. It decreases if EBITDA falls below a certain minimum level and likewise increases if EBITDA exceeds a certain threshold. 100% of the resulting incentive is split between Departmental or Territorial targets and Individual targets. Once the bonus has been calculated using this formula, meritocracy is objectified and excellence in work is recognised according to performance.

9.3. TRAINING

Neinor Homes believes that training helps to increase the **work productivity** of employees, while at the same time improving the possibilities of their individual promotion.

To draw up the 2023 training plan, we endeavoured to assess the **needs and interest of Neinor's employees** by means of surveys of departmental managers and the workers' legal representatives (RLT), as well as the entire workforce.

In the **RLT group (6 respondents), specific training** in each department was evaluated rather than generalised training, in addition to the fact that everything was evaluated in an employee survey.

In the survey of all Neinor employees (154 participants), they showed particular interest in being able to participate proactively in the design of training for the year.

The most interesting training courses for employees were Mindfulness, Excel, Negotiation, the Prinex tool and the Ethics, Compliance and Sustainability course.

It should be noted that in the Ethics, Compliance and Sustainability course, employees were given tips and tools to improve their energy efficiency both in the offices and in their homes. This course has been one of the best received by employees given its usefulness and relevance to their lives both inside and outside the office.

In addition, specific training in Urban Management was proposed, among other things.

Neinor Homes provides its employees with a **training platform** where the various training courses are uploaded so that employees can access them at any time. In 2023 a total of **8,859 training hours** were given, with an average of **31.41 hours of training per employee** and an average cost (investment) in these training sessions of **€121.09 per employee**. This meant a **total cost** in 2023 of **€34,149**.

Some of the topics have included courses on Excel, Planning Management, drawing up the Equality Plan, technical training, new regulations, tools training or ad hoc training to meet the needs of certain departments, among others. Training is offered to all employees, irrespective of whether their contract is full-time, part-time or half-time.

Finally, there are initiatives to raise awareness and involve employees in Sustainability by fostering their pride of belonging. From the point of view of **environmental awareness**, regular communications are sent to employees to raise their awareness of **environmental care**.

For Neinor Homes, training is a fundamental pillar and encourages the exchange of knowledge among its employees.

9.4. WELL-BEING AND WORK-LIFE BALANCE

For Neinor Homes, the **wellbeing and quality of life** of its employees outside the workplace is also important, as a happy and content worker in their personal environment will also be happy in their working environment, favouring their effectiveness and their relationship with their colleagues. It therefore implements measures that seek to harmonise professional activity with personal needs, which are materialised in the **Work-Life Balance Plan**.

The work-life balance plan includes 4 measures to guarantee disconnection: definition of workloads, not scheduling meetings after 18:00 hours, intensive working hours during the summer months (last week of June, and the whole of July and August) and a commitment to respect rest hours. Likewise, the clocking-in app developed by Neinor Homes where employees record their working hours allows for an analysis and monitoring of the hours worked.

The Compliance (GRC) and HR Departments worked together to develop the Work-Life Balance Plan, in which Neinor Homes was a pioneer. Work climate surveys from previous years and requests from employees to the aforementioned areas have served to update the initial measures and propose new ones, with **13 measures** currently in place **to favour work-life balance**:

TELEWORKING



The possibility of teleworking is established for a maximum of 4 days per month for any professional, provided that their functions allow it and it is approved by their direct manager. The company is committed to work-life balance and therefore special cases, either individual or departmental, may be assessed to allow greater flexibility.

REDUCED WORKING HOURS ON NON-SCHOOL DAYS



The **working day may be adjusted** to the school calendar and may be reduced on **nonschool days**. A pool of hours will be created to compensate for these hours not worked on our children's school days.

PRE-BIRTH LEAVE



There is the option of requesting **paid maternity leave** during the last 15 days of pregnancy until the baby is born.



FLEXIBLE ENTRY AND EXIT TIMES

Flexibility to adjust the timetable for entering and leaving the workplace by one hour. Departments ensure that all responsibilities are always covered for the entire working hours and in cases where a manager refuses it, this has to be consulted with, and justified to, HR.



BREASTFEEDING

Paid breastfeeding leave is extended to **20 days** (instead of 13 days) or until the child reaches the age of 15 months (instead of 12 months).



PARENTAL LEAVE

A leave of absence is established for the care of children of **4 years** (instead of 3 years as stipulated in the statute).



FINANCIAL ASSISTANCE FOR CHILDREN WITH DISABILITIES

Employees with children with disabilities receive financial assistance of **€150 gross per month** until the child reaches the age of 15.



FLEXIBLE MEETING TIMES

Except in exceptional cases, the timetable for meetings and videoconferences must be between **10:00 and 18:00 hours**.



LEAVE DUE TO COMPLICATIONS IN CHILDBIRTH

Paid leave is extended to **15 days** (instead of 5 days) in the event of complications arising from childbirth or neonatal illnesses that require the baby to stay in hospital.



INTENSIVE WORKING DAY

Intensive working day in July and August with the possibility of extension (in 2023 this lasted from 26 June to 4 September). The working day will be from Monday to Friday from 08:00 to 15:00 hours.



WORKLOADS

In order to reduce as much as possible excess work outside the established working hours, there is a commitment to **define workloads**.



RESPECT OF REST HOURS

A commitment is made to **respect rest times** outside working hours **as much as possible** and control measures are put in place to achieve this.



BIRTHDAY

A birthday will be a holiday and can be enjoyed on the Friday of that week, if preferred or if it falls on a weekend or public holiday.

The Human Resources department monitors the work-life balance measures, is open to the evaluation of new measures and is responsible for establishing, publishing and informing the staff of any new developments regarding these measures. In addition to these special measures, employees are entitled to all benefits established by law. In 2023, a total of **7 workers**, 4 women and 3 men, took **maternity or paternity leave**, of whom 100% have returned or will return to work after taking this leave.

Neinor Homes offers a **flexible remuneration package with tax benefits for employees**, where they can take out childcare, meal and transport vouchers, training, purchase of IT equipment and medical insurance for the whole family.

In addition, it also offers preference to employees when it comes to accessing a property in the developments launched by the company, although under no circumstances does this mean a reduction in the price.

Neinor is a company concerned not only with the well-being of its employees, but also with their happiness and concerns. For this reason, in recent years it has made an effort to be close to its employees and share those special moments when a shared smile takes on special meaning or a token of affection allows the pain also to be shared. On behalf of the entire workforce, the Management sends a baby basket for births and likewise conveys the condolences and affection of all colleagues for the loss of a first degree relative (father, mother and children) by sending floral arrangements to the appropriate morgue.

In 2023 Neinor Homes has wanted to increase the amount of time spent teleworking and at the same time focus on greater wellbeing and comfort during the time employees spend in the offices. For this reason, and with a view to promoting a healthy lifestyle, focusing the company on the "social" part of the ESG and considering the well-being of its employees as one of its main objectives, the area that coordinates sustainability (GRC) and HR has implemented free fresh fruit in all our branches, which has been very well received by the staff. In this connection, in order to take a qualitative leap forward and with a view to caring for and having healthy and happy employees, during the last quarter of the year we have continued with these measures and have negotiated the implementation of Gympass, a comprehensive wellness service, for all our employees.

9.5. HEALTH AND SAFETY OF OUR EMPLOYEES

Neinor Homes promotes a safe **working environment** and is committed to ongoing updating of the occupational risk prevention measures appropriate to each job, beyond the levels required by law. By the nature of their work, Neinor Homes employees are exposed to the risks inherent in office work. In this regard, the Board of Directors is the main driving force behind the implementation of a health and safety culture, assuming the firm commitment to ensure that there are no accidents at work in the company. This commitment is also shared by the Senior Management.

Due to the nature of their work, Neinor Homes employees are exposed to the risks inherent in office work. In this regard, an external company is responsible for carrying out periodic health and safety and Occupational Risk Prevention (ORP) audits in all offices and branches, the result of which has been that the required standards are met in all of them.

With the aim of promoting a culture based on health and safety, Neinor Homes offers Occupational Risk Prevention courses to its professionals. In 2023, Neinor Homes employees received **1,698 hours of training on health and safety policies and procedures.**

Along these lines, in 2021 the company updated its Health and Safety Policy, which addresses health and safety in offices, on construction sites and for our customers, referring to the delivery of safe, quality housing that preserves the safety of people during use. This policy is included in the "Welcome Pack" for new recruits.

In 2023 there has been 1 occupational accident (a 58 year old man) in itinere with sick leave (67 days) but there have been no occupational accidents with sick leave in the work environment.

As mentioned above, the absenteeism rate at Neinor Homes is 0.31%. To calculate the absenteeism rate (days of sick leave and total hours worked) for the total workforce, the days of maternity, sickness or accident-related sick leave were taken into account. A significant decrease in the absenteeism rate has been observed as flexibility and teleworking measures have increased. In the 2022 financial year the absenteeism rate was 0.84%.

During 2023, a total of 1,509 days were lost due to disability (of all types), among our employees. During the last 8 years (since the beginning of the company's activity) there have been no work-related fatalities among our employees.

In addition, and in order to guarantee the safety of all its employees, Neinor Homes has an accident insurance policy for all its employees that is improved on the one established by the collective bargaining agreement for each territory. In general, there is a life insurance policy in the event of death and Total Permanent Disability (IPA) due to an accident at work for a capital sum of €90,000, and in the event of death and Total Permanent Disability (IPA) for all other causes, equivalent to 4 monthly payments of the base salary according to the collective bargaining agreement.

9.6. EMPLOYEE COMMUNICATION AND SATISFACTION

In 2023 Neinor Homes continued to **promote internal dialogue and communication** between all employees, who have different mailboxes to deal with specific issues of health and safety, human resources, recruitment and sustainability, among others.

Employees have the “non-conformities” application on their desktop, through which they can report non-conformities related to the company’s protocols and procedures, such as incidents in procedures (due to lack of or outdated procedures), non-compliance with these protocols by personnel, or inefficiencies and bad practices in general. In addition, the above can also be reported through the Whistleblowing Channel, which is the means to be used to communicate any possible irregularity, non-compliance or behaviour contrary to ethics, legality and the rules governing the group.

To obtain real data allowing it to act in the correct way, the Human Resources department, in collaboration with GRC, plans to periodically carry out a “Work Climate Survey” of all its employees, and thus measure their level of satisfaction with the policies and measures adopted by the company, with regard to the company, working conditions, training and personal development, work organisation, information and communication, CSR and quality, among others.

The survey is created on a Google Forms form so that employees can submit their answers anonymously, within a maximum of 2 weeks.

Due to the heavy workload, the conduct of the 2023 Survey has been moved from the last quarter of 2023 to the first quarter of 2024.

Finally, **initiatives** aimed at fostering staff interaction, pride of belonging and satisfaction are carried out:

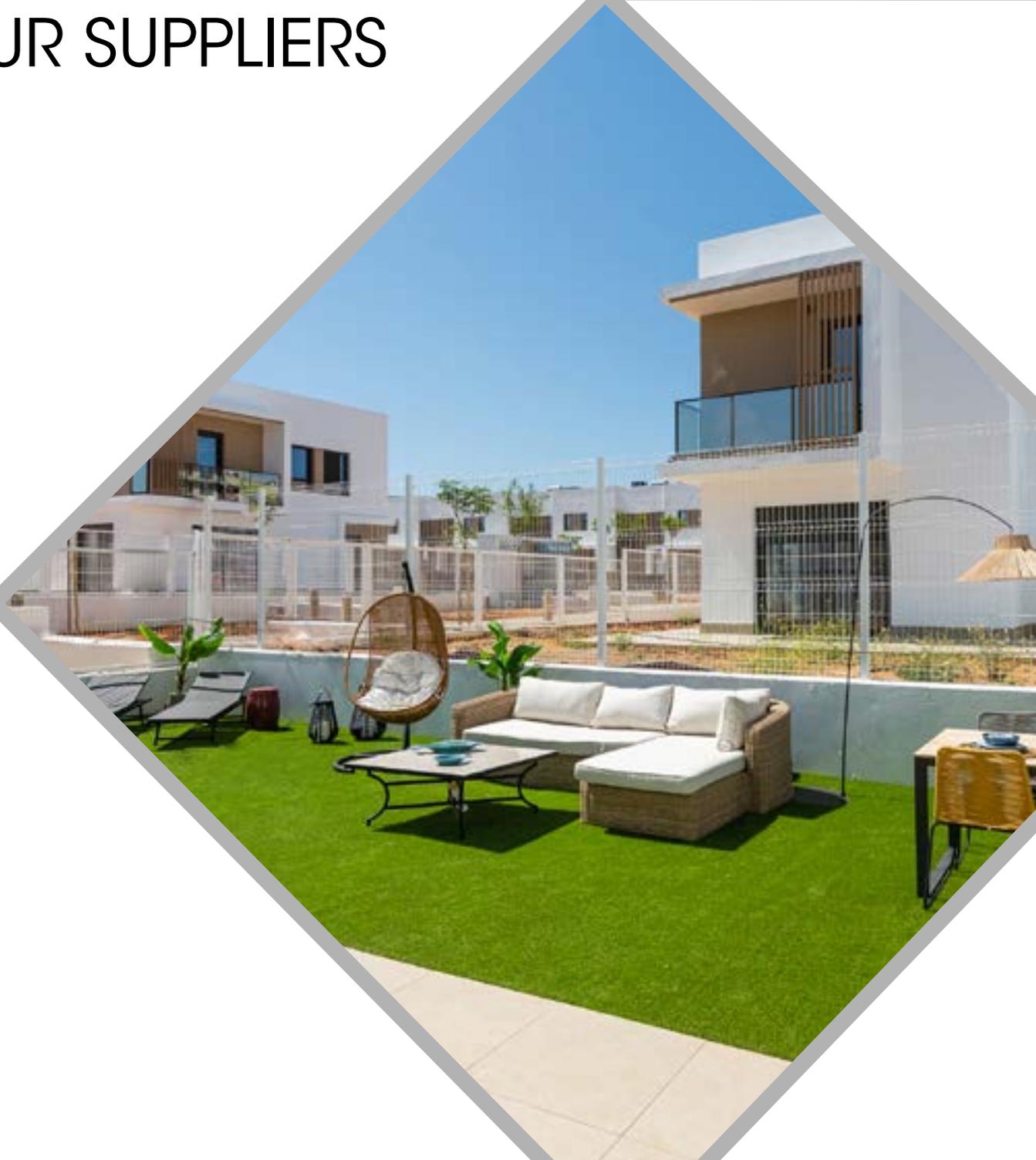


CHRISTMAS PARTY

Every year, a Christmas party is held to bring together employees from all the delegations, providing transport and accommodation for them. The aim is to get together in a more relaxed environment to strengthen the relationship, communication and sense of belonging among employees.

10

WE ARE **STRATEGIC**
PARTNERS OF
OUR SUPPLIERS

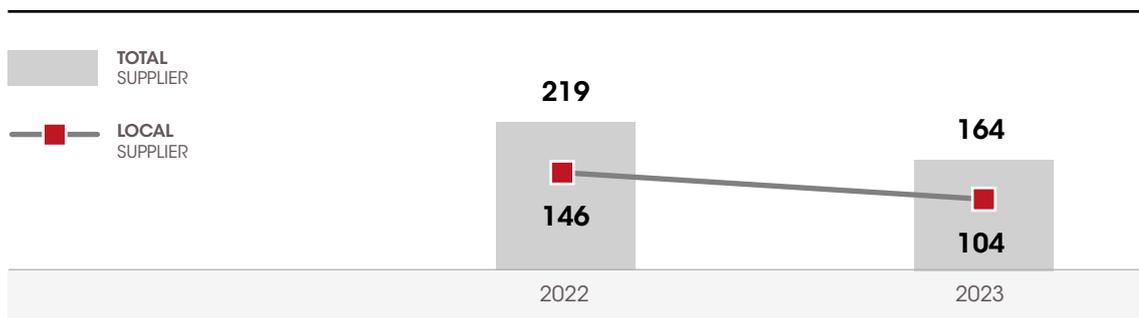


The **relationship** we establish with **our suppliers** and all the mechanisms we put in place to guarantee compliance with minimum criteria and requirements in terms of quality, deadlines and health and safety, among other aspects, is fundamental to the **success of our business**.

10.1. OUR SUPPLY CHAIN

Neinor Homes' values and commitments are also extendible to its entire supply chain, as it is aware that, in order to guarantee excellence and quality levels, it is important to work actively to **successfully manage the long-term relationship** with contractors, suppliers and collaborating companies. In this connection, we are working to promote a relationship of closeness and trust in which suppliers act as **strategic partners** of the company.

EVOLUTION OF THE TOTAL NUMBER OF SUPPLIERS AND LOCAL SUPPLIERS



Neinor Homes works mainly with **three types of suppliers**: construction companies, professionals (Architects, Construction Execution Directors, Project Managers, Health and Safety Coordinators, etc.) and companies providing various types of services (kitchen furniture, geotechnics, topography, OCT, BREEAM, quality control companies, etc.).

In total, in 2023 Neinor Homes worked with **164 suppliers**. Of these, 104 (63% of the total) were local suppliers. This high percentage of local suppliers demonstrates our faithful **commitment to contracting local suppliers**, local being understood as suppliers that operate in the same autonomous region where the development for which they work is carried out.

In order to attract the best suppliers in the market, it is essential to establish **strategic relationships with suppliers** that benefit both parties. In 2023, we extended the contracting of the Prescription Framework Agreements in projects started in 2018. This year we have eight new partners in ceramics (Geotiles and Honnün), ventilation (Siber), construction materials (Segura Sarriá), vinyl flooring (Gerflor), lifts (Fain), laminate flooring (Berry Alloc) and exterior carpentry (Bizkalum), adding more companies to the list of direct partners with Neinor Homes.

On the other hand, Neinor Homes has negotiated **more than 60 framework prescription agreements** with manufacturers that strengthen the ties between the brand and the developer, both ends of the construction chain which, although they do not have a direct relationship, provide advantages such as preferential supply, support for the sales network, etc. To name but a few, there are agreements on ceramic finishes, wood flooring, exterior and interior carpentry, air conditioning, lifts, sanitary ware and taps, electrical mechanisms, etc.

10.2. RESPONSIBLE PROCUREMENT MANAGEMENT

Neinor Homes' procurement management is based on **principles that must be complied with** before, during and after contracting. Throughout the entire process, suppliers must comply with Neinor Homes' values and integrity policies based on the Code of Ethics, the specific clauses for contracting suppliers, the Code of Conduct for third parties sent to suppliers for their knowledge and signature, and the Anti-Corruption, Fraud and Bribery Policy. In addition, Neinor Homes guarantees the ethical and environmental standards of each of the links in the supply chain.

Neinor Homes has a **procurement management procedure** as a framework for action in the area of pricing that describes a systematic process and enables the work to be standardised for the entire organisation in order to avoid any type of risk in the value chain. The procurement management procedure has been approved by the Management Committee.

Suppliers must comply with Neinor Homes' values and integrity policies.

DEPARTMENTS INVOLVED IN PROCUREMENT MANAGEMENT

The following departments are involved in procurement procedures, performing various functions:

- **Purchasing Department:** in charge of the complete contracting process, from the selection of construction companies to the award proposal and signing of the contract.
- **Technical Department:** participates in the selection of construction companies, resolves any doubts that may arise and reviews the project.
- **Compliance Department:** is informed by the Purchasing Department of the bid opening tables during tenders with construction companies.
- **Directorate General Operations:** in charge of approving contracts.
- **CEO:** in charge of approving recruitment.
- **Management Committee:** approves major contracts.
- **Internal Audit Directorate:** conducts regular audits of the procurement management model and its compliance.

For work on units and services, which are similar in all developments, there are Framework Contracts with Suppliers and Prescription Framework Agreements with Manufacturers. These provide a prescription with specific conditions (prices, supply preferences, etc.) to be met by the developments. In general, the aim is to **optimise contracting** by emphasising the achievement of the deadlines set, compliance with the budget and, of course, without compromising the quality of the projects set by our standards and procedures. This results in a mutually beneficial relationship both for Neinor Homes, which achieves the best conditions in terms of quality and price, and for the manufacturers and subcontractors, who manage to increase their turnover and improve their own image by being prescribed by a developer of recognised prestige. Finally, this relationship also results in an increase in quality by achieving a commitment to excellence on all sides.

In addition, these Framework Agreements also establish a sustainable environment of trust and loyalty with the supplier, and result in higher standard qualities and a better response of the supplier to complaints, which in most cases results in higher customer satisfaction.

At Neinor Homes, a computer app has been created to control and monitor the Framework Agreements signed. 8 new Framework Agreements were signed in 2023.

The Neinor Homes Purchasing and Contracting department has **19 performance procedures** that are updated annually to adapt them to the needs of the company. In 2023, the Construction Tendering and Supplier Evaluation Procedures were updated.

Framework Agreements promote equal opportunities and the equitable distribution of developments.

GENERAL PURCHASING MANAGEMENT PROCEDURE

Framework agreement procedure

Approval procedure for architects

Approval procedure for project manager

Approval procedure for construction companies

Approval procedure for intermediate works construction companies

Approval procedure for partner companies and construction companies for minor works

Approval procedure for DEO

Approval procedure for engineering companies

Tendering procedure for architects

Tendering procedure for consultants

Tendering procedure for construction companies

Tendering procedure for intermediate works

Tendering procedure for minor works - Other services

Tendering procedure, approval and evaluation of suppliers of commercial channels

Procurement procedure for kitchen furniture and electrical appliances

Evaluation procedure for suppliers

Evaluation procedure for subcontractors

Kitchen reception procedure

Contract management and implementation procedure

One of the most important of these is the **Tendering Procedure for Construction Companies**, which aims to define the rules and documents necessary for selecting the companies that will carry out each of the developments. It details the phases of the tendering process: from the initial selection of construction companies, through the evolution of each of the selection processes, to the final award proposal based on a series of criteria related to the approval, technical and economic solvency, geographic footprint, sustainability and local experience of the ultimate construction company. This tendering process lasts 13 weeks.

In 2023 Neinor Homes has contracted **procurements worth 212 million euros from suppliers** to carry out its activity, all of which are Spanish companies. 63% of the total procurement volume has been invested in local suppliers operating in the same autonomous region where the development for which they work is being constructed. The volume of procurement has decreased by 30% due to a decrease in the volume of contracting.

The tendering period lasts for 13 weeks.

10.3. SELECTION, APPROVAL AND EVALUATION OF SUPPLIERS

Neinor Homes ensures compliance with the highest sustainability standards among its suppliers. In this way, it ensures that it offers its customers sustainable and eco-efficient buildings that improve their quality of life.

For this reason, it has implemented a **demanding selection and approval process** that establishes the aspects to be analysed for each supplier, depending on the sector of the company in question and the service or product to be supplied. During 2023, a total of 28 new suppliers (including architectural and engineering firms) were approved. All of them were analysed according to ESG criteria. However, all suppliers must comply with the principles and requirements of Corporate Social Responsibility, sustainability and ethics and compliance of Neinor Homes, as well as with the international agreements of the International Labour Organisation and the United Nations Global Compact. **100% of the contracts** that Neinor Homes signs with its suppliers **include ESG** (Environmental, Social & Governance) **clauses**. Similarly, guarantees are required in matters such as health and safety, sustainability, confidentiality, prevention of money laundering, antibribery or corruption and prevention of criminal offences.

Neinor Homes has identified the main potential **environmental and social risks** in its supply chain, such as accidents, inadequate waste management or impact on biodiversity. In the current approval process, these risks are detected in each supplier, **rejecting those with negative impacts and thus excluding them from contracting**.

All suppliers must comply with the environmental legal provisions in the contract and be liable in the event of non-compliance.

In addition, Neinor Homes requests documentation relating to environmental management, quality and health and safety:

- Ecolabelling, Environmental Self-Declaration or Environmental Product Declaration.
- Copy of certifications such as UNE-EN ISO 9001 (quality), UNE-EN ISO 14001 (environment), UNE-EN ISO50001 (energy efficiency), and OHSAS (health and safety).
- BREEAM® certifications or others with similar characteristics.

Likewise, architects and builders are obliged to comply with the requirements of the White Book and the application of BREEAM® sustainability criteria (waste, pollution, energy, materials, etc.) is also positively valued. On the other hand, tax and employment responsibilities are guaranteed through remunerations consistent with the market and avoiding the hiring of third parties when there is a suspicion of tax fraud, influence peddling or any other symptom that goes against the company's policies and values.

In addition to aspects related to sustainability and the environment, Neinor Homes' contracting clauses include certain **clauses, declarations and commitments** related to different aspects that the contracted suppliers are obliged to comply with:



HEALTH AND SAFETY

- **Health and Safety Plan:** obligation to prepare a Health and Safety Plan that must be submitted to the Health and Safety Coordinator prior to the start of the works.
- **Law 31/1995**, of 8 November, on Occupational Risk Prevention.
- **Royal Decree 1627/1997**, of 24 October, on minimum health and safety provisions in construction works.
- **Employer obligations** on workers, information and training.



GIFTS AND PRESENTS

Express prohibition on soliciting gifts, favours, services on advantageous terms or invitations from suppliers, customers, intermediaries, agents, consultants or others.



BRIBERY AND CORRUPTION

- **Adequate in-house policy against bribery and corruption** or if not, must comply with that of Neinor Homes.
- Declaration of **knowledge and acceptance** of the rules contained in the **Anti-Corruption Protocol**.
- **Commitment to report** any case of bribery or corruption to the Neinor Homes Ethics Channel.



PREVENTION OF MONEY LAUNDERING

- **Law 10/2010**, of 28 April on anti money laundering and combatting terrorist financing.
- **Royal Decree 304/2014**, of 5 May, applicable to natural and legal persons involved in real estate development business.
- **Manual on the Prevention of Money Laundering and Terrorist Financing**.

Finally, Neinor Homes carries out a qualitative assessment of the subcontractors associated with its suppliers. The Procurement Department is in charge of monitoring, carrying out the evaluations using a computer application and taking into account criteria of quality, environment, health and safety, technical capacity and compliance with deadlines, among others. In this connection, during 2023 435 evaluations were carried out, all of which obtained a favourable score, covering 100% of the works carried out.

10.4. HEALTH AND SAFETY AND AWARENESS REQUIREMENTS

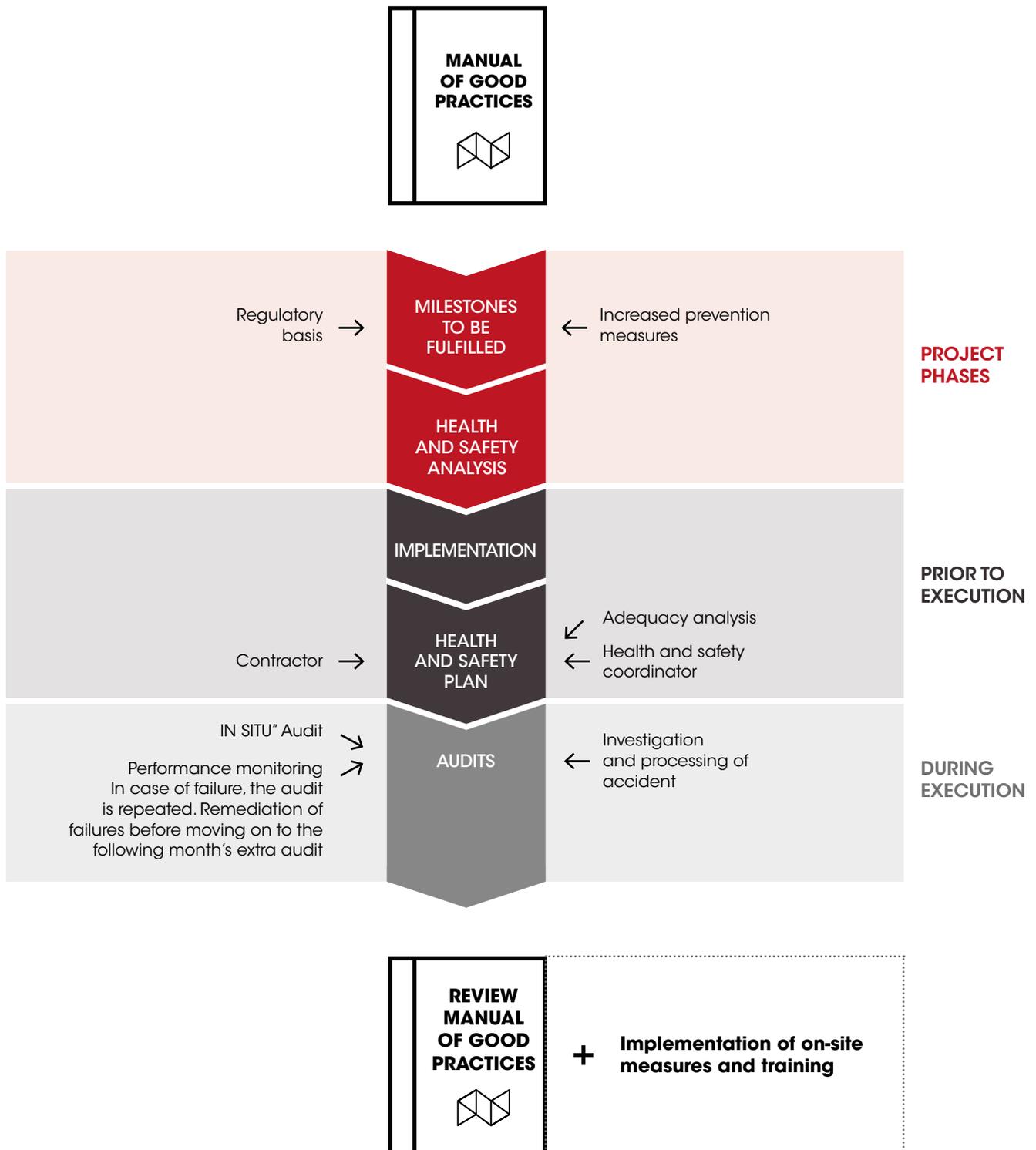
In the current market environment, there is a high demand for labour in a construction sector faced with **workers with limited experience**, low qualifications and, on occasions, an **increase in workplace accidents**. For Neinor Homes, safety and occupational risk prevention are two key factors in its developments.

Neinor Homes has a **Manual of Good Practices** to increase safety levels on the construction sites of its property developments, with the aim of minimising the risks to which personnel are exposed and thus achieving a **zero accident rate** on construction sites. The main measures include access control, the documentation required of contractors, subcontractors, workers and machinery, safety measures in the various phases of the work and the Emergency Plan for construction sites.

In each of the works, a **safety coordinator** is appointed in the execution phase of the work, who is responsible for ensuring compliance with the requirements established in the legislation in force and for ensuring compliance with the Occupational Risk Prevention Plan, as well as with the Manual of Good Practices. In addition, each contractor on site must designate at least one worker who is permanently present on site and whose part of the working day is devoted to preventive functions and at least one other worker responsible for the health and safety in their work.

In all open building sites, a leading occupational risk prevention consultancy company conducts **health and safety awareness courses**. All operators, technical staff, workers and project managers take part in these talks, and several talks are given in each development, depending on the phase of the project. Examples of accidents that have occurred are presented, proposing possible solutions to prevent them from happening again and specific content depending on the type of actions to be carried out on site.

In addition, **health and safety audits** are carried out on all construction sites, based on very rigorous criteria established in the Manual of Good Practices and over and above the regulations established in the sector. At least three audits must be carried out on each site.

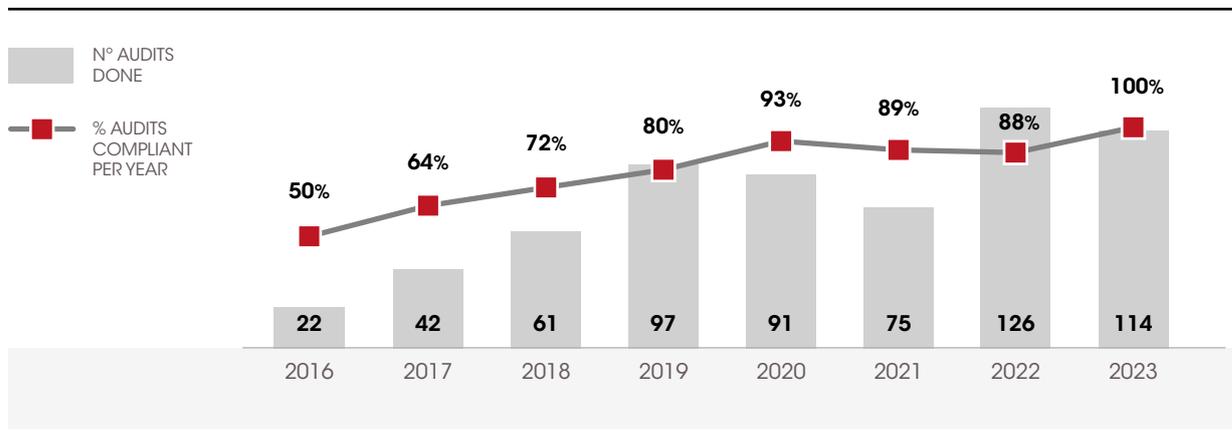


HEALTH AND SAFETY COMPLIANCE CRITERIA FOR CONSTRUCTION SITES

The health and safety audits carried out on construction sites consist of 2 parts. On the one hand, the status of the work is reviewed (compliance) with respect to **current legislation in force**, which must be 100% compliant. On the other hand, the **state of the work is reviewed with respect to the Neinor Homes Good Practices Manual**, with at least **75% compliance** being required in order to consider the audit as compliant. After three failed audits, the supplier will be automatically de-approved.

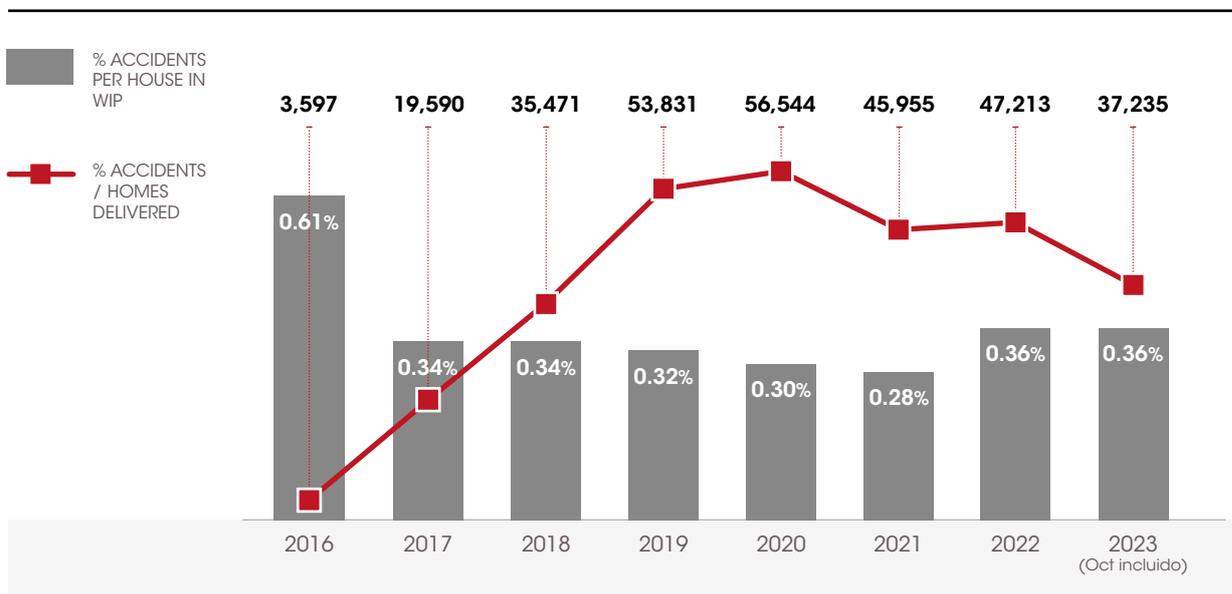
In 2023, **114 Health and Safety Audits** were carried out, which have shown that 98.70% have complied with health and safety regulations and 91.02% have complied with the Neinor Homes Good Practices Manual. Furthermore, the result of 100% of these audits was "Compliant".

% AUDITS COMPLIANT PER YEAR AND N° AUDITS



In 2023 there were **135 accidents**, all of them male, with a frequency rate of 38.32 and a severity rate of 1.06.

ACCIDENTS PER HOMES DELIVERED



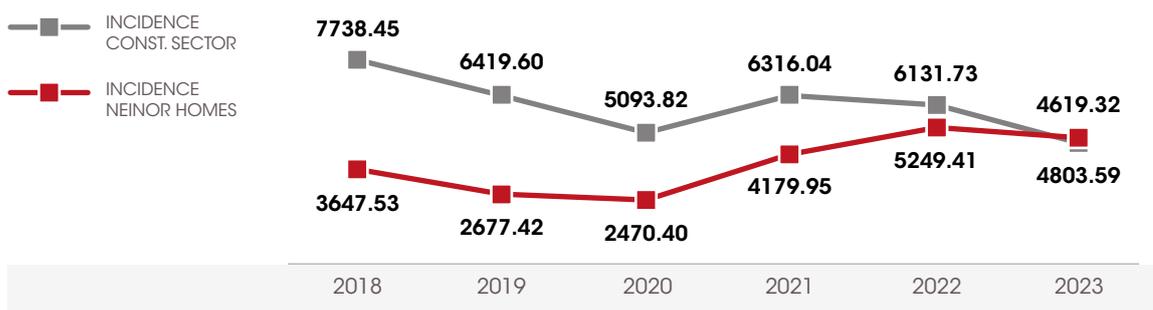
Below is our data for the last 3 years with the indices used by the Ministry of Employment and Social Economy.

ACCIDENT RATES

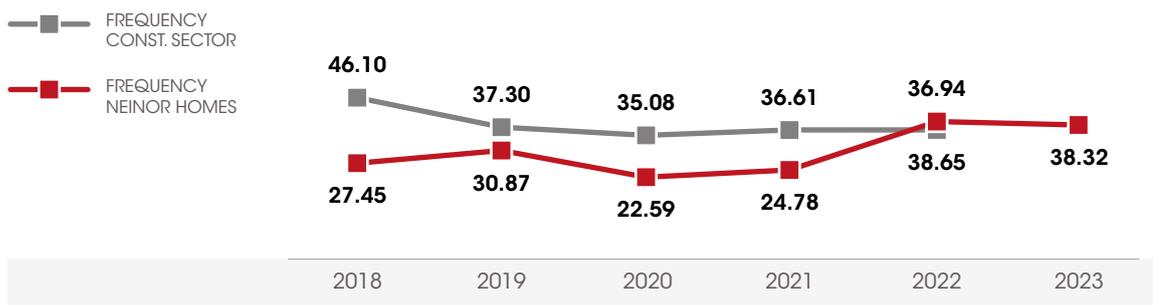
TOTAL	CONST. SECTOR DEC - 2021 *	NEINOR 2021	CONST. SECTOR DEC - 2022 *	NEINOR 2022	CONST. SECTOR NOV - 2023 *	NEINOR OCT - 2023
Incidence	6316,04	4179,95	6131,73	5249,41	4619,32	4803,59
Frequency	36,61	24,78	36,94	38,65	Pending publication	38,32
Severity	1,32	0,57	1,34	0,91	Pending publication	1,06

* Public data for 2023 published by the Ministry of Labour and Social Economy are not yet available.

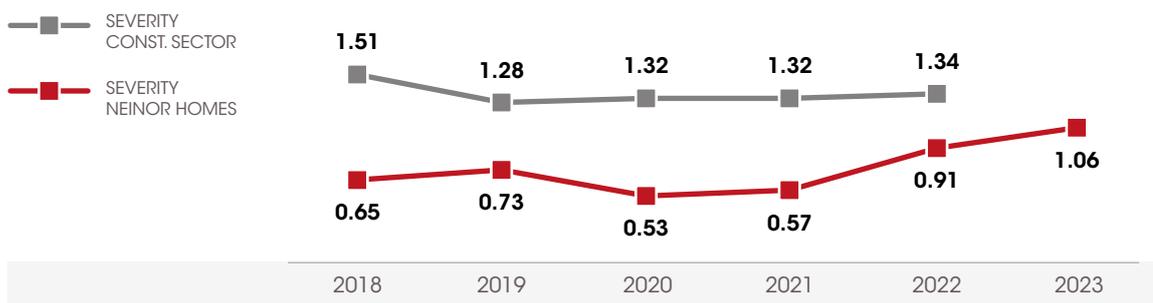
INCIDENCE



FREQUENCY



SEVERITY



Formula used for the calculation of the **frequency and severity rate**.

- **WORKERS MONTHLY (T)** = Average number of workers exposed.
- **H TRAB MONTH (H)** = Total N° of hours actually worked.
- **J** = days not worked in the month in which this report is drawn up, including Saturdays, Sundays and public holidays, during the period of sick leave, not taking into account the days not worked for accidents on the way to and from work but taking into account relapses.

Frequency index = $A * 1,000,000 / H$

Severity index = $J * 1,000 / H$

* Public data for 2023 published by the Ministry of Labour and Social Economy are not yet available.

Since the beginning of the alert due to the health situation caused by Covid-19, the priority objective for Neinor Homes has been to protect and safeguard the health and safety of people, adopting specific measures that have made it possible to preserve the health and safety of its workers and those working with it, both directly and indirectly.

10.5. COMMUNICATION, SATISFACTION AND COOPERATION WITH SUPPLIERS

As a sign of its commitment to quality and ongoing improvement, Neinor Homes continuously evaluates the suppliers it works with and the results of these evaluations are analysed with the collaborators themselves at regular meetings. In 2023, **537 evaluations** were carried out.

For Neinor Homes, the brand image it presents to all the suppliers it works with is also very important. For this reason, it makes the Whistleblowing Channel available to them so that they can report any breach of ethics and integrity.

Neinor Homes
maintains fluid
and continuous
communication
with its suppliers.

**SUSTAINABLE
FINANCING AND
COMPLIANCE
WITH THE
EUROPEAN
TAXONOMY**



11. SUSTAINABLE FINANCING AND COMPLIANCE WITH THE EUROPEAN TAXONOMY

> OUR SUSTAINABLE FINANCE FRAMEWORK AND GREEN BOND

In the last decade, the financial sector has taken into account the importance it can play in the fight against climate change and in the transition to a carbon neutral economy, as it is key what kind of projects and companies are financed and where capital flows are directed. As a result, cleaner activities and financial assets that are considered sustainable are increasingly being financed. This change in direction is a response to the demands of society as a whole, but also to new regulations aimed at achieving a fairer and more sustainable economic environment, with the Paris Agreement of 2015 being key.

As part of its commitment to sustainability, Neinor Homes promotes the use of sustainable financing, which in the development business is mainly linked to the pursuance of sustainable and energy-efficient projects that promote the use of materials, designs, technologies and construction processes that respect the environment and people, while also improving the quality of life of the occupants.

In March 2021 Neinor Homes published its sustainable financing framework (with independent third party opinion from DNV) linked to the United Nations Sustainable Development Goals and aligned with the ICMA (International Capital Markets Association) Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, as well as the LMA (Loan Market Association) Green Lending Principles. https://www.neinorhomes.com/uploads/documentos_contenidos/694/documento/Marco_de_financiacion_sostenible.pdf

This framework specifies, among other issues, how the funds raised will be managed, the criteria for the evaluation and selection of projects, the submission of monitoring reports and the review by independent third parties. The sustainable financing framework also defines the criteria for a project to be eligible for funding through sustainable financing.

CATEGORY	SUBCATEGORY	DESCRIPTION OF ELIGIBLE ECOLOGICAL BENEFITS
Green buildings	Comply with internationally recognised standards or certifications	Acquisition or development of buildings in Spain that meet recognised standards, such as BREEAM® "Good" or "Very Good" certification. Such projects or properties will have a positive impact on the environment. More specifically, in climate change mitigation, pollution prevention and control, and resource efficiency.
Energy efficiency	New, more energy-efficient buildings	Acquisition or development of buildings that demonstrate above market performance energy efficiency (Energy Performance Certificates - CRE rating "B" or higher). This type of project or asset will have a positive impact on the environment. More specifically, on climate change mitigation, pollution prevention and control and on resource efficiency.
Affordable housing	Affordable and social housing	Acquisition or development of buildings for affordable rental housing. In Spain, affordable rental housing is defined in general terms by a reduction in rent of approximately 20% compared to the market price. Acquisition or development of buildings for social housing purposes. In Spain, the exact parameters may vary according to the autonomous region, but in general there are three commonly used definitions: i) Publicly Subsidised Housing (VPO); ii) Basic Publicly Subsidised Housing (VPPB); iii) Publicly Subsidised Housing at a Limited Price (VPPL).
Employment generation	Employment and impact on local communities	Housing development activity has a direct impact on job creation and local communities through the preferential use of local suppliers.

In order to assess the criteria for evaluating and selecting green projects, Neinor created a Sustainability Committee, which includes the CEO and other members of senior management. This committee is responsible for certifying which assets meet the eligibility criteria, identifying and managing the material environmental risks associated with projects, as well as monitoring the portfolio of eligible projects and proposing updates to the sustainable financing framework.

In this context and following the guidelines of the sustainable financing framework, **Neinor Homes** issued its first green bond in April 2021, becoming the **first European listed developer to issue such a bond**.

BASIC FACTS ABOUT THE NEINOR HOMES GREEN BOND	
Issuer	Neinor Homes, S.A.
Guarantors	Neinor Homes, S.A.; Neinor Sur, S.A.U.; Neinor Península, S.L.U.; Neinor Norte, S.L.U. and Promociones Neinor 1, S.L.U.
Rating	B+/BB (S&P/Fitch)
Type of debt	Senior Unsecured
Nominal amount (EUR)	€300,000,000
Date of issue	29 April 2021
Expiry date	15 October 2026 (5.5 years)
Interest	4.5 % Half-yearly interest payments (15 April and 15 October)
Interest rate	Fixed
Second opinion	DNV
Negotiation of Bonds	*Global Exchange Market of the Irish Stock Exchange (Irish Stock Exchange plc) ('Euronext Dublin').
ISIN Code	XS2332219612
Initial subscribers	Deutsche Bank, J.P.Morgan AG, Banco Santander, S.A., Banco Bilbao Vizcaya Argentaria, S.A., CaixaBank, S.A., Natixis and Credit Suisse Securities, Sociedad de Valores, S.A.

The funds obtained through this Green bond were used to repay corporate debt of Quabit Inmobiliaria and Neinor Homes, thus eliminating any refinancing risk until 2026, as well as to make capital investments in the rental division, and to pay fees and commissions on the issue itself.

The bond issue was accompanied by a commitment by the company to allocate a similar amount to the proceeds of the bond (300 million euros) to residential projects with a positive impact on the environment. Objective and measurable criteria were used for this purpose, within the framework of sustainable financing. It was decided to choose developments with a BREEAM "Good" or "Very Good" rating and at the same time with a B or higher energy certificate.

	BY N° OF DEVELOPMENTS	BY AMOUNT ALLOCATED	N° OF HOMES
BREAM® "Good" rating	94%	96%	1,907
% BREAM® "Very Good" rating	6%	4%	60
BB energy certificates	38%	31%	556
BA energy certificates	31%	24%	602
AA energy certificates	31%	45%	809
Finished developments	75%	85%	1,647
WIP developments	25%	15%	320
North	37.5%	32.4%	606
Centre	18.8%	29.8%	466
Levant	12.5%	14.3%	312
South	18.8%	16.2%	457
East	12.5%	7.3%	126

Of the entire portfolio of land and developments in their various phases (study, development, construction, etc.) of Neinor Homes, it was determined that 18% of these fulfilled both conditions, opting for, within this 18%, the developments detailed below:

DEVELOPMENT	AMOUNT EARMARKED (THOUSANDS OF €)	BREEAM CERTIFICATE	EPC	YEAR OF DELIVERY
SOPELA HOMES (Vizcaya)	12,163	Good	BA	2021
SALER HOMES (Valencia)	16,709	Good	BA	2021
ZAHIR HOMES (Cordoba)	11,475	Good	BA	2021
PLAÇA EUROPA 38 HOMES (Barcelona)	15,523	Good	BB	2021
SOLAGUA HOMES (Madrid)	6,363	Good	AA	2021
AIGUADOLÇ HOMES II (Barcelona)	6,262	Good	BA	2021
HACIENDA HOMES (Málaga)	26,319	Good	BA	2021
ARETXABALETA HOMES (Álava)	7,010	Good	BB	2021
BOLUETA HOMES (Vizcaya)	52,245	Good	AA	2021
AMARA HOMES, LAS ROZAS (Madrid)	55,532	Good	AA	2021
BULEVAR HOMES, TEMPRANALES (Madrid)	27,509	Good	BB	2021
RIBERA HOMES (Vizcaya)	16,924	Good	AA	2021
DESIGN HOMES III (Vizcaya)	5,304	Good	BB	2022
MISTRAL HOMES (Valencia)	26,197	Good	BB	2022
SERENA HOMES, FASE 1B (Málaga)	10,817	Very Good	BB	2022
ARBAIZENEA HOMES, 2º FASE (Guipuzcoa)	3,647	Good	AA	2023
	300,000			

These developments total 1,967 dwellings, with a built area of 227,689 m², excluding common areas.

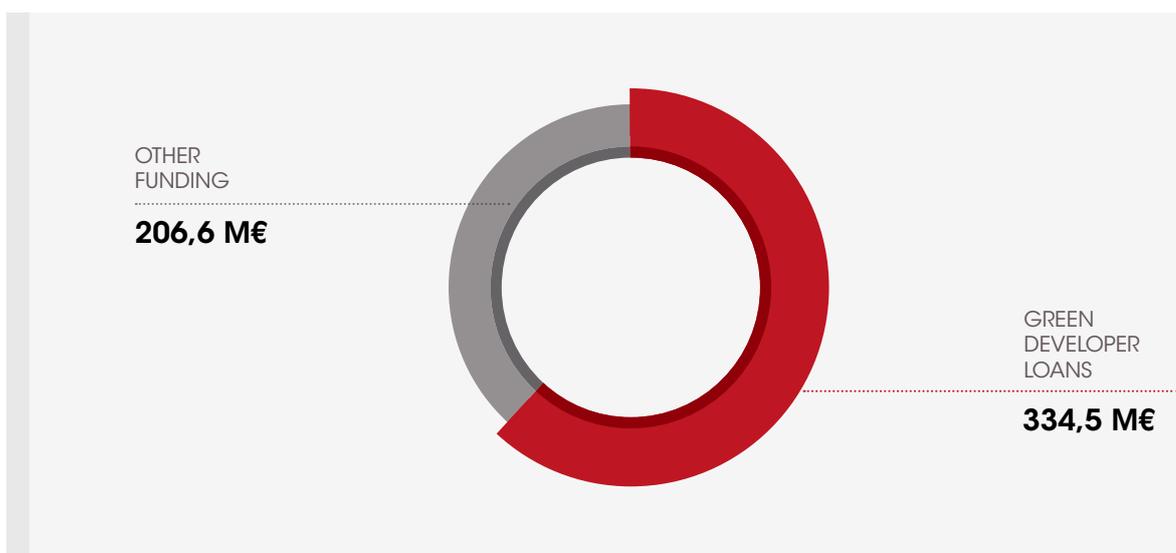
The company issued its green bond principles compliance report, the **"2021 Green Bond Report"**, detailing all material aspects relating to the Green Bond issue, which has a favourable independent expert opinion from KPMG, validating that all funds have been allocated to sustainable projects. <https://www.neinorhomes.com/uploads/documentoscontenidos/1034/documento/Informe-de-bono-verde-2021.pdf>

On 28 April 2023, the company communicated a relevant fact informing of the confirmation of the voluntary early redemption of all the outstanding simple bonds issued by the Company in April 2021 under the issue called "€300,000,000 4.500% Senior Secured Notes due 2026", associated with the Green Bond. Consequently, the bonds were fully redeemed and cancelled.

> COMPOSITION OF THE NEINOR HOMES DEBT PORTFOLIO

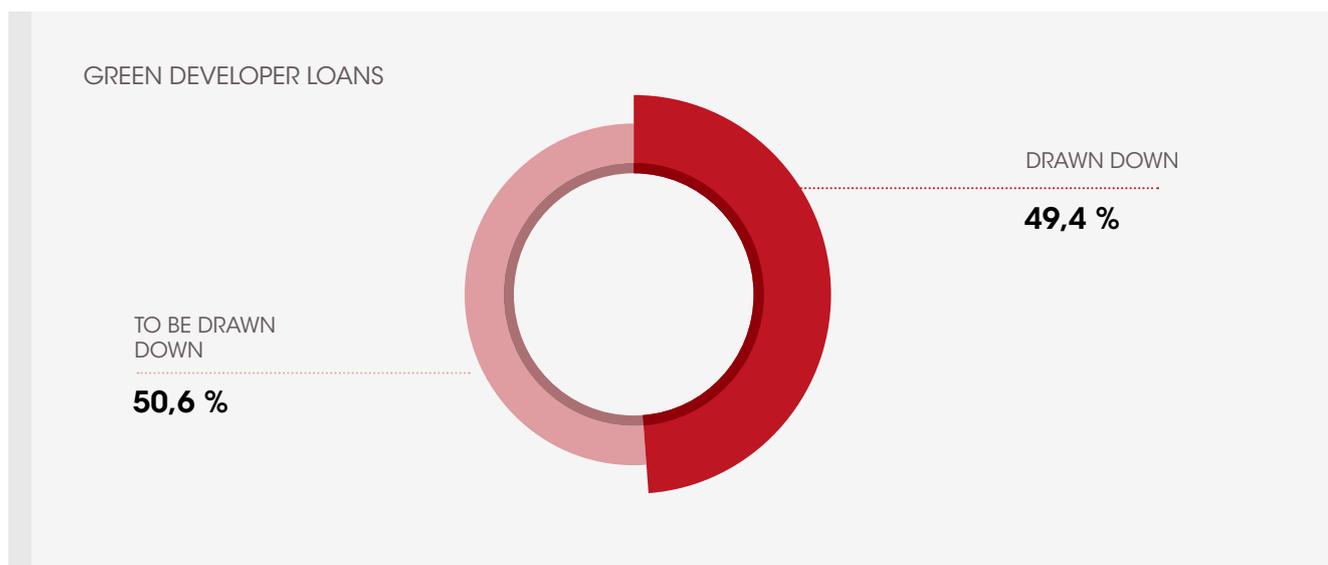
Neinor Homes' debt portfolio includes other forms of sustainable financing, such as Green Developer Loans, through which the company is currently financing most of its new property development projects. **Green Developer Loans** are considered to be those granted by banks that finance the development of sustainable buildings, and which generally have discounts on the interest rate with respect to other forms of financing.

The composition of **Neinor Homes' debt portfolio**, at 31 December 2023, considering both drawn down and undrawn debt, is as follows:



The company's debt at 31 December 2023 was 62% sustainable financing (46% of the total amount drawn down) and it should be noted that all developer loans currently signed are green, representing Neinor's main source of financing for its projects, thus integrating sustainability into Neinor's business strategy and contributing to the wellbeing of society as a whole while generating added value for the investment community.

The proportion of the amount drawn down against the debt limits for green developer loans is shown below, with €165 million drawn down out of a signed amount of €334 million:

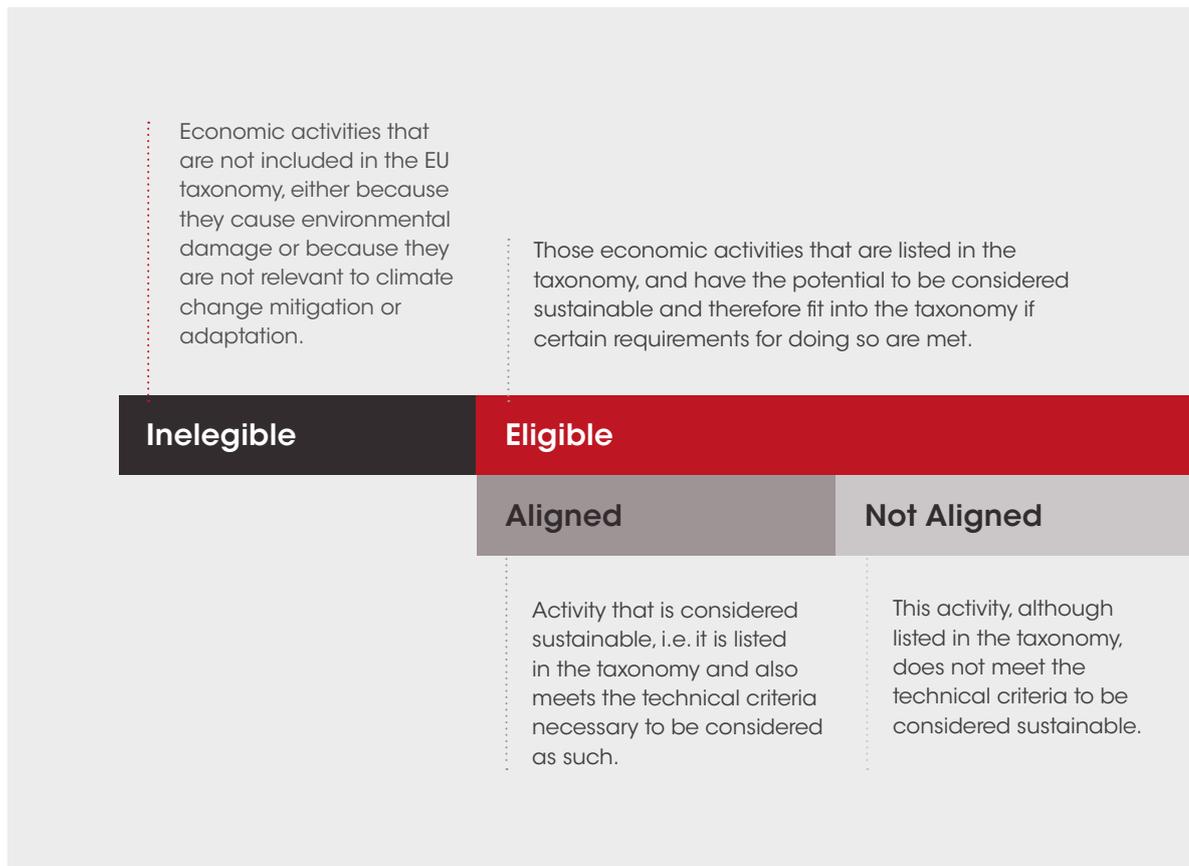


> OUR ALIGNMENT WITH THE EU TAXONOMY

The EU Taxonomy is a common **classification system for sustainable economic activities**, which will serve as a common language to talk about sustainability and to be able to define with certainty what we mean when we say that a company or a project is sustainable.

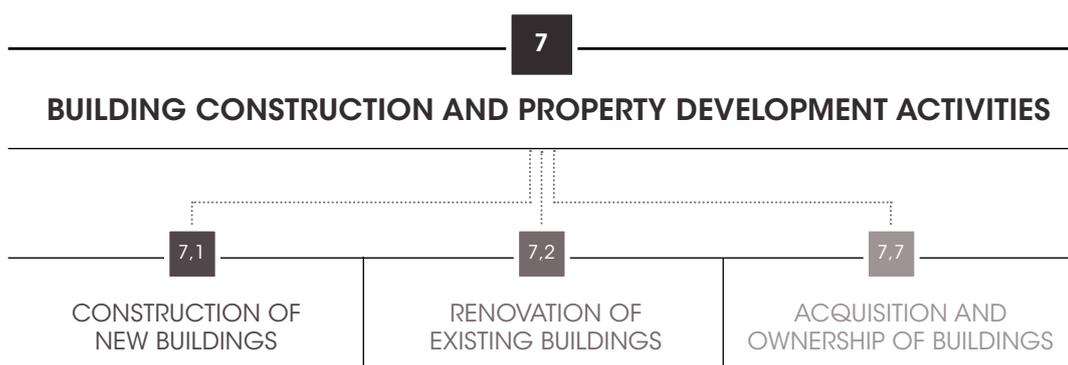
In order to achieve the environmental objectives defined in the European Green Pact and the Paris Agreement and the goals of the 2030 Agenda, it is vital that financial flows are channelled to activities, companies and projects with a positive impact on the environment, which is why the EU Commission has promoted this system. Thanks to this taxonomy, investors will be better protected from greenwashing and investments will be channelled to those companies and projects that are truly efficient in their use of natural resources.

The taxonomy classifies economic activities into eligible and non-eligible, and in turn, into aligned and non-aligned:



According to the EU Commission, buildings are responsible for 40% of energy consumption and 36% of carbon emissions in the EU, so the way new buildings are constructed and existing buildings are renovated plays a very important role in mitigating climate change. The real estate sector therefore has a major responsibility in moving towards a carbon neutral economy.

Due to the above, the real estate activity has been defined as eligible within the EU taxonomy, which is a great opportunity for Neinor Homes to attract responsible and sustainable financing and to be aligned with the issues that are really important in terms of sustainability.



The company's eligibility percentage is 88.5% turnover, 98% Capex and 98.3% Opex.

To be **aligned with the taxonomy**, and therefore considered environmentally sustainable, **an economic activity must meet 3 conditions:**

1 SUBSTANTIALLY CONTRIBUTE	2 DNSH	3 MINIMUM SAFEGUARDS
<p>Contribute substantially to at least one of the six environmental objectives*:</p> <ul style="list-style-type: none"> • Climate change mitigation • Adaptation to climate change • Sustainable use and protection of water and marine resources • Transition to a circular economy • Pollution prevention and control • Biodiversity protection and restoration 	<p>Do Not Significantly Harm (DNSH) the rest of these environmental objectives.</p> <p>The aim is to prevent an economic activity from being detrimental to the environment even though it substantially contributes to another objective.</p>	<p>Respect Minimum Social Safeguards (MSS), through a commitment to human rights, in accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, as well as to the fight against corruption, tax evasion and unfair competition.</p>

* Currently only the first two of the six environmental objectives have been implemented.

Companies must identify and report the percentages of their economic activities that are aligned with the Taxonomy, based on key indicators such as INCN (Turnover), CAPEX (Capital Expenditure) and OPEX (Operating Expenses). In 2022, Neinor Homes carried out an analysis of its economic activities to determine their alignment with the EU Taxonomy, the results of which are published in this report.

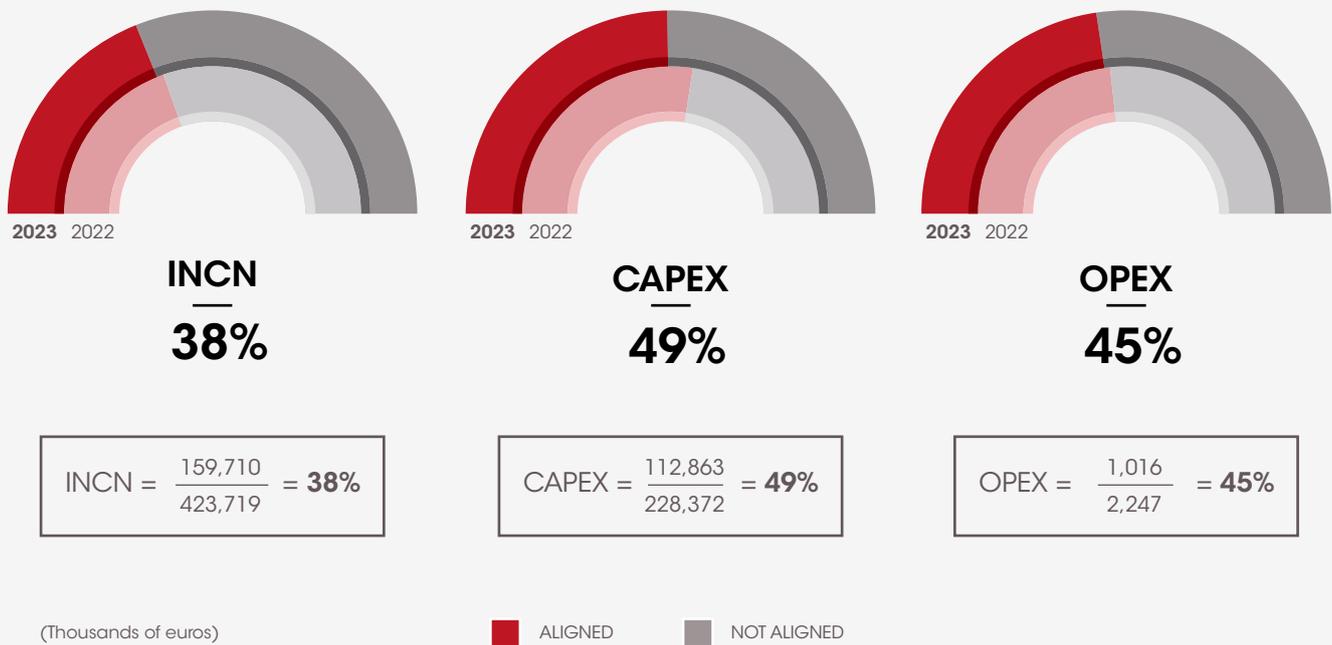
This analysis is extremely useful for aligning the company's sustainability efforts with what society, investors and regulators demand and what contributes most to achieving an efficient use of material and energy resources. In addition, this initial assessment will serve as a baseline against which the company's sustainability performance can be monitored in subsequent years.

An initial analysis has been carried out considering only those developments completed in 2023. In other words, without taking into account the turnover or financial figures of those developments completed in years prior to 2023 and delivered during this financial year or the figures resulting from other business lines. The percentages expressed below have been calculated by dividing the turnover, CapEx and OpEx figures of those developments delivered in 2023 that were in line with the taxonomy by the figures of the total number of developments completed in the year.

Developments delivered in 2023 *aligned with the taxonomy*

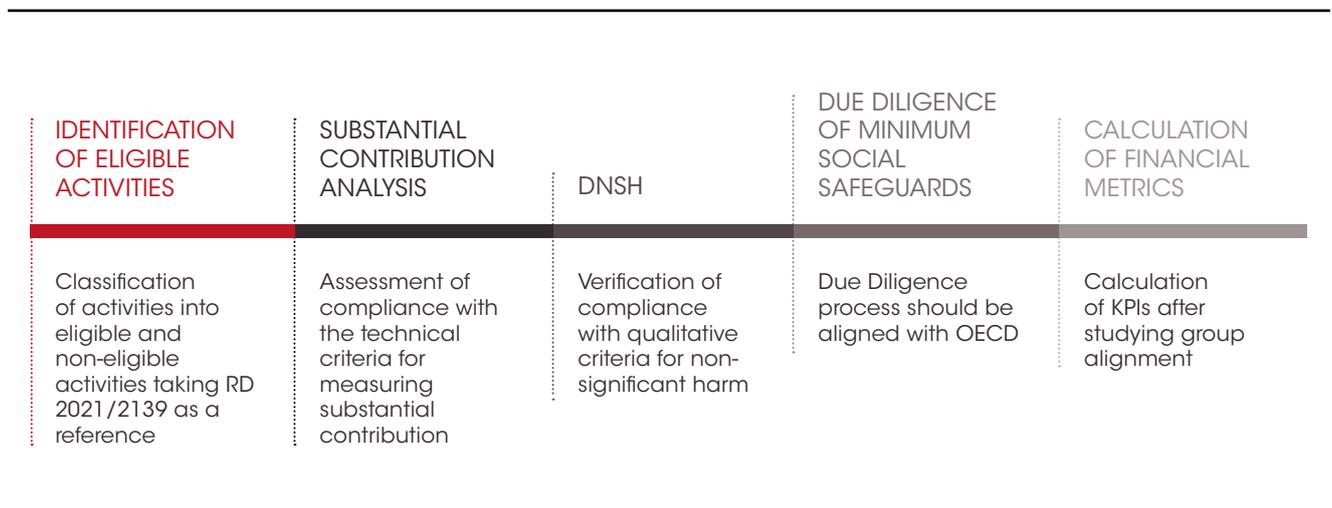
Total Developments delivered in 2023

The degree of alignment with the EU taxonomy for developments completed in 2023 was as follows:



Additionally, the CapEx imputed in the year corresponding to the developments in progress not completed in the year that it is estimated will meet the requirements to be aligned with the taxonomy has been calculated. **The CapEx aligned with the taxonomy for developments in progress in 2023 has been to Euros 99,736 thousand.**

In order to assess the eligibility of its economic activities and their alignment with the European Taxonomy, **Neinor Homes has implemented a five-step methodology**, which has yielded the above results. This methodology includes the following steps:



Firstly, an identification of the eligible economic activities was carried out, following the guidelines established by Regulation (RD) 2021/2139. Once the eligible activities had been identified, a series of tests and corroborations were carried out on the buildings completed throughout 2023, in order to verify compliance with the guidelines of substantial contribution with at least one of the objectives defined by the European Commission and the DNSH criteria (Do Not Cause Significant Harm), and in other cases, certain measures have been taken to achieve compliance with these criteria, as detailed below:

SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<ul style="list-style-type: none"> • The non-renewable primary energy consumption that defines the energy performance of buildings is at least 10% below the threshold set for the requirements for Nearly Zero Energy Buildings (NZEB) in Spain. • Buildings over 5000 m² are thermographically and blower door tested upon completion. • For buildings larger than 5000 m² the Global Warming Potential of the resulting building LCA has been calculated. 	
COMPLIANCE WITH DNSH CRITERIA	
ADAPTATION TO CLIMATE CHANGE	POLLUTION
<ul style="list-style-type: none"> • An assessment of physical climate risks material to the activity has been carried out and adaptation solutions that reduce the most important identified physical climate risks that are material to that activity are incorporated at the time of design and construction. • The adaptation solutions applied do not negatively affect the adaptation effort of: other people, nature, cultural heritage, property and of other economic activities. • In addition, they are consistent with local, sectoral, regional or national adaptation plans and consider the use of nature-based solutions or are based on green or blue infrastructure. 	<ul style="list-style-type: none"> • The components and building materials used in the construction meet the established criteria. • Building components and materials used in construction that may come into contact with occupants emit less than 0.06 mg formaldehyde per m³ of material and less than 0.001 mg of other category 1A and 1B carcinogenic volatile organic compounds per m³. • Where new construction is located on a potentially contaminated site, the site has been subject to an investigation for potential contaminants. • Measures have been taken to reduce noise, dust and pollutant emissions during construction or maintenance works.
WATER AND MARINE RESOURCES	BIODIVERSITY AND ECOSYSTEMS
<ul style="list-style-type: none"> • To avoid impact on site, measures are taken to protect and optimise water consumption. 	<ul style="list-style-type: none"> • An Environmental Impact Assessment (EIA) has been completed, where necessary or prechecked. • The buildings have not been built on: <ul style="list-style-type: none"> Arable land Green land of recognised high biodiversity value and land serving as habitat for threatened species (flora and fauna) included in the European Red List or the IUCN Red List; Land that meets the FAO definition of forests

CIRCULAR ECONOMY

- At least 70 % of the non-hazardous construction and demolition waste generated on the construction site is prepared for reuse, recycling and recovery of other materials in accordance with the waste hierarchy and the EU Protocol on the Management of Construction and Demolition Waste. In addition, operators limit the generation of waste in construction and demolition related processes in accordance with the EU Protocol on Construction and Demolition Waste Management and taking into account best available techniques and using selective demolition to enable the safe disposal and handling of hazardous substances and to facilitate high quality reuse and recycling through selective disposal of materials, using the available sorting systems for construction and demolition waste.
- Building designs and construction techniques support circularity and in particular demonstrate, with reference to ISO 20887, how they are designed to be more resource efficient, adaptable, flexible and demountable to enable reuse and recycling.

The developments within **the portfolio of developments delivered** in the 2023 financial year that, following this analysis, were determined to be **aligned with the EU taxonomy** are as follows:

DEVELOPMENT	ECONOMIC ACTIVITY	REVENUE	CapEx	OpEx
STYLE HOMES IV	Sale	12,332	6,019	49
STYLE HOMES III	Sale	12,809	1,575	50
AQUA HOMES	Sale	13,835	18,457	130
DELTA HOMES	Rental	-	6,050	30
AKURA HOMES	Sale	4,311	3,745	22
PARLA A3-A4	Rental	-	2,991	141
PARLA N10	Rental	-	1,218	58
PALAO M09	Rental	-	6,399	32
SALINA M42	Rental	-	11,096	54
SAONA M47	Rental	-	15,757	83
BOSKO HOMES	Sale	16,881	6,990	60
DUAL HOMES	Rental	25,500	7,601	58
SAN ANDRES HOMES	Sale	13,282	17,311	73
ARBAIZENEA HOMES II	Sale	8,673	1,847	16
SEVILLA RENTAL	Rental	-	5,806	2
EUROPA RENTAL HOMES	Rental	52,088	-	158
		159,711	112,862	1,016

Neinor Homes is committed to ensuring that all completed rental developments comply with all the requirements established by the taxonomy, as the company plans, designs and builds these developments, implementing measures to ensure that they comply with all the criteria for alignment with the taxonomy. **In 2023, the company has fulfilled this commitment** in all its developments for the Rental business line.

> MINIMUM SOCIAL SAFEGUARDS

Along with the verifications of compliance with the technical criteria, an analysis of the requirements for assessing compliance with the Minimum Social Safeguards has been carried out, verifying compliance with the following requirements in the company:

- 1.** Firstly, a human rights due diligence process has been implemented in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. The Group's Human Rights Policy, published in 2022, defines the principles applied for human rights due diligence.
 - For this reason, a series of commitments have been incorporated to safeguard human rights in the company.
 - Any impact or incident that may affect these safeguards is monitored and assessed.
 - Disciplinary action is taken for any behaviour that undermines human rights compliance.
 - The entire compliance structure, the code of ethics and is structured with a view to reporting and preventing incidents of this nature.
- 2.** The company has a Human Rights policy approved in the 2022 financial year by the Board of Neinor Homes and published on the corporate website.
<https://www.neinorhomes.com/en/responsible-business-and-innovation/our-commitment/humanrights-policy/>
- 3.** The company has no knowledge or evidence that this process has not been properly implemented or that human rights violations have been committed.
- 4.** The company has processes in place to prevent corruption such as adequate internal controls, ethics and compliance programmes, and measures to prevent and detect bribery. In this regard, we have a Code of Ethics, Whistleblowing Channel, Anti-Corruption and Fraud Policy, Corporate Criminal Liability Prevention Model and controls to mitigate or eliminate corruption risks.
- 5.** On the other hand, the company has a whistleblowing channel, which is governed by its management procedure following the guidelines of the Code of Ethics through which employees can expose and report inappropriate behaviour. All communications made through this channel are treated in accordance with Directive (EU) 2019/1937, guaranteeing the confidentiality of the parties involved and allowing the sending of anonymous communications when the informant so wishes.
- 6.** All active litigation of the company has been consulted, as well as litigation that has been ongoing since the company was incorporated, and no litigation and therefore no convictions have been detected on the following aspects:
 - Those related to corruption or bribery.
 - Related to tax evasion.
 - Related to the violation of competition laws.

7. In addition, Neinor Homes promotes employee awareness of the importance of compliance with all applicable competition laws and regulations. In this regard, compliance training is provided on an annual basis and, additionally, a series of letters / confirmations are issued which employees receive and must express their understanding and acceptance.
8. Finally, governance and tax compliance are important elements of oversight and there are appropriate tax risk management strategies and processes in place. In this regard, the company has a Tax Policy and good tax practices.

On the basis of the above and all that is explained in this sustainability report in terms of the company's governance and practices, we consider that, as far as the European taxonomy is concerned, we comply with the minimum social safeguards for all our activities.

> SCHEDULE. NEINOR HOMES' ELIGIBILITY AND ALIGNMENT RATIOS

Below are the percentages of eligibility and alignment of the economic activities of Neinor Homes with the EU taxonomy, based on the procedures and key indicators described in Annex II of Delegated Regulation (EU) 2021/2178. The figures and percentages presented here have been analysed for each of the Group's companies, although they are presented at a consolidated level.

The eligible activities for the taxonomy, within the whole group activity, are as follows:

7. Building construction and property development activities

- 7.1. Construction of new buildings
- 7.2. Renovation of existing buildings
- 7.7. Acquisition and ownership of buildings

Having defined the company's eligible activities within its business and activity lines, the company's eligibility percentage in terms of Turnover, CapEx and OpEx has been calculated as 88.5%, 98% and 98.3%, respectively.

Regarding the proportion of these activities that is considered aligned for the company, it has been considered to analyse compliance with the requirements and report only on those developments already completed, either for sale or for rent, for two reasons:

- We believe that it is only when the development is fully completed that we are absolutely certain that the technical criteria have been met and we do not rely on the study, intentions or what was foreseen in the project, given that there are many circumstances that produce unexpected results in the analysis or changes in the projects.

- This would lead to greater complexity in tracking the alignment of turnover, Capex and Opex, given that in one year that it might be aligned and the reality in the following year prove otherwise, which would lead to having to rewrite the amounts provided in previous periods.

This consideration implies that, since 2022 was the first year in which compliance with taxonomy requirements was analysed for developments delivered in that year, and for reporting this data, in this year the figures considered aligned only include developments completed in 2022 and 2023. Therefore, the turnover of revenue generated by homes sold in developments completed before 2022 is not considered, nor is the CapEx or OpEx generated by developments under construction but not delivered in the year, even if they are developments that will be delivered in the future and meet the criteria and are aligned.

However, for information purposes only, the company has estimated, among those developments in the development phase that have not yet been delivered, which are expected to meet all taxonomic requirements once construction is completed. Capital expenditure, or CapEx, on these developments during the year amounted to 99,736 thousand euros. This figure is not included in the table relating to the proportion of CapEx from products or services associated with economic activities that comply with the taxonomy, for the reasons explained above.

> **TURNOVER**

The taxonomy-compliant turnover ratio has been calculated as the share of net turnover derived from products or services, including intangibles, associated with economic activities that comply with the taxonomy (numerator), divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU. Turnover includes revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008(1).

For this, the numerator contains the sum of the turnover of those activities and projects eligible for the taxonomy, having performed an alignment analysis only on buildings completed in 2023 and 2022. As this indicator is reported in subsequent years, the results of the alignment analysis on completed buildings in each financial year will be added.

> CAPEX

For the calculation of eligible and aligned CapEx percentages, the denominator includes additions to tangible and intangible assets during the year before depreciation, amortisation and possible revaluations, including those resulting from revaluations and impairments, for the year, excluding changes in fair value. As well as the costs detailed in 1.1.2.1. of Annex I to Delegated Regulation (EU) 2021/2178. Leases that do not result in the recognition of a right of use of the asset are not accounted for as Capex.

The numerator consists of the part of the investments in assets included in the denominator, related to assets or processes associated with economic activities that conform to the taxonomy.

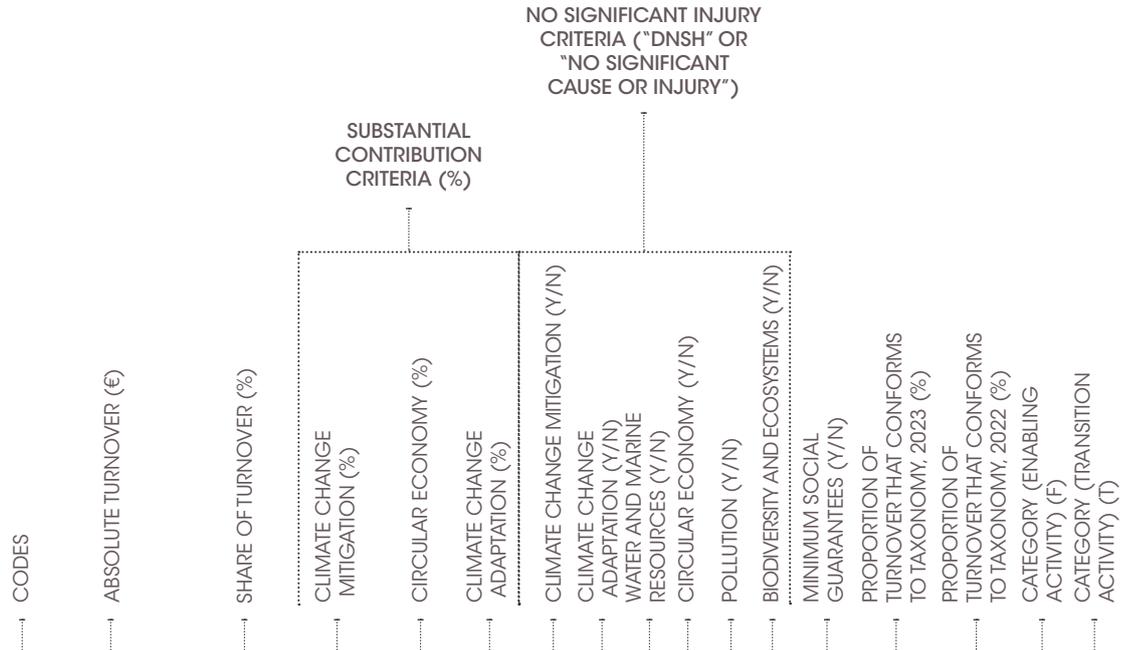
> OPEX

For the calculation of the OpEx denominator, non-capitalised direct costs are included which relate to research and development, building renovation measures, short-term leases, maintenance and repairs as well as other direct expenses related to the day-to-day maintenance of property, plant and equipment assets by the company or a third party to whom activities are outsourced and which are necessary to ensure the continued effective operation of these assets.

The numerator in this case is composed of the part of operational expenditure related to processes or activities in line with the taxonomy, in accordance with the criteria set out in 1.1.3.1. of Annex I to Delegated Regulation (EU) 2021/2178.

Double counting has been avoided in the allocation in the numerator of key performance indicators relating to turnover, Capex and Opex of all economic activities, by following accounting rules that ensure that figures associated with the same account are not consolidated in different indicators; and by eliminating intercompany balances relating to work carried out for group companies, which might otherwise appear in two different indicators.

The Opex and Capex figures disclosed in this section may differ from those in the company's financial statements for the year ended 31 December 2023, as they have been calculated in accordance with Annex I of Delegated Regulation (EU) 2021/2178.



A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY

A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORM TO TAXONOMY)

CONSTRUCTION OF NEW BUILDINGS	7.1	188.186.175	31,9%	31,9%	0,00%	0,00%	S	S	S	S	S	S	S	31,9%	18,3%		
VOLUME TURNOVER (A.1)		188.186.175	31,9%	31,9%	0,00%	0,00%								31,9%	18,3%		

A.2. SUSTAINABLE NON-ENVIRONMENTAL ACTIVITIES (DO NOT CONFORM TO TAXONOMY)

CONSTRUCTION OF NEW BUILDINGS	7.1	328.077.264	55,5%														
RENOVATION OF EXISTING BUILDINGS	7.2	2.752.562	0,5%														
ACQUISITION AND OWNERSHIP OF BUILDINGS	7.7	3.707.000	0,5%														
VOLUME TURNOVER (A.2)		334.536.825	56,6%	18,22%													
TOTAL (A.1+ A.2)		522.723.000	88,5%	18,22%										31,9%	18,3%		

B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY

VOLUME TURNOVER		67.907.000	11,5%														
TOTAL (A + B)		590.630.000	100,0%														

	CODES	ABSOLUTE CAPEX (€)	SHARE OF CAPEX (%)	CLIMATE CHANGE MITIGATION (%)	CIRCULAR ECONOMY (%)	CLIMATE CHANGE ADAPTATION (%)	CLIMATE CHANGE MITIGATION (Y/N)	CLIMATE CHANGE ADAPTATION (Y/N)	WATER AND MARINE RESOURCES (Y/N)	CIRCULAR ECONOMY (Y/N)	POLLUTION (Y/N)	BIODIVERSITY AND ECOSYSTEMS (Y/N)	MINIMUM SOCIAL GUARANTEES (Y/N)	PROPORTION OF CAPEX THAT CONFORMS TO TAXONOMY, 2023 (%)	PROPORTION OF CAPEX THAT CONFORMS TO TAXONOMY, 2022 (%)	CATEGORY (ENABLING ACTIVITY) (F)	CATEGORY (TRANSITION ACTIVITY) (T)	
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY																		
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (CONFORM TO TAXONOMY)																		
CONSTRUCTION OF NEW BUILDINGS	7.1	112.863.280	30,0%	30,0%	0,00%	0,00%	S	S	S	S	S	S	S	30,0%	8,9%			
ACQUISITION AND OWNERSHIP OF BUILDINGS	7.7	-	0,0%	0,0%	N/A	0,0%	-	-	-	-	-	-	-	0,0%	2,7%			
CAPEX (A.1)		112.863.280	30,0%	30,0%	0,00%	0,00%								30,0%	11,3%			
A.2. SUSTAINABLE NON-ENVIRONMENTAL ACTIVITIES (DO NOT CONFORM TO TAXONOMY)																		
CONSTRUCTION OF NEW BUILDINGS	7.1	255.739.639	68,0%															
CAPEX (A.2)		255.739.639	68,0%															
TOTAL (A.1+ A.2)		368.602.919	98,0%											30,0%	11,3%			
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY																		
CAPEX		7.360.228	2,0%															
TOTAL (A + B)		375.963.147	100,0%															

	CODES	ABSOLUTE OPEX (€)	SHARE OF OPEX (%)	CLIMATE CHANGE MITIGATION (%)	CIRCULAR ECONOMY (%)	CLIMATE CHANGE ADAPTATION (%)	CLIMATE CHANGE MITIGATION (Y/N)	CLIMATE CHANGE ADAPTATION (Y/N)	WATER AND MARINE RESOURCES (Y/N)	CIRCULAR ECONOMY (Y/N)	POLLUTION (Y/N)	BIODIVERSITY AND ECOSYSTEMS (Y/N)	MINIMUM SOCIAL GUARANTEES (Y/N)	PROPORTION OF OPEX THAT CONFORMS TO TAXONOMY, 2023 (%)	PROPORTION OF OPEX THAT CONFORMS TO TAXONOMY, 2022 (%)	CATEGORY (ENABLING ACTIVITY) (F)	CATEGORY (TRANSITION ACTIVITY) (T)	
A. ACTIVIDADES ELEGIBLES SEGÚN LA TAXONOMÍA																		
A.1 ACTIVIDADES MEDIOAMBIENTALES SOSTENIBLES (SE AJUSTAN A LA TAXONOMÍA)																		
CONSTRUCCIÓN DE EDIFICIOS NUEVOS	7.1	1.158.246	54,1%	54,1%	0,00%	0,00%	S	S	S	S	S	S	S	54,1%	19,1%			
ADQUISICIÓN Y PROPIEDAD DE EDIFICIOS	7.7	-	0,0%	0,0%	N/A	0,0%	S	S	S	S	S	S	S	0,0%	5,0%			
OpEx (A.1)		1.158.246	54,1%	54,1%		0,00%								54,1%	24,1%			
A.2 ACTIVIDADES NO MEDIOAMBIENTALES SOSTENIBLES (NO SE AJUSTAN A LA TAXONOMÍA)																		
CONSTRUCCIÓN DE EDIFICIOS NUEVOS	7.1	392.676	18,4%															
RENOVACIÓN DE EDIFICIOS EXISTENTES	7.2	280.747	13,1%															
ADQUISICIÓN Y PROPIEDAD DE EDIFICIOS	7.7	270.981	12,7%															
CapEx (A.2)		944.404	44,2%															
TOTAL (A.1+ A.2)		2.102.650	98,3%											54,1%	24,1%			
B. ACTIVIDADES NO ELEGIBLES SEGÚN LA TAXONOMÍA																		
OpEx		37.050	1,7%															
TOTAL (A + B)		2.139.700	100,0%															

12

OUR **BIG**
SUSTAINABILITY
MILESTONES AND
NEXT STEPS



12. OUR BIG SUSTAINABILITY MILESTONES AND NEXT STEPS

At the date of publication of this Statement of Non-Financial Information, and in accordance with the orientation set by the company in terms of diversification, growth, business continuity and commitment to sustainability, this section includes the main milestones achieved in the year in terms of sustainability and the next steps that we believe will contribute to the creation of value for the entire environment in which the company operates.

In this regard, we believe that this section can be a summary guide to our entire Report and more specifically to the company's ESG focus and concerns.

> MAIN MILESTONES

REGARDING OUR TEAM

- Maintaining the security and economic well-being of our staff and suppliers by ensuring the continuity of the company, maintaining the development activity, diversifying businesses, creating coinvestment operations and making strategic financial decisions.
- The company's Equality Plan has been agreed, developed and approved for the 2023 financial year. Plan that includes actions and measures to ensure complete gender equality in the company in all areas.
- Implementation of measures to promote a healthy lifestyle for our employees (fresh fruit in offices, mindfulness workshops, collaboration for sports practice with sports centres, access to therapy and healthy nutrition tools, etc.)

REGARDING SOCIETY AND HOUSING ACCESSIBILITY

- The world's first listed real estate developer to measure and publish the social impact of all its developments. (See point 5.4)
<https://www.neinorhomes.com/en/responsible-businessandinnovation/ourcommitment/social-impact-measurement/>
- First national listed real estate developer to reach a public-private partnership agreement to build 4,500 social rental homes in Barcelona and its Metropolitan Area through the mixed company Habitatge Metròpolis Barcelona (HMB). (See point 5.3)
- First national listed developer to establish a business line dedicated to the development of affordable housing.
- The developer that has delivered the most social housing in the last three years and has the most social housing developments underway.

- Involved in the analysis and search for solutions with different entities, organisations and foundations to solve the problem of homelessness in Spain. (See point 5.3).

REGARDING CUSTOMERS

- We have been pioneers in trying to improve the process of acquiring a home for our customers, providing them with better information on the evolution of the construction of their home (monthly newsletters) as well as offering a totally free service of insurance against nonpayment (Family Homes Protection), so that for circumstantial reasons they cannot lose their rights and the amounts previously paid.
- In addition, through collaboration agreements with partners, we offer the possibility of a totally free utilities/supply sign-up service, which our customers can access in a simpler, more exclusive and personalised way, and the availability of tools that allow for greater information and control, and therefore a reduction in energy consumption in their homes.

REGARDING THE ENVIRONMENT

- First national real estate developer to annually measure its corporate carbon footprint in scopes 1, 2 and 3, establishing a commitment to reduce emissions with SBti. (See point 8.2).
- First national listed real estate developer to carry out a climate risk analysis of its homes. (See point 8.5).
- Spanish real estate developer with the highest number of Breeam® certified developments at source.
- Company that performs life cycle analysis on all its developments launched since the 2022 financial year.
- First company in the real estate sector to publish eligibility and alignment data with the European taxonomy from 2022. (See point 11).

AT THE CORPORATE GOVERNANCE LEVEL.

- First national listed real estate developer to issue a green bond and to justify it in the first year. (See point 11).
<https://www.neinorhomes.com/en/responsible-businessandinnovation/sustainability/green-bond-report/>
- First national listed real estate developer to draw up and make public its Strategic Sustainability Plan and to report on its implementation and updating (see point 3).
<https://www.neinorhomes.com/en/responsiblebusinessandinnovation/sustainability/sustainabilityplan/>
- Real estate developer committed from the start of its activity to the transparency of its non-financial information, publishing its Sustainability Report since 2016 without being obliged to do so and verified by an independent third party.
<https://www.neinorhomes.com/en/responsiblebusinessandinnovation/sustainability/sustainability-report/>

- Company that since its inception in all audits conducted in respect of financial accounts, non-financial accounts, compliance areas such as anti-money laundering, data protection and cybersecurity, has not received any qualifications, paragraphs of uncertainty or any other relevant or significant observations.
- A company that is very scrupulous in terms of regulatory compliance and following best practices, as can be seen in the implementation and detail of its policies and in the acknowledgements to GRC and Internal Audit management, in various quality audits and in the various evaluations of the Board carried out by third parties.

<https://www.neinorhomes.com/en/responsible-business-and-innovation/compliance/>



This has led us to be recognised by Sustainalytics for the third consecutive year as the best ESG listed developer in the world.

<https://www.finanzas.com/esg/cotizada-esg/promotoravence-ibex-35-en-esg/>

But we have a long way to go.

Despite all these achievements, we still have a long way to go, especially at the sector level. The objective of Neinor Homes is not just to be a leader in sustainability, but to be a benchmark that facilitates the improvement of the sector in this area and the competition for the best practices in terms of sustainability, which will ensure the transition of real estate development towards sustainable development.

We know that many actors and factors are involved in the development activity, so there are many results that are not what we would like them to be and that have a degree of room for improvement. For this reason, we would like to express our most sincere apologies for any and all times when we have not been up to the mark in any of our areas of activity, such as execution, deadlines or customer service.

Alvaro Conde Herranz
Head of GRC,
Internal Audit and Sustainability of Neinor Homes S.A.

> THE NEXT STEPS SPECIFIED BY US LAST YEAR

Our commitment and goals are detailed in our Sustainability Plan. However, every two years we reveal the small tactical actions and the closest next steps we are working on.

Here's where we stand on the "next steps" we published in the last financial year.

<ul style="list-style-type: none"> • Improve human resources processes. 	In progress
<ul style="list-style-type: none"> • Improve customer service (after-sales). 	In progress
<ul style="list-style-type: none"> • Improve the company's processes concerning project management and execution. 	In progress
<ul style="list-style-type: none"> • Carry out the second social impact measurement of all our developments. 	✓
<ul style="list-style-type: none"> • Seek construction means to try to reduce Scope 3 of our corporate carbon footprint. 	✓
<ul style="list-style-type: none"> • More and more developments with A energy certification. 	✓
<ul style="list-style-type: none"> • Provide guidance to our clients on measures to consider, with regard to energy efficiency and protection in the home. 	In progress
<ul style="list-style-type: none"> • Endeavour to comply with the European taxonomy in all the buildings that we are going to have in operation and to increase year by year the level of alignment at a global level in all our developments irrespective of their destination. 	✓
<ul style="list-style-type: none"> • Participate in the analysis of housing accessibility problems (ESADE). 	✓
<ul style="list-style-type: none"> • Create community and development channels in areas where we have a high concentration of product (Alovera and Urduliz). 	In progress
<ul style="list-style-type: none"> • Demonstrate to investors that it is a company that thinks about people and the environment, that has a high return and that creates wealth. 	In progress

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ABOUT THIS REPORT



SCOPE OF INFORMATION

Neinor Homes is presenting its Sustainability Report for the seventh time, this time corresponding to the 2023 financial year, in accordance with the guidelines contained in the Global Reporting Initiative (GRI) Guidelines. The objective of the Report is to respond both to the commitment to disclose its activities, as well as to the desire to be accountable to its stakeholders and to society. The information included in the Report is limited to the 2023 financial year.

In order to facilitate understanding of the business and to evaluate Neinor Homes' performance in various areas at present, reference is also made to the figures and events of the previous year, thus offering a broader perspective for analysis. The forward-looking information provided in this Report is based on an analysis of the current context and its expected evolution, and does not make a commitment to achieving these objectives.

The information included in the Report is complemented by other corporate documents that may be of interest for further information and which are available on the website www.neinorhomes.com

2023 ANNUAL
ACCOUNTS

2023 ANNUAL
CORPORATE
GOVERNANCE
REPORT

CODE OF ETHICS

SUSTAINABILITY
POLICY

2022-2025
SUSTAINABILITY PLAN

REPORTING STANDARDS USED

This Report has been prepared in accordance with the guidelines established in the Global Reporting Initiative's Sustainability Reporting Guidelines in its GRI Standards version, in accordance with the essential conformity option. The selection of relevant aspects has been carried out based on the results of the new materiality analysis carried out in 2022, which is explained below.

Furthermore, in order for Neinor Homes to continue to be one of the benchmark companies in its sector, this Report has been prepared in line with the recommendations and best practices established by EPRA Sustainability (European Public Real Estate Association). The table of GRI performance indicators included at the end of the Report indicates the pages where the related information is provided.

Finally, most of the requirements established in Law 11/2018 of 28 December, on non-financial information and diversity, have also been taken into account in its preparation. Although in previous years this law was not applicable to Neinor Homes, the company has been publishing based on it and auditing itself, because it has considered it a good practice. 2023 is the third year in which this law applies to the company.

PROCESS OF PREPARING THE REPORT AND IDENTIFYING STAKEHOLDERS

Neinor Homes endeavours to understand the needs and expectations of its stakeholders through a materiality analysis using the GRI reporting standard. The company evaluated both internal and external sources to ascertain its needs and expectations, based on its 2022-2025 Sustainability Plan. Neinor Homes considers its stakeholders to be those who are directly or indirectly affected by its business activity and who may also have an impact on it. These groups include investors, customers, employees, suppliers and society in general. The company focuses on meeting the expectations of its stakeholders and improving its sustainability performance.

The Governance, Risk and Compliance (GRC) Internal Audit and Sustainability Department is responsible for coordinating the work of various areas of the company and for ensuring the accuracy and completeness of the information reported in the Annual Report. This document is published together with the financial information for the year to allow stakeholders to assess its performance in relation to the company's relevant information. Neinor Homes' commitment is focussed on the following levers:

Sustainability linked to the business, building sustainable and resilient homes, carrying out life cycle analyses of our developments, reducing and offsetting the company's emissions, committing to urban regeneration, reducing and recovering construction waste and protecting the biodiversity of the areas in which we operate.

Sustainability "from the inside", by being aligned with the best governance standards, maintaining and strengthening the ESG responsibilities of governance bodies, ensuring the company's ethics and integrity, and engaging with and communicating our detailed ESG progress to stakeholders.

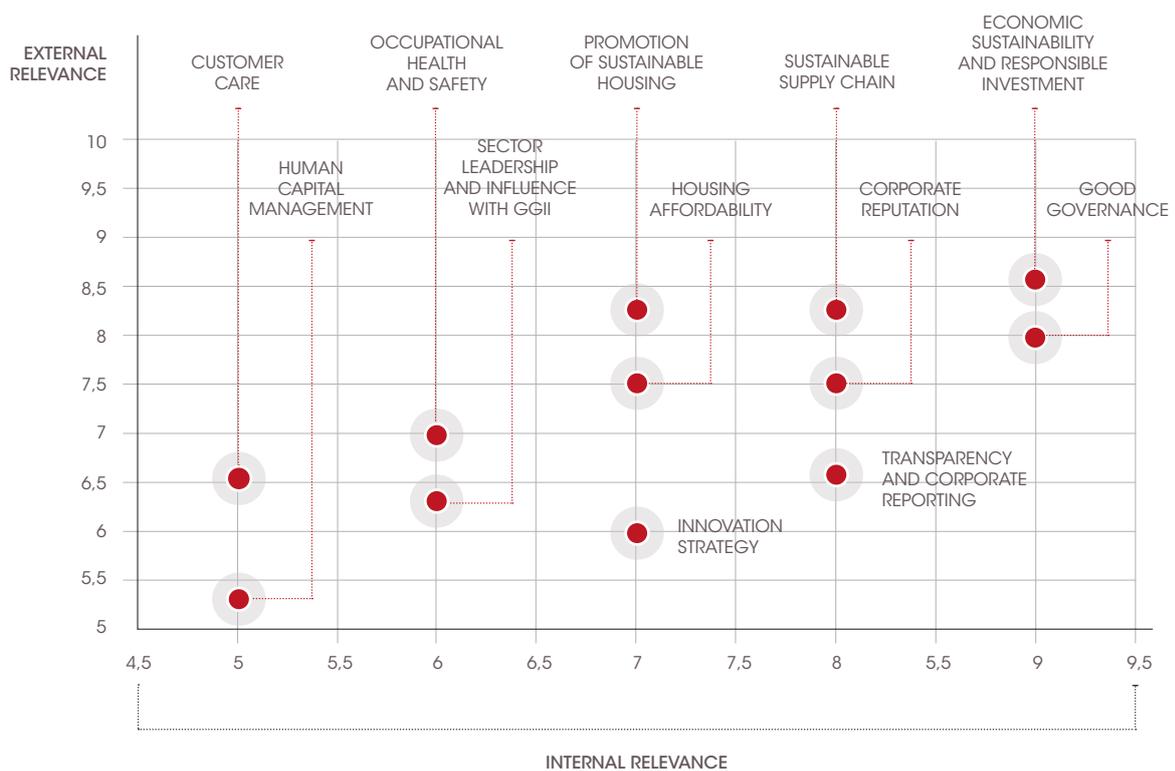
Commitment to society, improving access to housing, developing and promoting social action initiatives and engagement with communities and human rights, improving the safety, health and well-being of employees, suppliers/contractors and customers and actively listening to our stakeholders.

> MATERIALITY ANALYSIS STEP BY STEP



> RELEVANCE OF MATERIAL ISSUES

NEINOR HOMES MATERIALITY MATRIX

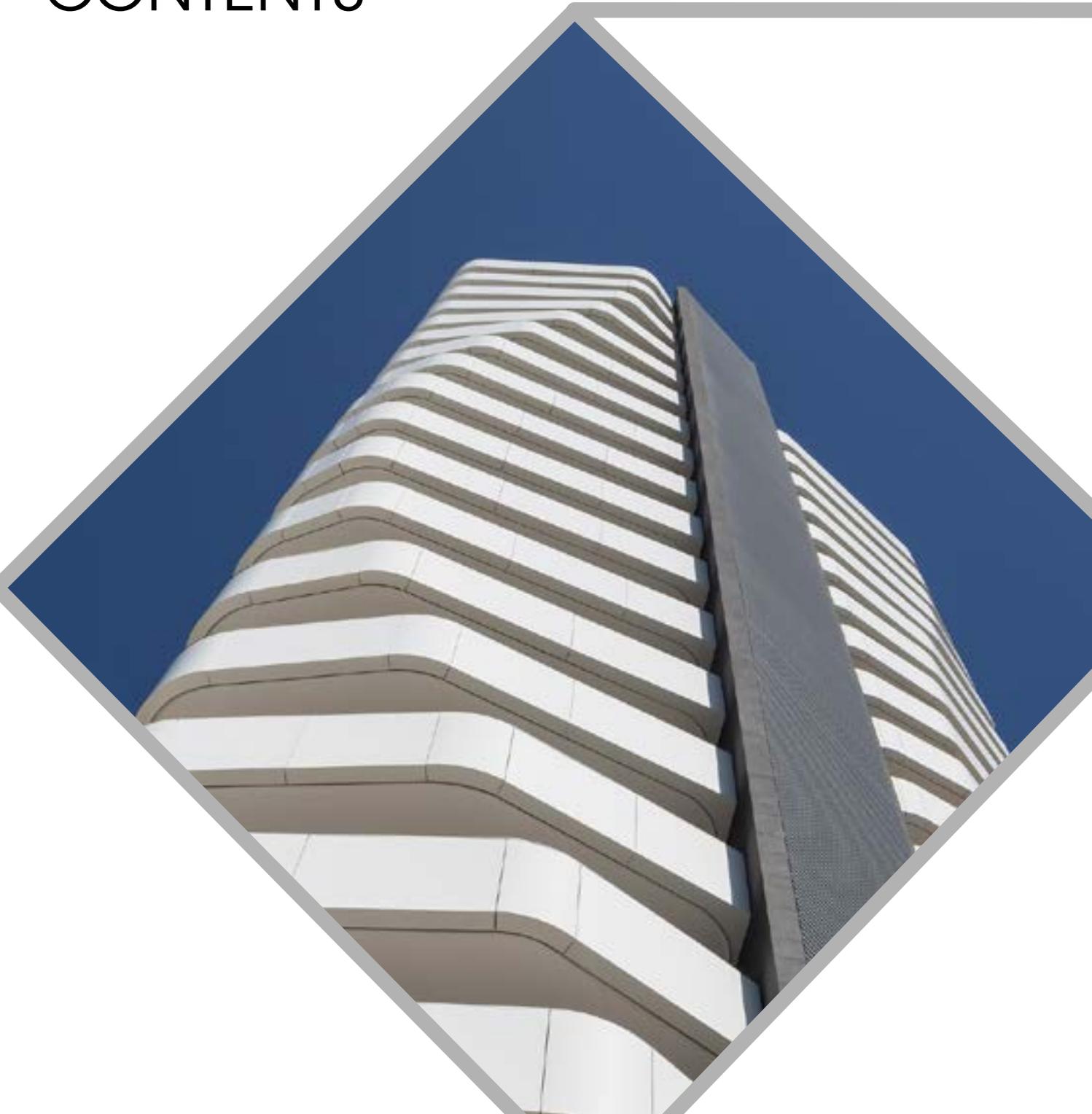


As a result of the assessment of the relevance of the different issues, those that are most relevant to Neinor Homes were identified. The following table shows the relationship between these issues and the aspects considered by the *Global Reporting Initiative's* Sustainability Reporting Guidelines:

RELEVANT ASPECTS FOR NEINOR HOMES	GRI STANDARDDD ASPECTS
Transparency and corporate reporting	<ul style="list-style-type: none"> • Organisational profile • Stakeholder engagement • Economic performance
Good Governance	<ul style="list-style-type: none"> • Strategy and Governance • Organisational profile • Environmental Compliance
Innovation strategy applied to products and services, technology and digitisation	<ul style="list-style-type: none"> • Customer health and safety • Marketing and labelling • Training and education
Sector leadership and influence with stakeholders	<ul style="list-style-type: none"> • Stakeholder engagement
Customer service	<ul style="list-style-type: none"> • Customer privacy • Marketing and labelling
Corporate reputation and sustainable brand value	<ul style="list-style-type: none"> • Organisational profile
Occupational health and safety	<ul style="list-style-type: none"> • Health and safety at work
Economic sustainability and responsible investment	<ul style="list-style-type: none"> • Strategy • Socio-economic compliance
Human capital management, attracting and retaining talent	<ul style="list-style-type: none"> • Organisational profile • Employment, training and education
Accessibility to housing	<ul style="list-style-type: none"> • Accessible housing • Human rights • Social responsibility
Sustainable housing development	<ul style="list-style-type: none"> • Efficient use of resources • Greenhouse gas emissions • Sustainable product development • Accessibility • Social responsibility
Responsible supply chain	<ul style="list-style-type: none"> • Procurement practices • Energy • Effluents and waste • Environmental and social assessment of suppliers

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GRI CONTENTS



> GRI CONTENT INDEX

Neinor Homes has presented the information cited in this GRI content index for the period January 1st, 2023 - December 31st, 2023 with reference to the GRI Standards.

GRI STANDARDS	CONTENT	Page localitation or direct answer
GRI 1: Foundation 2021	This report	This report
	2-1 Organizational details	P. 4-10, 26-29
	2-2 Entities included in the organization´s sustainability reporting	P. 30, 55, 62-63, 75, 81
	2-3 Reporting period, frequency and contact point	Neinor Homes has presented the information cited in this GRI content index for the period between January 1st, 2023 and December 31st, 2023 with reference to the GRI Standards. This report is annual. For any information about this report yo may contact Neinor Homes corporate responsibility email: sustainability@neinorhomes.com alvaro.conde@neinorhomes.com The publication of this report is expected during the first quarter of 2023.
	2-4 Restatements of information	No relevant information han been restated with respect to last year
	2-5 Externa assurance	Verification report
	2-6 Activities, value chain and other business relationships	P. 5, 36-40, 52-54, 167-169
	2-7 Employees	P. 5, 148, 149, 156, 157
	2-8 Workers who are not employees	P. 5, 148, 149, 156, 157
	2-9 Governance structure and composition	P.6, 73-81, 154
	2-10 Nomination and selection of the highest governance body	P.6, 73-81, 155
	2-11 Hair of the highest governance body	P.6, 73-81, 155
	2-12 Role of the highest governance body in overseeing the management of impacts	P. 12, 58-61, 86-91, 120-134, 167-169
GRI 2: General disclosures 2021	2-16 Communication of critical concerns	P. 27, 30, 53, 107
	2-20 Process to determine remuneration	P. 154
	2-22 Statement on sustainable development strategy	P. 5, 6, 7, 52, 62, 67, 75, 81, 82
	2-23 Policy commitments	P. 58-61

GRI STANDARDS	CONTENT	Page localitation or direct answer
GRI 2: General disclosures 2021	2-27 Compliance with laws and regulations	No fines or sanctions were received in 2023
	2-28 Memberships associations	P. 57, 67-68
	2-29 Approach to stakeholder engagement	P. 56
	2-30 Colective bargaining agreements	P. 151, 152, 160-162
GRI 3: Material topics 2021	3-1 Process to determine material topics	P. 202- 205
	3-2 List of material topics	p. 205
	3-3 Management of material topics	P. 202- 205
GOOD GOVERNANCE		
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 71, 72, 93, 94
GRI 408: Child Labor	408-1: Operations and suppliers at significant risk for incidents of child labor	Neinor Homes has not identified centers or suppliers likely to have significant risks in relation to child exploitation and, upon entering into business with us, all suppliers accept the Code of Conduct for Third Parties, which includes zero tolerance for situations of child exploitation.
GRI 409: Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Neinor Homes has not identified centers or suppliers likely to have significant risks in relation to forced labor. All suppliers, upon entering into business with us, accept the Code of Conduct for Third Parties, which includes zero tolerance for forced labor.
ECONOMIC SUSTAINABILITY AND RESPONSIBLE INVESTMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 54-55
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	P. 53-54
	201-2 Financial implications and other risks and opportunities due to climate change	P. 88, 125-130,
SUSTAINABLE SUPPLY CHAIN		
GRI 3: Material Topics 2021	3-3 Management of material topics	P. 166-171
GRI 204: Procurement practices	204-1: Proportion of spending on local suppliers	P. 166
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Neinor Homes has not identified centers or suppliers likely to have significant risks in relation to the right to freedom of association and collective bargaining.
CORPORATE REPUTATION		
GRI 3: Material topics 2021	3-3 Management of material topics	P. 6, 71-72, 93-95
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2023, no cases of corruption have been detected. In 2023, no claims for anti-competitive behaviour have been received. The Neinor Homes Code of Ethics and the Anti-Corruption, Fraud and Bribery policy prohibit any type of contribution to political parties and/or political representatives. In 2023, no breaches of the Code of Ethics have been identified in relation to these aspects.

GRI STANDARDS	CONTENT	Page localitation or direct answer
CORPORATE REPUTATION		
GRI 415: Public Policy 2016	415-1 Political contributions	P.93 Neinor Homes does not accept any contributions to political parties and/or representatives, as established in its Code of Ethics and its Anti-Corruption, Fraud and Bribery Policy.
TRANSPARENCY AND CORPORATE REPORTING		
GRI 3: Material topics 2021	3-3 Management of material topics	P.4, 6, 14, 16, Verification report
PROMOTION OF SUSTAINABLE DWELLINGS		
GRI 3: Material topics 2021	3-3 Management of material topics	P.59-62, 121-123, 130-135
HOUSING ACCESIBILITY		
GRI 3: Material topics 2021	3-3 Management of material topics	P.35-47, 135
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of products and service categories	P.8, 54, 96, 100-106
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	P.107
INNOVATION STRATEGY		
GRI 3: Material topics 2021	3-3 Management of material topics	P.58, 135-145
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material topics 2021	3-3 Management of material topics	P.162, 163, 164, 175-176
GRI 403: Occupational Health and Safety 2018	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9	P.163-164
LEADERSHIP AND SECTORIAL INFLUENCE WITH GGI		
GRI 3: Material topics 2021	3-3 Management of material topics	P.47, 57, 62, 63, 82, 203-205
MANAGEMENT OF HUMAN CAPITAL		
GRI 3: Material topics 2021	3-3 Management of material topics	P.100-107
MANAGEMENT OF HUMAN CAPITAL		
GRI 3: Material topics 2021	3-3 Management of material topics	P.164
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P.154
	405-2 Ratio of basic salary and remuneration of women to men	P.151-154
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	P.9 y 159
	404-2 Programs for upgrading employee skills and transition assistance programs	P.156-159
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	P.151, 152, 160-163

> ANNEX I. SUSTAINABILITY PLAN

DIMENSION / AREA / OBJECTIVE / ACTION	Year	Responsible	Has been fulfilled	Maintained
ENVIRONMENTAL				
E.1. SUSTAINABLE AND RESILIENT HOUSING				
E.1.1. SUSTAINABLE BUILDING CERTIFICATIONS				
Continue to be the national developer with the highest percentage of homes delivered with BREEAM® certification, maintaining the company's commitment to delivering sustainable homes certified by an independent third party.	2022 - 2025	DGO/DGN	✓	
Actively participate in the Green Building Council's EU Taxonomy project.	2022	DGO	✓	✓
E.1.2. Environmental management system				
Maintain 100% of the environmental management system certified according to ISO 14001 and publish it.	2022 - 2025	Quality	✓	✓
E.1.3. Resilient Housing				
The analyses in the design and execution in all our developments take into account many of the following factors that increase the capacity to resist and adapt to the risks of climate change, such as: analysis of the orientation of the development, best use of sunlight, use of native vegetation, integration into the environment, erosion control reports, fire prevention systems, acoustic analysis and reports, flood risk reports etc.	2022 - 2025	DGO		✓
E.2. CONSIDERATION OF CLIMATE CHANGE. LCA / CARBON FOOTPRINT				
E.2.1. Operational emissions and energy				
Measure the corporate carbon footprint, with a life cycle analysis perspective in the Neinor Homes Group (Scope 1, 2 and 3).	2022/2023	GRC	✓	✓
Be carbon neutral in Scope 1 and 2 for the business as a developer.	2023/2024	Steering Committee	✓	✓
Create a carbon reduction and energy efficiency strategy, defining science-based company targets following the Science Based Targets initiative (SBTi) and emissions offsets.	2022 - 2025	DGO/GRC	✓	✓
Conduct a climate management maturity assessment in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).	2022	GRC		✓
Conduct a Life Cycle Assessment (LCA) and emissions analysis per project for all projects initiated from 2022 onwards.	2022 - 2023	DGO	✓	✓
Neinor Homes encourages the use of construction materials with a low environmental impact by using products and materials with environmental labels and/or declarations in the design and construction of its buildings.	2022 - 2025	DGO	✓	✓

DIMENSION / AREA / OBJECTIVE / ACTION	Year	Responsible	Has been fulfilled	Maintained
Neinor Homes uses industrialised systems and components in its works to reduce the environmental impact of its developments.	2022 - 2023	DGO		✓
E.3. ECO-EFFICIENT HOUSING / RESOURCE CONSUMPTION				
E.3.1. Energy efficiency				
Implement a set of measures to reduce the energy consumption of dwellings and provide greater comfort for the occupants, with all the dwellings delivered having an A or B energy certification, 60% of them having an A energy certification.	2022	DGO/DGN	✓	✓
Advise customers of all developments delivered on the choice of the most economical energy tariff and green tariff options according to the development's characteristics.	2022	DGN		✓
E.3.2. Water management				
Implement measures aimed at the reduction and efficient use of water in housing in 100% of the developments to be delivered from 2022 onwards (among others, low-flow taps in the home, low water consumption appliances, dual flush cisterns, drip irrigation etc.).	2022	DGO	✓	✓
Commitment to implement intensive systems to reduce water consumption in all developments whose occupancy density requires high water consumption (developments with more than 150 homes), such as rainwater reuse systems, grey water treatment systems and leak detection systems.	2023 - 2025	DGO	✓	✓
E.4. PROTECTION AND IMPROVEMENT OF THE ENVIRONMENT				
E.4.1. Sustainable Mobility				
Include bike racks in 100% of the developments where the project allows it.	2022 - 2025	DGO	✓	✓
Include pre-installation of electric chargers in all parking spaces in 100% of our developments.	2022	DGO	✓	
Include a vehicle maintenance box, including an electric charger, in 100% of Rental developments, where the project allows it.	2022 - 2025	DGO	✓	
E.4.2. Biodiversity				
Plant natural hedges around the perimeter, protect trees around the perimeter, provide spaces for breeding and nesting of migratory species and birds, adapt lighting during the breeding season, strictly comply with noise pollution, collect and use native soil for the landscaped areas of the development, do not use pesticides or fertilisers in irrigation, use native flora, replant greater green density than previously existed, deliver a 5-year maintenance and biodiversity enhancement plan to the community, do not build in protected areas.	2022	DGO	✓	✓

DIMENSION / AREA / OBJECTIVE / ACTION	Year	Responsible	Has been fulfilled	Maintained
E.4.3. Urban Planning and Community Transformation				
<p>One of Neinor Homes' guidelines is to develop urban regeneration initiatives in those areas where the company is present and which are located in a unique area, with a certain amount of service/ industrial abandonment or where it is developing a number of housing developments in an area of some importance for the locality.</p> <p>To this end, the company's priority, through agreements with the respective local councils, is to promote, develop and regenerate these areas, decontaminating these soils, urbanising them and providing them with services and assistance to turn them into welcoming and well-connected locations where people and communities can live in a prosperous and sustainable way.</p>	2022	DGO/DGN	✓	✓
E.5. CIRCULAR ECONOMY				
E.5.1. Reducing consumption and waste				
Recover 80% of construction waste in all Neinor Homes' works/ developments.	2023 - 2025	DGO	✓	✓
Monitor the valuation of the previous point and report it through monthly monitoring reports of each works project, and be verified by an independent third party.	2023 - 2025	DGO	✓	✓
Include recycling and recovery clauses in contracts with suppliers for 100% of developments.	2022	DGO	✓	
Neinor Homes facilitates and enables spaces that favour the recycling of waste generated in the homes in 100% of its homes.	2022	DGO	✓	
SOCIAL				
S.1. HOUSING FOR ALL				
S.1.1. Social and affordable housing				
Promote the construction of social housing for sale (VP social housing) (10% of housing under construction / delivered / launched annually of this type).	2023 - 2025	DGN	✓	✓
Encourage and promote public-private agreements for the development and construction of social rental housing (10% of housing under construction / delivered / launched annually of this type).	2023 - 2025	DGN	✓	✓
Incorporate a new line of homes with more affordable prices than those offered on the market in well-connected locations and with quality services (Neinor Essentials) and boost the construction of these developments (10% of homes under construction / delivered / launched annually of this type).	2022 - 2025	DGN	✓	✓
S.2. PEOPLE'S SAFETY, HEALTH AND WELL-BEING				
S.2.1. Safety, health and well-being of employees, suppliers/contractors and customers				
Establish an ISO 45001 certified management system for occupational health and safety that covers 100% of the company's activities.	2023	Quality		

DIMENSION / AREA / OBJECTIVE / ACTION	Year	Responsible	Has been fulfilled	Maintained
Develop a strategic Health and Safety Plan that contributes to increasing health and safety on construction sites.	2022	DGO	✓	✓
Conduct health and safety audits, through an external auditor, on all developments at least once during the construction phase.	2022 - 2025	DGO	✓	✓
Monitor the results of such audits, report them to senior management and take appropriate remedial action, if necessary.	2022 - 2025	DGO	✓	✓
S.3. CUSTOMER RELATIONSHIP AND PROTECTION				
S.3.1. Community well-being and cohesion				
Include balcony, terrace and/or garden in at least 75% of our dwellings in the study/project phase.	2022 - 2025	DGO	✓	✓
Include an area for private communal use and enjoyment in at least 90% of dwellings in the study/project phase where the conditions of the plot and urban planning allow it.	2022 - 2025	DGO		✓
Maintain the "Family Homes Protection" insurance as a mechanism to protect customers in the event of any mishap and guarantee their peace of mind (home payment insurance in the event of exceptional health or work-related circumstances that may affect customers in the process of purchasing and building their homes). Neinor Homes has been the pioneer in the sector in implementing this type of protection insurance for its customers.	2022	DGN	✓	✓
Provide a guide to 100% of the occupants of new homes with practices and recommendations in the 3 key areas of sustainability: home safety, healthy habits and efficient energy use.	2022	DGN		✓
S.3.2. Personalised attention and active listening to customers				
Accompany people in their search for a home, providing them with a wide range of housing types according to their needs and their level of purchasing power, whether they own, rent or manage the rental of their current home. (Guide to acquiring a home).	2022	DGI	✓	✓
Throughout the whole process of searching, buying, renting or managing the rental of their home, provide 100% transparent and regular information on the evolution of the construction or the steps taken (monthly newsletters and customer service department).	2022	DGN	✓	✓
Include sustainability questions in customer satisfaction surveys, and set annual targets.	2022 - 2025	DGN		
S.4. COMMITMENT TO THE TEAM				
S.4.1. Attracting and retaining talent				
Establish a management and employee retention plan.	2022	HR		
Increase employee training hours annually.	2022 - 2025	HR		✓

DIMENSION / AREA / OBJECTIVE / ACTION	Year	Responsible	Has been fulfilled	Maintained
Address specific sustainability training for all employees and set sustainability targets.	2022	GRC	✓	✓
Maintain the system of listening to employees through regular work climate surveys and the implementation of improvement measures derived from the results of these surveys.	2022	HR		✓
S.4.2. Diversity and Equality				
Introduce measures to increase the number of women in management positions.	2022 - 2025	HR		✓
Approve the company's Equality Plan and review that current equality commitments and plans are aligned with the European Gender Equality Strategy 2020-2025 and national legislation.	2022	HR		✓
Introduce measures to close the pay gap, in line with the company's goal of achieving pay parity among employees.	2022 - 2025	HR		
Update the company's Diversity and Non-Discrimination Policy and have it approved by the Board of Directors.	2022	GRC	✓	
Train the management team, those responsible for selection processes and members of the Equality Committee in equality and diversity.	2023	HR		✓
Establish, communicate and publicise work-life balance measures to employees.	2022	HR	✓	✓
S.5. SOCIAL COMMITMENT TO COMMUNITY AND CITY				
S.5.1. Social action				
Establish a company social action strategy with a focus on the SDGs and aligned with the company's activities*	2023	GRC	✓	✓
Develop social and community regeneration initiatives in those areas where the company is present that present such a need.	2022 - 2025	GRC	✓	✓
Collaborate with non-governmental organisations such as the Food Bank, among others.	2022 - 2025	GRC	✓	✓
Promote initiatives to encourage sport in the areas where our developments are located.	2022 - 2025	GRC	✓	✓
Define employee volunteering actions in line with the results obtained in previous projects and those determined by the company's own employees.	2023 - 2025	GRC		
S.5.2. Relationship with local communities and human rights				
Identify the needs of local communities and establish continuous listening and dialogue exercises (linked to actions G.3.1 Engagement with stakeholders and in external initiatives)	2022	GRC		
Develop a Human Rights Policy and have it approved by the Governing Board.	2022	GRC	✓	

DIMENSION / AREA / OBJECTIVE / ACTION	Year	Responsible	Has been fulfilled	Maintained
GOVERNMENT				
G.1. BEST PRACTICES IN CORPORATE GOVERNANCE				
G.1.1. Alignment with government standards				
Include annual and long-term ESG metrics in the Remuneration Policy for Directors and Senior Management. Among others, linked to ESG business objectives and objectives included in the Plan.	2022	CNR	✓	
Strengthen transparency with regard to Board and senior management remuneration.	2022	CNR	✓	
Establish measures to increase the presence of women, as far as possible, in the event of replacement of members of the Board of Directors.	2022	CNR		✓
In the Board's external evaluation, achieve an above-average performance.	2022 - 2025	CNR	✓	✓
Present the Financial Statements without qualifications.	2022 - 2025	DGF	✓	✓
G.1.2. Maintain and Strengthen ESG responsibilities in governing bodies				
Include among the functions of the Board of Directors the supervision of ESG aspects, including the relationship with stakeholders and the risks and opportunities arising from climate change, among other aspects.	2022	GRC	✓	
Regularly inform the Board of Directors of major national and international ESG developments.	2022 - 2025	GRC	✓	
Establish an Executive Sustainability Committee comprising the CEO and members of senior management.	2022	CEO	✓	
G.2. ETHICS AND INTEGRITY				
G.2.1. Ethics and integrity				
Maintain the company's Code of Ethics and compliance and integrity protocols up to date, and continue to regularly communicate to all employees and suppliers updates thereto, including, but not limited to, practical examples.	2022	GRC	✓	✓
Have written acceptance of the Code of Ethics by 100% of employees and suppliers.	2022	GRC	✓	
Update compliance, ethics and integrity models, systems and standards, maintaining best practices in areas such as fraud, corruption, bribery and money laundering.	2023	GRC	✓	
Continue regular ethics and compliance training for employees and suppliers, at least on an annual basis.	2022 - 2025	GRC	✓	
Strengthen public reporting on ethics and compliance (complaints received and operations audited, among others).	2022 - 2025	GRC	✓	

DIMENSION / AREA / OBJECTIVE / ACTION	Year	Responsible	Has been fulfilled	Maintained
Conduct internal and independent third-party audits on compliance, governance, cybersecurity, equality, etc.	2022 - 2025	GRC	✓	
G.3. TRANSPARENCY AND RELATIONSHIPS				
G.3.1. Engagement with stakeholders and in external initiatives				
Increase participation in sustainability initiatives and sectoral associations (Global Compact, GBCe, etc.).	2023	GRC	✓	
Define the company's stakeholder ecosystem and establish perception studies to identify stakeholder expectations.	2022 - 2025	GRC	✓	
G.3.2. Positioning in ESG ratings and indices				
Respond to at least four ESG analysts per year (S&P, MSCI, Sustainalytics, GRESB, CDP and ISS, among others).	2022 - 2025	GRC		✓
Review at least two ESG reporting platforms per year (Bloomberg, Refinitiv, Arabesque S-Ray and Clarity).	2022 - 2025	GRC	✓	
G.3.3. Sustainable discourse				
Develop an ESG Equity Story to highlight and disseminate sustainability milestones.	2022	GRC		✓
Develop, publish and regularly update a materiality matrix to identify the most relevant sustainability issues for the organisation.	2022 - 2025	GRC	✓	✓
Broaden the scope of indicators in the Sustainability Report in line with the demands of different stakeholder groups.	2022 - 2025	GRC	✓	✓
Strengthen public reporting on the company's ESG objectives and the extent to which they are being achieved.	2022 - 2025	Communication	✓	✓
Report under the GRI standard (comprehensive version) and SASB and Non-Financial Reporting Act.	2023	GRC	✓	✓
Strengthen the system of internal control over non-financial reporting (ICFRS), as well as strengthen the reporting of sustainability objectives and their progress.	2023	GRC		✓
Achieve zero qualifications in the verifications of the Annual Sustainability Reports.	2022 - 2025	GRC	✓	✓
G.3.4. Impact quantification				
Establish mechanisms and indicators to evaluate the impact of the social, environmental and economic contribution of the business and carry out impact studies (input-output, True Value) that highlight the positive impact of the company and measure the return on the social contribution of the projects developed.	2023 - 2025	GRC	✓	✓

DIMENSION / AREA / OBJECTIVE / ACTION	Year	Responsible	Has been fulfilled	Maintained
G.4. RESPONSIBLE SUPPLY CHAIN				
G.4.1. Responsible supply chain				
Evaluate all Tier 1 suppliers that account for 90% of the company's purchasing volume against ESG criteria.	2022 - 2025	GRC	✓	✓
Conduct ESG audits for suppliers with higher sustainability risk and establish corrective action plans for suppliers with high ESG risk.	2023	GRC		
Establish supplier contract compliance clauses that include ESG criteria.	2022	DGO	✓	
Formally engage with supply chain associations and make this public.	2022	DGO	✓	✓
G.5. DIGITAL CULTURE / INNOVATION				
G.5.1. Sustainable Innovation				
Implement a sustainable innovation ecosystem with third parties and acceleration of startups.	2022 - 2025	Innovation	✓	
Launch a sustainable innovation ideas competition for university students with the aim of fostering a culture of innovation among employees.	2022 - 2025	Innovation		
Co-create with customers to develop new services /products or improve existing ones.	2023 - 2025	Innovation		
G.5.2. Promoting digital literacy				
Carry out a diagnosis of digital competences in the company.	2022 - 2023	IT		
Provide digital skills training to 100% of employees.	2022 - 2023	IT	✓	
Ensure that digital channels have up-to-date ESG content of interest to customers (e.g. origin of energy, environmental impact of energy consumption, employment generated, social projects, etc.).	2022 - 2025	Communication	✓	
G.6. SUSTAINABLE FINANCING				
G.6.1 Alignment with the EU Taxonomy of Sustainable Finance				
Review activities to assess their degree of alignment with the EU Taxonomy of Sustainable Finance (green taxonomy and social taxonomy).	2022	GRC	✓	✓
G.6.2 Defining theoretical frameworks for ESG fundraising				
Identify which of the company's projects could be financed through green, social or sustainable bonds and loans.	2022 - 2022	GRC	✓	
Publicise ESG funding operations and associated projects.	2023 - 2025	GRC	✓	
Verify annually through an independent third party the company's green, social or sustainable bonds.	2022 - 2025	GRC	✓	

> ANNEX II. UPDATED SUSTAINABILITY PLAN

DIMENSION / AREA / OBJECTIVE / ACTION	YEAR	Responsible	New
ENVIRONMENTAL			
E.1. SUSTAINABLE AND RESILIENT HOUSING			
E.1.1. Sustainable building certifications			
Participate and collaborate with information and analysis initiatives on sustainability in building within the national and European framework. Working with different entities... GBCe, CPAU etc.	2022	DGO	
E.1.2. Environmental management system			
Maintain 100% of the environmental management system certified according to ISO 14001 and publish it.	2022 - 2025	Quality	
E.1.3. Resilient Housing			
All developments aligned with the EU Taxonomy include measures and solutions for adapting to climate change and addressing the most significant climate risks.	2022 - 2025	DGO	
That the percentage of alignment with the EU Taxonomy of the developments delivered by the company increases annually for the duration of this Sustainability Plan.	2022 - 2025	DGO	✓
E.2. CONSIDERATION OF CLIMATE CHANGE. LCA / CARBON FOOTPRINT			
E.2.1. Operational emissions and energy			
Measure the corporate carbon footprint, with a life cycle analysis perspective in the Neinor Homes Group (Scope 1, 2 and 3).	2022/2023	GRC	
Be carbon neutral in Scope 1 and 2 for the business as a developer.	2023/2024	Steering Committee	
Once the objectives and commitment with SBTi to 2030 for Scopes 1 and 2 are marked. The company's objective is to formalise a decarbonisation roadmap for Scope 3 in the first four months of 2024, which will enable it to establish a reduction commitment with SBTi for Scope 3 on a voluntary basis.	2022 - 2025	DGO/GRC	
Conduct a climate management maturity assessment in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).	2022	GRC	
Conduct a Life Cycle Assessment (LCA) and emissions analysis per project for all projects initiated from 2022 onwards.	2022 - 2023	DGO	
Neinor Homes encourages the use of construction materials with a low environmental impact by using products and materials with environmental labels and/or declarations in the design and construction of its buildings.	2022 - 2025	DGO	
Neinor Homes uses industrialised systems and components in its works to reduce the environmental impact of its developments.	2022 - 2025	DGO	

DIMENSION / AREA / OBJECTIVE / ACTION	YEAR	Responsible	New
Electrification: Neinor Homes is committed to reducing/ eliminating fossil fuels in the generation of energy in our developments. Target elimination date 2030.	2024 - 2025	DGO	✓
"Green" materials sourcing: Develop and reach agreements with our key materials suppliers regarding low carbon materials to support our Scope 3 decarbonisation strategy. (Two per year, either new or existing suppliers that we contract for lower emission materials).	2023 - 2025	DGO	✓
Offer our customers energy distributors from renewable sources at competitive prices for them to sign up to. Agreements with non-profit energy companies for Neinor and monitoring and communication with them to measure the reduction of emissions in the use of the product originating from customer's contracts.	2024 - 2025	DGO/GRC /Customer service	✓
From the analysis of the life cycle and emissions of our developments, to consider these measurements, make decisions on product, design, materials in the development of projects, with the aim of having an internal penalty/ value for the use of certain materials / construction practices / design so that their high or low impact on emissions can be observed.	2024 - 2025	DGO	✓
E.3. ECO-EFFICIENT HOUSING / RESOURCE CONSUMPTION			
E.3.1. Energy efficiency			
Implement a set of measures to reduce the energy consumption of dwellings and provide greater comfort for occupants, with all dwellings launched from 2023 having an A or B energy certification, with more than 70% of them having an A energy certification.	2022	DGO/DGN	
An app is offered free of charge, which provides training on environmental issues and energy saving, as well as facilitating the reading of the energy consumption in their homes by sections and devices to propose various alternatives in the choice of the most economical energy tariff according to the needs of each customer.	2022	DGN	
Carry out air tightness tests (Blowerdoor) and thermal integrity tests (thermographs) on 100% of the works to guarantee the integrity of the building envelope to prevent energy losses.	2023 - 2025	DGO	✓
E.3.2. Water management			
Carry out actions for the reduction and efficient use of water in housing in 100% of the developments to be delivered from 2022 onwards (among others, low-flow taps in the home, low water consumption appliances, dual flush cisterns, drip irrigation etc.).	2022	DGO	
Commit to implementing intensive systems to reduce water consumption in all developments whose occupancy density requires high water consumption (developments with more than 150 homes), such as rainwater reuse systems, grey water treatment systems or leak detection systems.	2023 - 2025	DGO	
E.4. PROTECTION AND IMPROVEMENT OF THE ENVIRONMENT			
E.4.1. Sustainable Mobility			
Include bike racks in 100% of the developments where the project allows it.	2022 - 2025	DGO	

DIMENSION / AREA / OBJECTIVE / ACTION	YEAR	Responsible	New
E.4.2. Biodiversity			
An impact and biodiversity report will be carried out and measures will be taken to improve (or at least not worsen) the biodiversity of the site both in those developments that have an environmental certification and in those sites where an environment has been identified which, due to its uniqueness, is important to the biodiversity of the site.	2022	DGO	
E.4.3. Urban Planning and Community Transformation			
One of Neinor Homes' guidelines is to develop urban regeneration initiatives in those areas where the company is present and which are located in a unique area, with a certain amount of service/industrial abandonment or where it is developing a number of developments in an area of some importance for the locality. To this end, the company's priority, through agreements with the respective local councils, is to promote, develop and regenerate these areas, decontaminating these soils, urbanising them and providing them with services and assistance to turn them into welcoming and well-connected locations where people and communities can live in a prosperous and sustainable way.	2022	DGO/DGN	
E.5. CIRCULAR ECONOMY			
E.5.1. Reducing consumption and waste			
Recover 80% of construction waste in all Neinor Homes' works/developments.	2023 - 2025	DGO	
Monitor the valuation of the previous point and report it through the monthly monitoring reports of each construction project, and have it verified by an independent third party.	2023 - 2025	DGO	
SOCIAL			
S.1. HOUSING FOR ALL			
S.1.1. Social and affordable housing			
Promote the construction of social housing for sale (VP social housing) (10% of housing under construction / delivered / launched annually of this type).	2023 - 2025	DGN	
Encourage and promote public-private agreements for the development and construction of social rental housing (10% of housing under construction / delivered / launched annually of this type).	2023 - 2025	DGO	
Promote the construction of housing in areas close to large centres of high demand, favouring accessibility to housing due to its price and a greater distribution of population and services (10% of housing under construction below a purchase price of 200 K).	2022 - 2025	DGN	
S.2. PEOPLE'S SAFETY, HEALTH AND WELL-BEING			
S.2.1. Safety, health and well-being of employees, suppliers/contractors and customers			
Develop a strategic Health and Safety Plan that contributes to increasing health and safety on construction sites.	2022	DGO	

DIMENSION / AREA / OBJECTIVE / ACTION	YEAR	Responsible	New
Conduct health and safety audits, by an external auditor, on all developments at least once during the construction phase.	2022 - 2025	DGO	
Monitor the results of such audits, report them to senior management and take appropriate remedial action, if necessary.	2022 - 2025	DGO	
S.3. CUSTOMER RELATIONSHIP AND PROTECTION			
S.3.1. Community well-being and cohesion			
Include a balcony, terrace and/or garden in 100% of our dwellings in the study/project phase where the conditions of the plot and urban planning allow it.	2022 - 2025	DGO	
Include an area for private communal use and enjoyment in 100% of dwellings in the study/design phase where the conditions of the plot and urban planning allow it.	2022 - 2025	DGO	
Maintain the "Family Homes Protection" insurance as a mechanism to protect customers in the event of any mishap and guarantee their peace of mind (home payment insurance in the event of exceptional health or work-related circumstances that may affect customers in the process of purchasing and building their homes). Neinor Homes has been the pioneer in the sector in implementing this type of protection insurance for its customers.	2022	DGN	
An app is offered free of charge, which provides training in healthy habits, environmental culture and energy saving, as well as facilitating the reading of the energy consumption of their homes by sections and devices to propose different alternatives in the choice of the most economical energy tariff according to the needs of each customer.	2022	DGN	
S.3.2. Personalised attention and active listening to customers			
Accompany people in their search for a home, providing them with a wide range of housing typologies according to their needs and their purchasing power, in the form of ownership, renting or managing the renting of their current home.	2022	DGI	
Throughout the whole process of searching, buying, renting or managing the rental of their home, providing 100% transparent and regular information on the evolution of the construction or the steps taken (monthly newsletters and customer service department).	2022	DGN	
S.4. COMMITMENT TO THE TEAM			
S.4.1. Attracting and retaining talent			
Increase employee training hours annually.	2022 - 2025	HR	
Address specific sustainability training for all employees and set sustainability targets.	2022	GRC	
Maintain the system of listening to employees through regular work climate surveys and the implementation of improvement measures derived from the results of these surveys.	2022	HR	

DIMENSION / AREA / OBJECTIVE / ACTION	YEAR	Responsible	New
S.4.2. Diversity and Equality			
Approve the company's Equality Plan and review that current equality commitments and plans are aligned with the 2020-2025 European Gender Equality Strategy and national legislation.	2022	HR	
Introduce measures to increase the number of women in management positions.	2022 - 2025	HR	
Train the management team, those responsible for selection processes and members of the Equality Committee in equality and diversity.	2023	HR	
Increase the work-life balance measures in place.	2022	HR	
S.5. SOCIAL COMMITMENT TO COMMUNITY AND CITY			
S.5.1. Social action			
Establish a company social action strategy with a focus on the SDGs and aligned with the company's activities*.	2023	GRC	
Develop studies / initiatives aimed at ending homelessness in Spain and the lack of decent housing.	2022 - 2025	GRC	
Collaborate and channel the company's aid to NGOs deployed in disaster areas.	2022 - 2025	GRC	
Promote initiatives to encourage sport in the areas where our developments are located.	2022 - 2025	GRC	
GOVERNMENT			
G.1. BEST PRACTICES IN CORPORATE GOVERNANCE			
G.1.1. Alignment with government standards			
Establish measures to increase the presence of women, as far as possible, in the event of replacement of members of the Board of Directors.	2022	CNR	
In the Board's external evaluation, achieve above-average performance.	2022 - 2025	CNR	
Present the Financial Statements without qualifications.	2022 - 2025	DGF	
Implement European reporting in CSRD, perform double materiality analysis and report on regulatory indicators in non-financial information.	2024 - 2025	GRC	✓
G.2.1. ETHICS AND INTEGRITY			
Maintain the company's Code of Ethics and compliance and integrity protocols up to date, and continue to regularly communicate to all employees and suppliers the update thereof, including, but not limited to, practical examples.	2022	GRC	

DIMENSION / AREA / OBJECTIVE / ACTION	YEAR	Responsible	New
G.3. TRANSPARENCY AND RELATIONSHIPS			
G.3.2. Positioning in ESG ratings and indices			
Respond to at least 2 ESG analysts per year.	2022 - 2025	GRC	
Review at least two ESG reporting platforms per year (Bloomberg, Refinitiv, Arabesque S-Ray and Clarity).	2022 - 2025	GRC	
G.3.3. Sustainable discourse			
Develop an ESG Equity Story to highlight and disseminate sustainability milestones.	2022	GRC	
Develop a dual materiality matrix every two years in order to identify the most important sustainability issues for the organisation.	2022 - 2025	GRC	
Broaden the scope of indicators in the Sustainability Report in line with the demands of different stakeholder groups.	2022 - 2025	GRC	
Strengthen public reporting on the company's ESG objectives and the extent to which they are being achieved.	2022 - 2025	Communication	
Strengthen the system of internal control over non-financial reporting (ICFRS), and strengthen the reporting of sustainability objectives and their progress.	2023	GRC	
Obtain zero qualifications in the verifications of the Annual Sustainability Reports.	2022 - 2025	GRC	
G.3.4. Quantification of impact			
Establish mechanisms and indicators to evaluate the impact of the social, environmental and economic contribution of the business and carry out impact studies (input-output, True Value) that highlight the positive impact of the company and measure the return on the social contribution of the projects developed.	2023 - 2025	GRC	
G.4. RESPONSIBLE SUPPLY CHAIN			
G.4.1. Responsible supply chain			
Evaluate all Tier 1 suppliers that account for 90% of the company's purchasing volume against ESG criteria.	2022 - 2025	GRC	
Formally engage with supply chain associations and make this public.	2023 - 2025	GRC	

DIMENSION / AREA / OBJECTIVE / ACTION	YEAR	Responsible	New
G.5. DIGITAL CULTURE / INNOVATION			
G.5.1. Sustainable Innovation			
Have the Aenor ISO 166002 Certificate of Innovation Management.	2022 - 2025	DGO	✓
G.6. SUSTAINABLE FINANCING			
G.6.1 Alignment with the EU Taxonomy of Sustainable Finance			
Review activities to assess their degree of alignment with the EU Taxonomy of Sustainable Finance (green taxonomy and social taxonomy).	2022	GRC	

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT VERIFICATION REPORT OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION OF NEINOR HOMES, S.A. AND SUBSIDIARIES FOR THE YEAR 2023

To Neinor Homes S.A., shareholders:

In accordance with article 49 of the Commercial Code we have carried out the verification, with the scope of limited security, of the consolidated Statement of Non-Financial Information (hereinafter NFIS) corresponding to the annual year ended December 31, 2023, of Neinor Homes, S.A. and subsidiaries (hereinafter Neinor Homes Group) that is part of the consolidated Management Report attached of Neinor Homes Group.

The content of the NFIS includes additional information to that required by current commercial regulations on non-financial information that has not been the subject of our verification work. In this sense, our work has been limited exclusively to the verification of the information identified in sections "14. GRI Content" and "11. Sustainable financing and compliance with the European taxonomy" included in the NFIS attached.

Responsibility of the Directors

The formulation of the NFIS included in the Neinor Homes Group Management Report, as well as its content, is the responsibility of the Group Directors. The NFIS has been prepared in accordance with the contents contained in the current commercial regulations and following the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI standards) selected as well as those other criteria described according to what is mentioned for each matter in sections "14. GRI Content" and "11. Sustainable financing and compliance with the European taxonomy" of the NFIS.

This responsibility also includes the design, implementation and maintenance of internal control deemed necessary to enable the NFIS to be free from material incorrectness, due to fraud or error.

Neinor Homes, S.A. Directors are also responsible for defining, implementing, adapting and maintaining the management systems from which the necessary information is obtained for the preparation of the NFIS.

Our independence and quality control

We have complied with the independence and other ethics requirements of the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Council for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our firm applies the international quality standards in force and maintains, accordingly, a global quality control system that includes documented policies and procedures relating to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The work team has been formed by professionals who are experts in reviews of Non-Financial Information and, specifically, in economic, social and environmental performance information.

Our responsibility

Our responsibility is to express our conclusions in an independent limited safety verification report based on the work done.

We have carried out our work in accordance with the requirements set out in the Revised International Assurance Assignment Standard 3000 in force, "Assurance Assignments Other Than Auditing or Review of Historical Financial Information" (Revised NIEA 3000) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Action Guide on Audit verification assignments of the Status of Accountants Non-Financial Information issued by the Institute of Chartered Accountants of Spain.

In a limited assurance engagement the procedures carried out vary in their nature and time of realization, and have a smaller extension, than those carried out in a reasonable assurance engagement and, therefore, the assurance obtained is substantially lower.

Our work has consisted of the formulation of questions to the Management, as well as to the various Neinor Homes Group units that have participated in the elaboration of the NFIS, in the review of the processes to collect and validate the information presented in the NFIS and in the application of certain analytical procedures and sample review tests described below:

- Meetings with Neinor Homes Group staff to learn about the business model, policies and management approaches applied, the main risks related to these issues and obtain the necessary information for external review.
- Analysis of the scope, relevance and integrity of the contents included in the NFIS of the year 2023 based on the materiality analysis carried out by Neinor Homes Group and described in section "13. About this report", considering contents required in the commercial regulations in force.
- Analysis of the processes to collect and validate the data presented in the NFIS of the year 2023.
- Review of the information related to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS of the year 2023.
- Verification, by means of tests, based on the selection of a sample, of the information related to the contents included in the NFIS of the year 2023 and its adequate compilation from the data provided by the sources of information of Neinor Homes Group.
- Obtaining a letter of statements from the Directors and the Management.

Conclusion

Based on the procedures carried out in our verification and the evidence we have obtained, no aspect has been revealed that makes us believe that the NFIS of Neinor Homes Group corresponding to the annual year ended 31 December, 2023 has not been prepared, in all its significant aspects, in accordance with the contents contained in the current commercial regulations and following the criteria of the GRI standards selected as well as those other criteria described according to what is mentioned for each subject identified in sections "14. GRI Content" and "11. Sustainable financing and compliance with the European taxonomy" included in the NFIS.

Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment establishes the obligation to disclose information on how and to what extent an undertaking's activities are associated with economic activities aligned in relation to the climate change mitigation and climate change adaptation objectives for the first time for 2022, in addition to the information referring to eligible activities required in 2021. Neinor Homes Group is not obliged to disclose the above information, although it voluntarily included it for the first time in 2022 in section "11. Sustainable financing and compliance with the European taxonomy" included in the NFIS, not having extended the disclosed information for 2023 to the rest of the objectives required by the aforementioned regulation, so it is a voluntary although partial inclusion of the sustainability indicators proposed by the Taxonomy Regulation for 2023 and in this context it must be interpreted. Additionally, information was included in relation to which the directors of Neinor Homes Group have opted to apply the criteria which, in their opinion, best enables them to comply with these obligations and which are defined in section "11. Sustainable financing and compliance with the European taxonomy" of the NFIS. Our conclusion is not modified in respect of this matter.

Use and distribution

This report has been prepared in response to the requirement established in the commercial regulations in force in Spain, so it may not be suitable for other purposes and jurisdictions.

DELOITTE, S.L.



Alicia Izaga
February 21, 2024



WE LOVE YOU!



Neinor

HOMES

