



ENVIRONMENT, QUALITY AND INNOVATION POLICY

Prepared by	Reviewed by	Approved by
Governance, Risk and Compliance, Internal Audit & ESG Department	CEO	Board of Directors



Neinor
HOMES

Control of reviews		
Review scope	Date*	Description of changes
1.00	23/07/2018	First version of the policy
2.00	13/12/2019	Update according to the change of the directive
3.00	27/01/2021	New Principles and Policy development
4.00	10/11/2021	Commitment to continuous improvement and compliance with legal and other requirements.
5.00	21/06/2022	Ethical channel data update and minor changes

* Date of the Committee when the procedure was presented for approval (except in the case of immaterial changes that do not modify the established operations and protocols and that, in turn, are always made to increase the company's level of assurance, in which case they will be approved by the Head of Governance, Risk and Compliance, Internal Audit and ESG).

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“Hard copies may not be the latest version; consult the documentation online”

1. Introduction

Through this policy, NEINOR HOMES, S.A. (hereinafter, “NEINOR HOMES”, the “Company” or the “Group”), undertakes to carry out all its activities in an environmentally friendly manner, offering optimum quality to its customers and in all of its processes, and driving innovation in all areas of the Company.

This commitment of NEINOR HOMES is fully aligned with principles seven, eight and nine of the United Nations’ Global Compact (Principle 7: “Businesses should support a precautionary approach to environmental challenges”; Principal 8: “undertake initiatives to promote greater environmental responsibility”; and Principle 9: “encourage the development and diffusion of environmentally friendly technologies”). Furthermore, the Company assumes its role to meet the environmental goals set in the Paris Agreement and to fulfil the 17 Sustainable Development Goals of the United Nations’ 2030 Agenda.

The Sustainable Development Goals that NEINOR HOMES has identified as the most closely linked to its activity are:

- 7. Affordable and Clean Energy
- 9. Industry, Innovation and Infrastructure
- 11. Sustainable Cities and Communities
- 13. Climate Action

2. Objective

The objective of NEINOR HOMES’ Quality, Environment and Innovation Policy (hereinafter “the policy”) is to set down the general principles and the common action framework for the integration of environmental protection in the Company’s activity, ensuring maximum quality and making use of innovation.

This policy is in line with NEINOR HOMES’ Code of Ethics and Sustainability Policy.

The Code of Ethics can be accessed via the following link to the corporate website: <https://www.neinorhomes.com/en/responsible-business-and-innovation/ethics/code-of-ethics/> and the Sustainability Policy through the following link to the corporate website: <https://www.neinorhomes.com/en/responsible-business-and-innovation/sustainability/sustainability-policy/>

3. Scope of application

The Environment, Quality and Innovation Policy applies to all the companies forming part of NEINOR HOMES. All personnel of these companies (directors, representatives, senior management, employees, etc.) have a duty to comply with this policy.

Furthermore, NEINOR HOMES will promote knowledge of this policy and its application by the people and entities that have contractual and business relationships with NEINOR HOMES (suppliers, contractors, subcontractors and partners, etc.).

4. Principles of action

Since its foundation, the Company has sought to differentiate itself from its competitors by leading the field in ecoefficiency and sustainable building, through a firm commitment to quality, sustainability and innovation.

NEINOR HOMES' commitment to respecting the environment, promoting the highest quality standards and supporting the most advanced practices in innovation will be governed by the following principles:

4.1. Protection of the environment

NEINOR HOMES will promote the preservation and protection of and respect for the environment, as well as the prevention of pollution within its field of action.

The main lines of action in this respect are:

4.1.1. Environmental certifications: that confirm the environmental sustainability of the Company's activities and developments. The principles of action in this respect are:

- Promotion of sustainable building through the environmental certification of the Company's developments through the most technically advanced building evaluations and certifications.
- Implementation and obtention of certification of the most demanding environmental management systems in accordance with the regulations and standards of reference.

4.1.2. Circular economy: which makes it possible to extend the useful life of the natural resources used. The principles of action in this respect are:

- Boosting of the circular economy, through sustainable projects and construction processes that use the best techniques available and prioritise the use of recycled and reclaimed materials and the extension of the useful life of resources.
- Reduction in the consumption of resources such as energy, water and materials by establishing specific targets in this respect and complying with these.
- Encouragement to minimise the Company's environmental impacts in its construction processes.
- Lowering of the environmental impact of our offices, analysing and reducing the consumption of resources and enhancing environmental performance.

4.1.3. Action against climate change: that makes it possible to reduce carbon emissions, mitigate climate risks and boost the opportunities derived from mitigating climate change. The principles of action in this respect are:

- Promotion of actions to mitigate climate change and the gradual reduction of the Company's carbon footprint.

- Identification and mitigation of climate risks and the boosting of opportunities derived from the transition to a low-carbon economy.

4.1.4. Environmental consciousness and awareness: that fosters the environmentally sustainable conduct of all the Company's stakeholders. The principles of action in this respect are:

- Periodic training on the environment and sustainable building.
- Raising of society's and, in particular, employees' awareness of respect for the environment.

4.1.5. Legal and other requirements: The commitment to comply with applicable environmental legislation and regulations, as well as other additional requirements subscribed to and assumed voluntarily by the company, related to the environment and quality.

The ultimate goal is to ensure compliance with current international, national, regional or local regulations and to go beyond mere compliance with legal and other minimum requirements.

4.2. Quality

NEINOR HOMES' commitment to quality goes beyond the product and extends to the service offered to customers throughout the entire process, from the reservation of their home until its delivery and subsequent monitoring, in addition to being focused on the continuous improvement of the integrated management system for Quality, Environment and R&D&I.

The main lines of action in this respect are:

4.2.1. Quality throughout the development's entire life-cycle: from reservation to delivery of the customer's home. The principles of action in this respect are:

- Ensure access to such a basic right as a home with the highest standards of quality.
- Listen to customers beforehand to understand their needs and provide a quality product and service, that meets their expectations.
- Analyse the technical, social and environmental viability of the home based on the customer's concerns.
- Ensure transparency, keeping the customer permanently informed.
- Meet the deadlines established.
- Monitor continuously the quality of the service provided through surveys that measure satisfaction and customer services.
- Promote quality as a distinctive feature, responding to the customer's requirements and ensuring the technical and sustainability characteristics.

4.2.2. Quality of all the processes: through the highest quality standards and the availability of the best resources. The principles of action in this respect are:

- Implementation and obtention of certification of the most demanding quality management systems in accordance with the regulations and standards of reference.
- Fostering of strict criteria for efficiency, rigour, transparency and control.

- Availability of highly professional talent, facilitating application of the highest professional standards.
- Introduction of a systemised process chain that is continuously being enhanced.
- Maintenance of the highest quality standards in the supply chain, through suppliers' and contractors' fulfilment of their contracts and compliance with the implications of the Company's White Book.

4.3. Innovation

NEINOR HOMES undertakes the commitment to continuously drive innovation, in a sector that is traditionally resistant to change, applied to process advancement, product quality and the improvement of the environment in order to give a constant and efficient response to the needs of its customers and society.

The main lines of action in this respect are:

4.3.1. Continuous innovation: that enables us to offer customers state-of-the-art products and services. The principles of action in this respect are:

- Ongoing monitoring of trends foreseen in the building sector and relevant technologies that help set us apart from our competitors in terms of innovation.
- Consideration of the proposals of customers and employees for product launches and innovative solutions.
- Implementation and obtention of certification of the most demanding management systems in terms of research, development and innovation in accordance with the regulations and standards of reference.
- Use of the best and most innovative practices, applying the latest design, architecture and building trends, and going beyond established standards, enabling the sector to continuously move forward.

4.3.2. Open innovation: by fostering collaboration with third parties in the area of innovation. The principles of action in this respect are:

- Promotion of collaboration and the exchange of experiences, technologies and solutions in innovation with third parties, seeking new solutions and adapting these to the new requirements of customers.

4.4.3. A culture of innovation: that facilitates a cross-cutting integration of innovation in all areas of the Company. The principles of action in this respect are:

- Promote a culture of permanent innovation in all areas of the Company, which involves all of its members.
- Improve the capabilities of the Company's professionals in the area of innovation.
- Drive the digital transformation of the Company and the sector.

5. Responsibilities

Details are provided below of the different responsibilities to ensure compliance with the Environment, Quality and Innovation Policy.

The Board of Directors is the main driver of the implementation of a culture that protects the environment and promotes quality and innovation throughout the entire Company. This policy has the express commitment of senior management, including the Steering Committee and the Chairman of NEINOR HOMES.

The Company's Governance, Risk and Compliance, Internal Audit and ESG (GRC) Department is responsible for managing the Company's actions in this area and ensuring strict observance and compliance with this policy. The Company's GRC Department is also responsible for Internal Audit, Compliance, Corporate Governance, Risks and Sustainability. The purpose of this provision is to achieve synergies for more efficient management and greater monitoring and control, to ensure and promote compliance with this policy throughout the Group, ensuring total independence from other areas of the Company.

6. Monitoring and control

The Group's companies will ensure the necessary resources and instruments are made available for the correct implementation, monitoring and assessment of the Environment, Quality and Innovation Policy.

For its part, the Governance, Risk and Compliance, Internal Audit and ESG Management will periodically review compliance with the guidelines contained in this policy.

NEINOR HOMES has an ethical channel, available to all stakeholders, including employees, suppliers, customers and other third parties, which can be used to communicate any doubts or suggestions and also report any conduct contrary to this policy.

In the event of non-compliance with any of the commitments or principles outlined in this policy, NEINOR HOMES will take the corresponding measures pursuant to labour law and the applicable collective bargaining agreement.

Any report may be sent by letter or via the corporate website at any time, as the channel is available 24 hours a day, 7 days of the week.

If ordinary mail is used, the address is:

NEINOR HOMES
Governance, Risk and Compliance, Internal Audit & ESG department
Paseo de la Castellana 20, planta 5ª.
28046 - Madrid.

If the corporate website is used, the link is <https://www.neinorhomes.com/en/responsible-business-and-innovation/ethics/ethics-line/> where the address of the channel enabled to deal with complaints in accordance with Directive (EU) 2019/1937 is indicated, guaranteeing the confidentiality of the parties and allowing the sending of anonymous communications when the informant so wishes: <https://neinorhomes.integrityline.com/frontpage>.

7. Training and dissemination

This policy will be included in the mandatory annual training subjects for all members of NEINOR HOMES, in both Spanish (the local language) and English. It will also be included in the welcome pack for new employees of the Company.

The policy will likewise be available on the intranet, common directories of NEINOR HOMES and will be available to the public on the Company's corporate website, in both Spanish and English.

8. Environmental, quality, and innovation certificates

In its operations NEINOR HOMES takes into account the international benchmark standards in responsible business conduct and sustainable building, having obtained the following certifications:

- ISO 9001: Quality Management
- ISO 14001: Environmental Management
- UNE 166002: R&D&i Management
- BREEAM®: Sustainable Building

9. Approval and entry into force

This policy has been approved by the Board of Directors of NEINOR HOMES in its meeting held on July 23, 2018 and will enter into force on the same date.

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