



SUSTAINABILITY 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	27/01/2021	New Principles and Policy development
3.00	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

NEINOR HOMES, S.A. (hereinafter, “NEINOR HOMES”, the “Company”, the “Group” or the “Company”) is the real estate platform that aspires to lead the transformation of the residential sector in Spain to become the 21st century benchmark developer in sustainability, innovation and customer service. To this end, NEINOR HOMES’ objective is to carry out its activity with the maximum quality standards, transparency, new technologies and commitment to sustainability throughout the value chain.

NEINOR HOMES’ values are:

- **Human centric.** We evolve with people and their new needs in mind. We change with society, we work with empathy.
- **Sustainability.** The only way of working that we believe in is one that respects the planet. And makes it possible for people to exercise their responsibility at home.
- **Talent.** We believe in the development of society through the promotion of talent and the creation of suitable environments for its development.
- **Innovation.** We embrace our role as industry innovators by investing in innovation that improves the lives of our customers and society at large.
- **Responsibility.** We engage with society to put housing at the heart of fair and sustainable social growth. Leading the transformation of the sector.
- **Principles.** The ethical principles of transparency and commitment are basic to our credibility.

Through this policy, NEINOR HOMES assumes its commitment to the planet, to people, to prosperity and good corporate governance, in accordance with the 10 principles of the United Nations Global Compact, the 17 Sustainable Development Goals of the United Nations’ 2030 Agenda and the goals set in the Paris Agreement.

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’ Sustainability Policy (hereinafter “the policy”) is to set down the general principles and the common action framework for the integration and sustainable management of people, operations and stakeholders, based on the company’s basic pillars: customers, product and institutionalisation.

The general objectives of the Sustainability Policy are as follows:

- **Spearhead the sector's transformation**, making the company a benchmark in sustainability and contributing to its credibility and good reputation thanks to the recognition of the NEINOR HOMES trademark.
- **Define NEINOR HOMES' commitment** to good governance, the environment and society for all its stakeholders.
- **Serve as the base for integrating sustainability** in NEINOR HOMES' business strategy and throughout its value chain.
- **Deliver a quality product to people**, understanding that buying a home is one of the most important acquisitions they will make.
- **Care of the employees** of NEINOR HOMES and those within its field of influence.

NEINOR HOMES has defined its strategy in respect of sustainability with its sights on 2030, with the aim of aligning the company's strategy with the United Nations' Sustainable Development Goals. This strategy is implemented via its Corporate Social Responsibility Master Plan, a single Group-wide framework for the integrated management of all its environmental, social and good governance initiatives. This plan identifies certain goals and designs specific short-, medium- and long-term actions as part of the guiding principles contemplated in this policy.

NEINOR HOMES' Sustainability Policy is considered to be an extension of the Company's Code of Ethics, which includes, among others, the following:

- Legal compliance
- Zero tolerance of corruption
- Health and safety at work
- Professional development, equality and the prohibition of discrimination
- Transparency
- Protection of the environment

The Code of Ethics of NEINOR HOMES can be accessed via the following link to the corporate website:

<https://www.neinorhomes.com/en/responsible-business-and-innovation/ethics/code-of-ethics/>

3. Scope of application

This 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 with contractual and business relationships with NEINOR HOMES (suppliers, contractors, subcontractors and partners, etc.).

4. Definitions

- **Material matters:** NEINOR HOMES considers matters that are relevant for the business and its stakeholders to be material matters. Material matters for NEINOR HOMES include;

transparency, ethics and integrity, good governance, innovation, sector influence and leadership, customer service, corporate reputation and brand value, occupational health and safety, economic sustainability and responsible investment, the product's added value, human capital management, the attraction and retention of talent, corporate reporting, the strategic relationship with suppliers and the responsible purchasing system.

- **Stakeholders:** NEINOR HOMES considers stakeholders to be the people or entities that have a relationship with the Company, having the capacity to influence the Company's decisions or that are positively or adversely affected by the Company's activities. NEINOR HOMES' stakeholders include shareholders, public authorities, customers, board members, contractors, employees, financing bodies, the media, non-governmental organisations, suppliers, investors, regulators, civil society and partners, among others.
- **Sustainability:** NEINOR HOMES considers sustainability to be all of the Company's environmental, social and governance actions that make it possible to: satisfy present needs without compromising future generations' ability to satisfy their needs, act with corporate responsibility, be more restrictive than current legislation, have a positive impact on people and the planet, and generate short-, medium- and long-term value for all stakeholders.

5. Guiding principles

Sustainability is a key part of NEINOR HOMES' DNA. Since its incorporation, the Company has sought to differentiate itself from its competitors by being at the forefront of sustainability in the sector. NEINOR HOMES' commitment to sustainability, corporate responsibility and sustainable development is seen in the following guiding principles:

5.1. Ethical conduct

NEINOR HOMES is committed at the highest level to the principles and values that form its Code of Ethics and the policies, codes, procedures, regulations and manuals that implement it. The Prevention of Corruption, Fraud and Bribery Policy, the Tax Policy and Best Tax Practices, the Code of Conduct for Third Parties, the Code of Best Practices in Real Estate Mediation Services, the Internal Code of Conduct in Securities Markets, the Procedure for Conflicts of Interest and Related Parties Transactions, the Crime Risk Prevention Manual and the Manual on the Prevention of Money Laundering and the Financing of Terrorism.

The main lines of action in this respect are:

- Acting ethically and with integrity in all activities, with all stakeholders and at all times.
- Compliance with Spanish and international laws and regulations that are in force in all the countries where the Company operates.
- Rejection of corruption, fraud and bribery in all its forms.
- Giving donations and other non-profit contributions for the sole purpose of making a social contribution.
- Compliance with prevailing anti-money laundering legislation and the Company's Manual on the Prevention of Money Laundering and the Financing of Terrorism.
- Prohibition on acting in situations where there is a conflict of interest and appropriate management by complying with the Conflicts of Interest and Related Parties Policy.
- No support shown or financial contributions or donations made to any kind of politicians, political parties, political campaigns or similar.

- Fair competition in the market, avoiding any fraudulent, deceptive or malicious conduct that could result in undue advantages.
- Acting responsibly in the management of and compliance with tax obligations.
- Promotion among the different stakeholders of the principles and values set out in the Code of Ethics.

The Code of Ethics of NEINOR HOMES can be accessed via the following link to the corporate website:

<https://www.neinorhomes.com/en/responsible-business-and-innovation/ethics/code-of-ethics/>

5.2. Good governance

NEINOR HOMES undertakes to apply the obligations and recommendations of good governance under the strictest Spanish and international standards and other voluntary relevant practices, such as the Good Governance Code of Listed Companies issued by the CNMV (Spanish National Securities Market Commission), updated in 2020.

NEINOR HOMES' governing body is committed to managing the Company diligently, transparently and with integrity, complying with internal and external regulations in force and encouraging the dissemination of the general principles of conduct, ethics and integrity for all its employees, customers and suppliers with the aim of preventing, detecting and eradicating bad practices. The main lines of action in this respect are:

- Compliance with the Bylaws, the Regulations of the Board of Directors and the Code of Ethics.
- Maintaining the highest standards of corporate governance.
- Evaluation and periodic review of the corporate governance system, as well as oversight of compliance with the Company's corporate governance standards.
- Promotion of a just and balanced Remuneration Policy for members of the Board of Directors.

5.3. Risk management, with particular focus on non-financial risks

NEINOR HOMES firmly insists on the risk management process in order to identify, analyse and mitigate possible events that might affect the Company and include this risk management in NEINOR HOMES' business strategy, through the following principles:

- Centralisation and standardisation of risk management at corporate level.
- Inclusion of risk analysis and assessment in NEINOR HOMES' strategy and value chain.
- Defence of the interests of shareholders, customers and other stakeholders of NEINOR HOMES.
- Assurance of compliance with internal regulations and the legislation in force.
- Updating of risk maps and scorecards including non-financial risks.
- Ensuring the inclusion of risk control mechanisms in relation to corruption, anti-competitive practices and fraud.

5.4. Transparency, corporate communication and stakeholder relations

NEINOR HOMES' objective is ongoing, transparent and two-way communication with its stakeholders. The main lines of action in this respect are:

- The active promotion of listening to and collaborating with the different stakeholders, by facilitating communication and consultation channels that enable them to have adequate, accurate, useful and complete information on the Company.
- Transparent communication with stakeholders about the Company's actions, among other matters, to comply with the guiding principles set out in this policy.
- Development of sector alliances and adhesion to relevant international initiatives.
- Establishment of mechanisms that guarantee transparency in the management of the Company both in financial and non-financial information.
- The provision of accurate and transparent financial and accounting information to the authorities, shareholders, markets and customers, in accordance with prevailing legislation.
- Assurance of transparency and honesty with regard to the conditions for acquiring a home and its qualities.
- The customer must be kept permanently updated, both actively and reactively.
- Promotion of a sustainable culture and ethical conduct of all employees in their daily tasks, especially in their relations with the Company's stakeholders.

5.5. Protection of the environment and sustainable building

NEINOR HOMES will promote, as far as possible, the preservation and protection of and respect for the environment.

The people that form NEINOR HOMES have the duty to ensure compliance with the environmental legislation applicable to the activity they perform.

The main lines of action in this respect are:

- Promotion of sustainable building through the certification of the Company's developments.
- 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.
- Lowering of the environmental impact of the Company's offices.
- Promotion of actions to mitigate climate change and the gradual reduction of the Company's carbon footprint.
- Encouragement to minimise the Company's environmental impacts in its construction processes.
- Raising of society's awareness in respect of the environment.

5.6. Innovation

NEINOR HOMES continuously drives innovation 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 pillars of this action are:

- The fostering of innovation and collaboration with third parties in this area.

- The development of improvements and more innovative practices, going beyond established standards, enabling the sector to continuously move forward.
- Consideration of the proposals of customers and employees for product launches and innovative solutions.
- Development of strategic lines of research as part of the commitment to offer innovative and technologically advanced solutions to customers.

5.7. Quality and excellence in customer service

NEINOR HOMES considers that buying a home is a very important decision for customers. Consequently, it offers assistance throughout the home's life-cycle, listening to, responding to and understanding customers' needs to offer a tailor-made service, in three areas:

5.7.1. "Customer Centric" is the process of accompanying the customer from the date they reserve their home until they are handed the keys and subsequent monitoring, the principles of which are:

- Ensure access to such a basic right as a home with the best financing terms for the customer.
- Research and listening beforehand to the client to understand their needs.
- Definition of the product and its distinguishing features based on the customer.
- Analysis of the technical, social and environmental viability based on the customers' concerns.
- Assurance of the maximum quality and fulfilment of the customer's expectations.

5.7.2. "Our customers are the reason we exist" takes the form of the Neinor Experience, an exclusive service for NEINOR HOMES' customers, with the following principles:

- Finding the best technical and economical solution for the customer.
- Ensuring transparency, keeping the customer permanently informed.
- Identifying the customer's needs and possible opportunities to collaborate on an ongoing basis.
- Monitoring continuously the quality of the service provided through surveys that measure satisfaction and customer services.

5.7.3. NEINOR HOMES creates the home that the customer wants based on the principles of "only the best" and maximum rigour, meaning:

- Quality as a distinctive feature, responding to the customer's requirements and ensuring the technical and sustainability characteristics that typify NEINOR HOMES.
- Fulfilment of the schedules set.
- Care of the environment, carrying out construction projects with maximum respect for the environment.
- Ongoing innovation of the product and operations.

5.8. People's health and safety

NEINOR HOMES promotes a safe and stable working environment and undertakes to permanently update the health and safety measures adapted to each job position. All members of NEINOR HOMES have the duty to strictly comply with health and safety and hygiene standards. The main pillars of this action are:

- Ensuring health and safety is an individual responsibility, which cannot be delegated.
- Guaranteeing people's health and safety and decent working conditions, taking into account the highest international standards of reference.
- Compliance with the most demanding health and safety standards and the Company's Book of Best Practices in health and safety, which goes beyond prevailing legislation.
- Maintenance of a safe and healthy workspace through risk management, the adoption of preventative measures and health promotion and protection.
- Ensuring the quality and technical security of the Company's developments.

5.9. Diversity, non-discrimination, equal opportunities and development of talent

The main lines of action in this respect are:

- Promotion of a diverse team, firmly rejecting any type of discriminatory behaviour, whether for reasons of gender, nationality, race, culture, disability, sexual orientation, age, religious beliefs, political opinions or for any other personal, family, economic or social circumstances that could be a cause of discrimination.
- Ensuring equal treatment and opportunities for all personnel.
- Driving a working environment where there is respect and acceptance, which fulfils decent working conditions according to the legislation and standards of reference at international level.
- Fostering of measures that favour work-life balance.
- Promotion of talent development and individual career plans.
- Respect of the principles set out in the United Nations' Universal Declaration of Human Rights and in the International Labour Organisation's Declaration (ILO), the principles of the United Nations' Global Compact, the United Nations Guiding Principles on Business and Human Rights, as well as the OECD Principles of Corporate Governance.
- Extension of the commitments to respect diversity and non-discrimination to all stakeholders.

5.10. Social contribution

NEINOR HOMES is firmly committed to contributing to the development of the society of which it forms a part.

The main lines of action in this respect are:

- Promotion of a positive social impact by creating employment and developing local talent.
- Ensuring fair trade through relationships of trust and mutual benefit.
- Respect for the culture, traditions and laws of local communities and the carrying out of initiatives that create shared wealth in the framework of the Company's activities.
- Promotion of donations and investment in socially responsible initiatives.

5.11. Sustainability of the value chain

NEINOR HOMES' objective is to develop a sustainable value chain that contributes to society's development. The main lines of action in this respect are:

- Inclusion of sustainability criteria in the value chain.
- Creation of added value of the activities from an economic, social and environmental standpoint.
- Efficiency of corporate procedures and standards for sustainable design and construction.
- Development of relationships of trust with customers, employees and suppliers, *inter alia*.

5.12. Supply chain and responsible purchasing

NEINOR HOMES undertakes to ensure maximum product quality through a robust management and internal control system of the services it outsources, establishing the following types of relationships with suppliers:

- All architects, constructors and key suppliers of NEINOR HOMES must be certified in respect of sustainability criteria to provide services, including the corresponding audits.
- The promotion of transparency in contractual relationships and active collaboration with suppliers for respect of the maximum ethical standards.
- The development of best health and safety practices to ensure suppliers' compliance with health and safety standards that are more far-reaching than the legal obligations.

5.13. Information security and cybersecurity

All the professionals of NEINOR HOMES have the duty to not disclose, transfer or distribute confidential and sensitive information. NEINOR HOMES' information may only be used for professional purposes not for personal ends. Furthermore, all employees of NEINOR HOMES have the duty to preserve the confidentiality of the information in any circumstances, avoiding, as far as possible, any breaches of information security. The main lines of action in this respect are:

- Responsible and secure management of the information and of all of the data that NEINOR HOMES stores, processes and handles, both in its operations and services such as customer services.
- The Company's IT systems must have an adequate level of security, which is in line with the most advanced practices and standards in this area.
- Promotion of the safety measures and mechanisms to protect the confidentiality and integrity of the information.
- Everyone working in and with the Company must be made aware of cybersecurity risks to ensure the security of the information.

6. Responsibilities

The Board of Directors is the main driver of the implementation of a sustainable, responsible and ethical culture throughout the Company. This policy has the express commitment of senior management, including the Steering Committee and the Chairman of NEINOR HOMES.

Details are provided below of the different responsibilities to ensure compliance with the Sustainability Policy.

The Board of Directors is the governing body charged with approving this policy and is responsible for assessing compliance therewith both internally and in NEINOR HOMES' relationships with all its stakeholders.

The Audit and Control Committee of the Board of Directors has been assigned the following responsibilities vis-à-vis sustainability:

- Review of the General CSR Policy, ensuring that it focuses on value creation.
- Monitoring of the social responsibility strategy and practices, with an assessment of the degree of compliance therewith.
- Supervision and assessment of the dialogue with different stakeholders.
- The assessment of all matters concerning Neinor Homes' non-financial risks, such as operational, technological, legal, social, environmental, political and reputational risks.
- The coordination of the reporting process for non-financial information, in accordance with applicable legislation and the international standards of reference.

Given the Company's strong commitment to sustainability, the Company's Governance, Risk and Compliance, Internal Audit & ESG department is responsible for managing the Company's sustainability actions and ensuring strict compliance with this policy. The Company's Governance, Risk and Compliance, Internal Audit & ESG department is also responsible for Internal Audit, Compliance, Corporate Governance and Risks. 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 the rest of the Company's areas.

Lastly, every single person to whom this policy is applicable has the duty to know, understand and comply with the principles contained therein.

Internal management of this policy is ensured thanks to adequate compliance through the following:

- Report periodically to the Board of Directors on the degree of compliance with this policy and other complementary internal regulations, including possible proposals for improvement.
- Promote and disseminate this policy and other complementary internal regulations among all the people of NEINOR HOMES.
- Resolve consultations relating to the application of this policy and other complementary internal regulations.

7. Monitoring and control

Group companies shall adopt the necessary control mechanisms for correct implementation, monitoring and assessment of the Sustainability Policy. They will also earmark sufficiently qualified and adequate human resources and material resources for this purpose.

The Governance, Risk and Compliance, Internal Audit & ESG department will periodically review compliance with the guidelines set out in this policy.

NEINOR HOMES has an ethical channel, available to all stakeholders, including employees, suppliers, clients 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 the legislation in force.

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>.

Additionally, NEINOR HOMES' stakeholders can write to the following email address: sustainability@neinorhomes.com with their comments and suggestions regarding the Company's approach to sustainability.

8. Training and dissemination

This policy is 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.

9. Market information

The Company's Sustainability Report and corporate website will reflect with transparency for all stakeholders the degree of effective compliance with the Sustainability Policy and will report on the strategy, goal plans, management systems, programs developed, initiatives followed and performance in this respect.

10. Adherences and certifications

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
- ISO 27001: Information Security Management
- UNE 166002: R&D&i Management
- BREEAM®: Sustainable Building

NEINOR HOMES assumes its commitment to comply with the 10 principles of the United Nations Global Compact and to contribute to the 17 Sustainable Development Goals of the United Nations' 2030 Agenda and the goals set in the Paris Agreement, doing what is within its reach, through ideas and proposals of the Sustainability Committee to make a sustainable and quality world.

11. 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 come into force on the same date.

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