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Our commitment to the environment



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Committed to the environment



Neinor Homes assumes a firm commitment to protecting the environment and to sustainable building

Why is the real estate sector relevant for protection of the environment?

- The **real estate sector is crucial** in the transition to a low-carbon economy.
- **Buildings account for 40% of global energy consumption** and emit approximately the same amount of carbon emissions.

What is Neinor Homes' role in protecting the environment?

- Since its incorporation, Neinor Homes **has spearheaded environmental protection in the sector.**
- The company **leads a sustainable transformation process**, which is necessary in an eminently traditional market.
- The company is **committed to sustainable building**, staying ahead and differentiating itself from its competitors.

All Neinor Homes' residential properties are eco-efficient, offering maximum energy efficiency and comfort.

What is our commitment?

In its **Quality, Environment and Innovation Policy**, which is publicly available on its corporate website, Neinor Homes commits to **protecting the environment and preventing pollution** by:

- Developing **sustainable and energy efficient projects** using materials, designs, technologies and construction processes that respect people and the environment.
- **Reducing the environmental impact of our offices**, cutting the use of resources and increasing environmental performance.

Commitment to the main international initiatives to protect the environment



Neinor Homes commits to fulfilling the Ten Principles of the UN Global Compact



Neinor Homes commits to taking measures that contribute to achieving the goals of the Paris Agreement



Neinor Homes commits to contributing to the Sustainable Development Goals, especially those most closely linked to its activity:



What form does our commitment take?



Responsible management

- ✓ **Quality, Environment and Innovation Policy**
- ✓ **Campaigns to raise environmental awareness** to lower energy and paper consumption
- ✓ **Paperless policy** since 2017 with recommendations to reduce consumption
- ✓ We use **green energy** to power our Barcelona, Bilbao, Cordoba and Valencia offices
- ✓ **Adaptation of all Neinor Homes' work centres** to permit the recycling of any type of waste



Collaboration with experts

- 
 - ✓ Member of the **Advisory Board of BREEAM®**, the benchmark sustainable building certificate
- 
 - ✓ We are **the only property developer in Europe** to have provided with residential buildings to the Green Building Council's European taxonomy project.
- ✓ Member of numerous **sector associations** and **start-ups** aimed at sustainable innovation



Results and recognition

- ✓ **ISO 14001** certification for Environmental Management
- ✓ **ISO 9001** certification for Quality Management
- ✓ **Reduction of energy consumption:** 285,501 kWh consumed in 2019, 3% less than in 2018
- ✓ **17% drop in the amount of paper used** compared to 2018
- ✓ Neinor Homes is the Spanish property developer that has presented the **most BREEAM® certifications** in recent years

BREEAM®, the benchmark certificate

BREEAM® is the **benchmark international certificate in sustainable building**. Its aim is to measure, assess and weight the levels of a building's sustainability at all of its stages.

What is BREEAM®?

- ✓ It measures the **overall environmental sustainability of buildings**, going beyond eco-efficiency.
- ✓ It contributes to **lowering the environmental impact** of projects and **improving occupants' quality of life**.
- ✓ It assesses a total of **49 requirements** in 10 different categories.
- ✓ BREEAM® is the **most widespread home certification in Spain**.


BREEAM is the most widely used sustainability certification in Spain





BREEAM-certified buildings in Spain.

Why is it so important for Neinor Homes?

A BREEAM®-certified building ensures that its users and the environment benefit from the following aspects:

 **Health:** BREEAM® buildings have an **internal atmosphere** with positive repercussions on the user's **quality of life** due to their air quality, views to the outside, lighting and noise levels.

 **Savings:** a BREEAM®-certified building means 50-70% lower **energy consumption**, up to a 40% decrease in **water consumption** and a 7-8% reduction in operating and maintenance costs.

 **Care of the planet:** as well as **cutting energy consumption**, BREEAM® contributes to **minimising CO2 emissions**. The certified buildings facilitate access to public transport, promote the use of bicycles, have storage before waste collection and treatment, use refrigerants and insulation materials with a low heating potential, etc.

The differential value of buildings certified with BREEAM® is key for builders' and users' satisfaction, having a positive impact on Neinor Homes' business.

Neinor Homes, the company with the most BREEAM® certifications in Spain

Neinor Homes' commitment to the environment is reflected in the fact that most of **Neinor Homes' residential properties consider the requirements** of the prestigious **BREEAM®** certificate of sustainability.

Neinor Homes has more BREEAM®-certified developments than all the rest of its direct competitors together. These developments account for 76% of Neinor Homes' revenues.

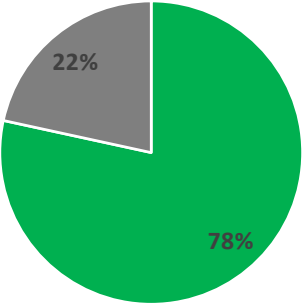
The certifications of Neinor Homes

- ✓ 75% of the **completed developments** of Neinor Homes **have been certified** with **BREEAM®**.
- ✓ 48% of Neinor Homes' **developments have** the **BREEAM®** certificate registered.
- ✓ 26% of **developments in the BREEAM® certification phase** in Spain are **Neinor Homes' developments**.
- ✓ **59% of the developments launched since the company was founded** have presented the requirements to obtain **“Good” or “Very good” BREEAM® certification** from the design stage, amounting to more than 7,600 homes.
- ✓ **3,226 Neinor Homes** have already obtained the **final BREEAM® certificate** and 3,120 homes are on the way to achieving it.
- ✓ **35% of our developments have energy certificates of AA+BA.**
- ✓ **47% of our developments have an energy certificate of BB.**
- ✓ In the Basque Country, the 23 BREEAM® residential building certificates that **exist correspond to Neinor Homes (100%).**

Its ongoing commitment to BREEAM® certification has made Neinor Homes the leading property developer in sustainability in Spain.

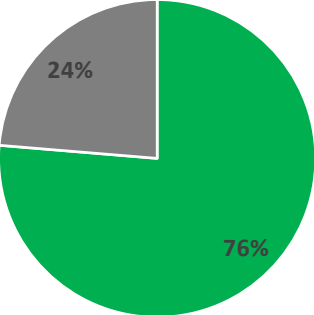
2019

By revenue



■ BREEAM ■ Non-BREEAM

By # of projects



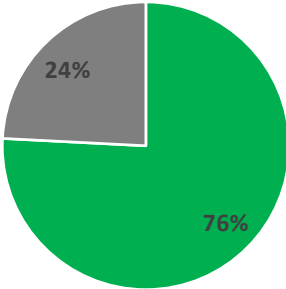
■ BREEAM ■ Non-BREEAM

BREEAM Revenues	383,265,498 €
Non-BREEAM Revenues	105,591,992 €
Total Revenues	488,857,490 €

BREEAM	29
Non-BREEAM	9
Total Projects	38

2020

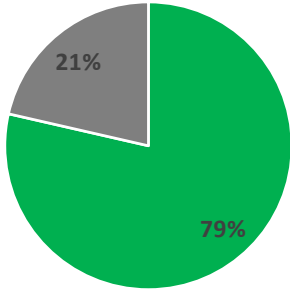
By revenue



■ BREEAM ■ Non-BREEAM

BREEAM Revenues	434,391,167 €
Non-BREEAM Revenues	138,563,229 €
Total Revenues	572,954,396 €

By # of projects



■ BREEAM ■ Non-BREEAM

BREEAM	44
Non-BREEAM	12
Total Projects	56

Life Cycle Analysis

As part of its environmental policy Neinor Homes applies a comprehensive Life Cycle Analysis (LCA) to all of its development projects and assets. The criteria used as part of the LCA process is clearly defined on Neinor's internal procedure handbook (the White Book) to which all the employees and third party providers abide by. As illustrated below this LCA exercise comprises four different stages that cover the whole life cycle of Neinor's assets.

Furthermore, since 98% of Neinor's product is multifamily as part our the LCA analysis of each asset we consider best practices in sustainable policies not only for individual apartments but also for common areas.

Stage 1: Acquisitions due diligence	Stage 2: Product Definition	Stage 3: Construction	Stage 4: Asset Management
<ul style="list-style-type: none"> ✓ In all acquisitions Neinor performs an extensive due diligence exercise that ensures all environmental legal requirements are met ✓ Specifically, for non fully permit land plots, we make sure that each asset fulfils the environmental legislation and has approvals from different public administrations (e.g. environmental impact assessment, watershed management plan, among others documents) ✓ We assess potential land plot contamination issues. If a land plot is contaminated (e.g. due to previous industrial usages) we consider the additional decontamination cost as part of our internal analysis 	<ul style="list-style-type: none"> ✓ Work closely with architects to have the most energy efficient building orientation schemes ✓ Use ventilated façades and double glazed windows as insulation solutions ✓ Apply heat recovery systems to lower buildings energy consumption. In some regions (e.g. Madrid) this is a necessary condition to have a building with A energy rating ✓ Solar panels and aerothermal solutions to comply with the higher renewable energy sources requirements of the new technical construction code 	<ul style="list-style-type: none"> ✓ Closely monitor archaeology findings during construction ✓ As per local legislation Neinor moves all trees from construction sites to other locations – regardless of whether these are considered protected or not ✓ Sustainable procurement of materials is a BREEAM requirement ✓ Apply water and waste management policies as per the local legislation and BREEAM policies 	<ul style="list-style-type: none"> ✓ Use low consumption LED systems complemented by motion sensors on buildings common areas ✓ Use of rain water systems for irrigation systems and other purposes ✓ Favour the use of trees with a reduced water consumption on common areas of multi family buildings ✓ Water usage controlling systems in kitchens and bathrooms to lower individual consumption ✓ Effort to continuously monitor energy consumption

New technical code of construction to increase energy efficiency requirements

- The new version of the Spanish technical code construction was published on the 28th of December of 2019 and entered into force on the 24th of September of 2020. This document oversees construction technical requirements for building permits over new developments and refurbishment projects.
- The main objective of this document is to adapt and update local energy efficiency requirements to the standards demanded by the 2010/31 EU directive. According to this directive, after 2020, new buildings should have a target of nearly zero energy consumption.
- According to the new local legislation, on average, energy consumption of new should decrease by 40% and the share of renewable energies used as a percentage of the total consumed should increase above 50% (30% before)
- On top of the stricter energy requirements the new construction code also establishes new building material requirements to lower fire hazard risk and considers stricter health conditions to avoid risks from excessive radon gas exposure

Impact on Neinor's construction policy:

- Depending on the product characteristics Neinor has four types of construction quality: i) Alpha (c1,500/sqm); ii) Beta (c1,400/sqm); iii) Gamma (c1,200/sqm) and Omega (c1,100/sqm). Depending on construction quality we estimate that new energy requirements could imply an increase in costs of 3-5% (i.e. Alpha quality would see the lowest increase because it already incorporates the bulk of new requirements and Omega would see the biggest impact)
- Nowadays 82% of Neinor's residential developments have an energy certification of at least B. Going forward 100% of new buildings will have an energy certification of at least B, well above the average residential building in Spain.