

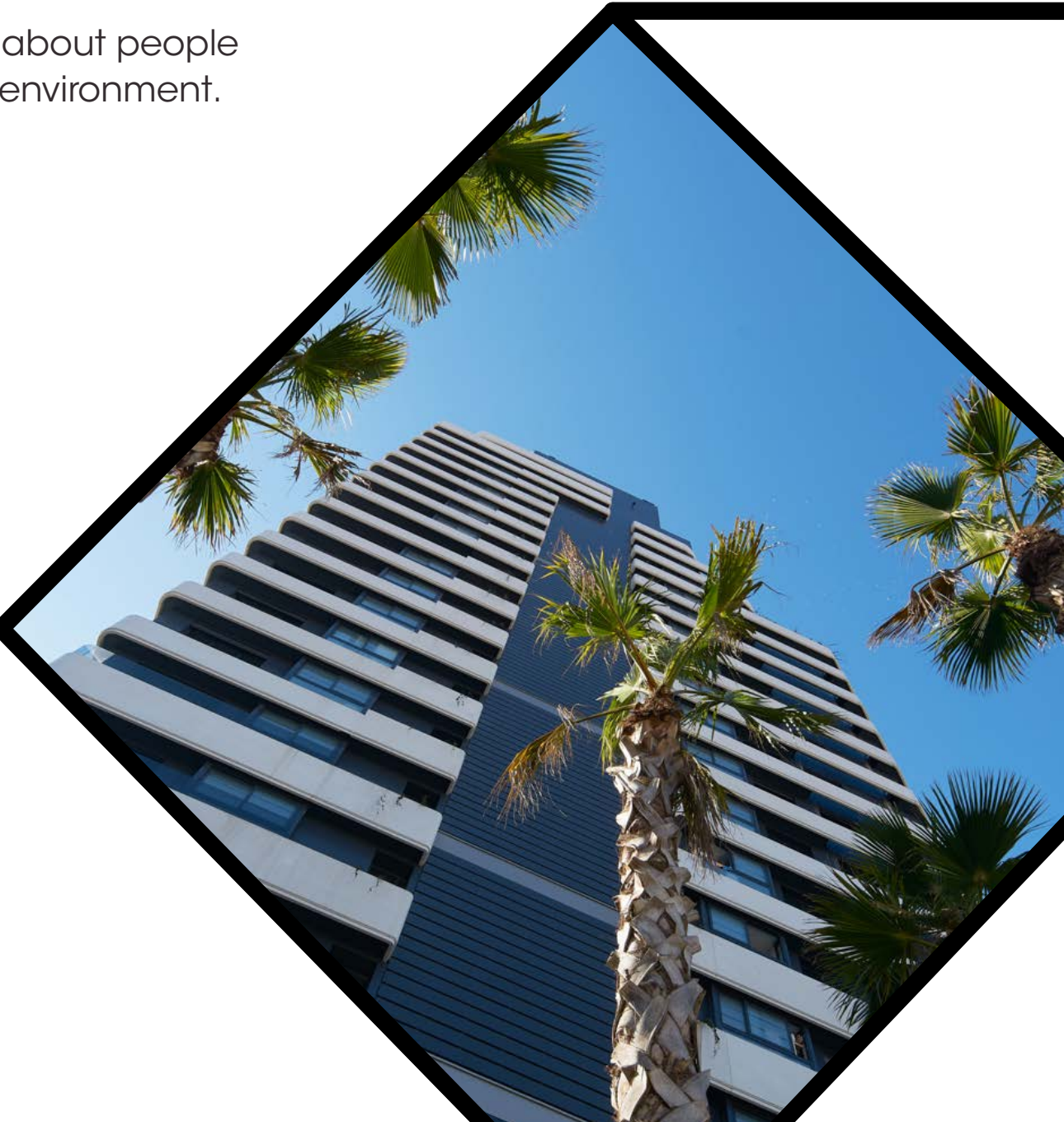
**Neinor**  
HOMES

**STATEMENT OF NON-FINANCIAL  
INFORMATION**

**SUSTAINABILITY**  
REPORT

**2021**

Thinking about people  
and our environment.



# CONTENTS

<b>01</b>	Executive summary .....	<b>03</b>			
<b>02</b>	Interview with the CEO .....	<b>11</b>			
<b>03</b>	The shift from CSR to Sustainability at Neinor Homes .....	<b>14</b>			
<b>04</b>	Transformation of the sector .....	<b>19</b>			
	4.1. Our identity .....	20			
	4.2. A new trajectory, a long journey .....	21			
	4.3. Our purpose and values .....	22			
	4.4. Ownership structure .....	23			
<b>05</b>	We create value through a responsible business model .....	<b>24</b>			
	5.1. Economic and social environment .....	25			
	5.2. Developments on the stock exchange .....	26			
	5.3. Industrialised business model with the customer in mind .....	28			
	5.4. Sustainability as an internal action framework .....	31			
	5.5. The importance of communicating with our stakeholders .....	38			
<b>06</b>	Our business is based on a model of responsible governance .....	<b>40</b>			
	6.1. Principles of Corporate Governance .....	41			
	6.2. General Shareholders' Meeting .....	43			
	6.3. Board of Directors .....	44			
	6.4. A comprehensive Control, Compliance and Assurance model .....	50			
<b>07</b>	We offer a personalised service tailored to the needs of the customer .....	<b>65</b>			
	7.1. Neinor Experience .....	68			
	7.2. Complaints and claims handling .....	71			
<b>08</b>	We build homes with added value .....	<b>72</b>			
	8.1. Housing excellence and quality management .....	74			
	8.2. Personalisation of housing .....	76			
	8.3. Environmental sustainability and health in housing .....	77			
	8.4. Urbanisation and activation of the environment .....	79			
	8.5. Innovation as an engine of transformation .....	81			
<b>09</b>	We have a committed team .....	<b>91</b>			
	9.1. Equality and diversity .....	94			
	9.2. Professional and personal development of the employees .....	100			
	9.3. Training .....	103			
	9.4. Well-being and work-life balance .....	104			
	9.5. Health and safety of our employees .....	107			
	9.6. The safety of our employees during pandemic .....	108			
	9.7. Employee communication and satisfaction .....	109			
	9.8. Social measures .....	111			
<b>10</b>	We are strategic partners of our suppliers .....	<b>115</b>			
	10.1. Our supply chain .....	116			
	10.2. Responsible procurement management .....	117			
	10.3. Selection, approval and evaluation of suppliers .....	119			
	10.4. Health and safety and awareness requirements .....	121			
	10.5. Communication, satisfaction and collaboration with suppliers .....	126			
<b>11</b>	Our major sustainability milestones and next steps .....	<b>127</b>			
<b>12</b>	About this Report .....	<b>137</b>			
<b>13</b>	GRI Contents .....	<b>142</b>			

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

We want to provide society with residential solutions that respect the environment, whose consumption of resources is only what is necessary and that are energy efficient in their development.



Social

### Our people and communities

We build the city, committing ourselves to our social environment and to the safety, health and well-being of people.

Our aim is to provide a quality residential offer to all segments of the population.

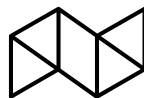


Governance

### Our own way of doing things

We operate under ethical standards of integrity and transparency, both for ourselves and for our entire supply chain.

We are committed to innovation, digital culture and sustainable financing.



## VISION

To be the benchmark for real estate platforms

## MISSION

Generating sustainable value for stakeholders

## VALUES

Products designed for our customers

Multidisciplinary talent

Strategy of permanent innovation

Sustainability, the key to our DNA

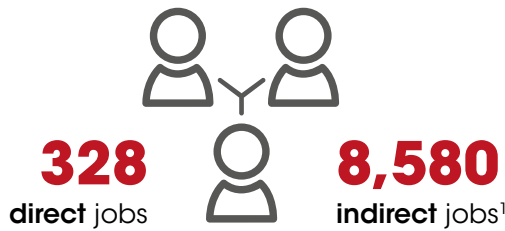
Accountability to the sector

Good Governance

# HOW DO WE CREATE VALUE?

We create value through a responsible business model.

## EMPLOYMENT GENERATION



<sup>1</sup> According to the Association of Real Estate Developers of Madrid (ASPRIMA), 2.4 indirect jobs are generated for each dwelling.

ECONOMIC  
VALUE  
GENERATED

**917**  
million euros

EBITDA

**158**  
million euros

## INDUSTRIALISED MODEL

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

Systematisation

Standardisation

Rigour

Environment

Innovation

Technology

Management of **all phases of the value chain** of the residential development process.



2.4 million m<sup>2</sup>  
land bank



325 developments  
and 13,300 homes  
for sale and  
35 developments  
and 3,500 homes for rent



2,880 homes  
delivered in 2021,  
146 of which  
we retain ownership  
of for rental

## QUALITY AND ENVIRONMENTAL MANAGEMENT



Environment,  
Quality and  
Innovation Policy



ISO Certificate 14001  
of Environmental Management  
ISO Certificate 9001  
of Quality Management



305,913 kWh  
consumed



1,500 kg  
of paper  
consumed



20%  
reduction  
in paper  
consumption



1,689 m<sup>3</sup>  
of water



# CORPORATE SOCIAL RESPONSIBILITY AS AN INTERNAL POLICY FRAMEWORK

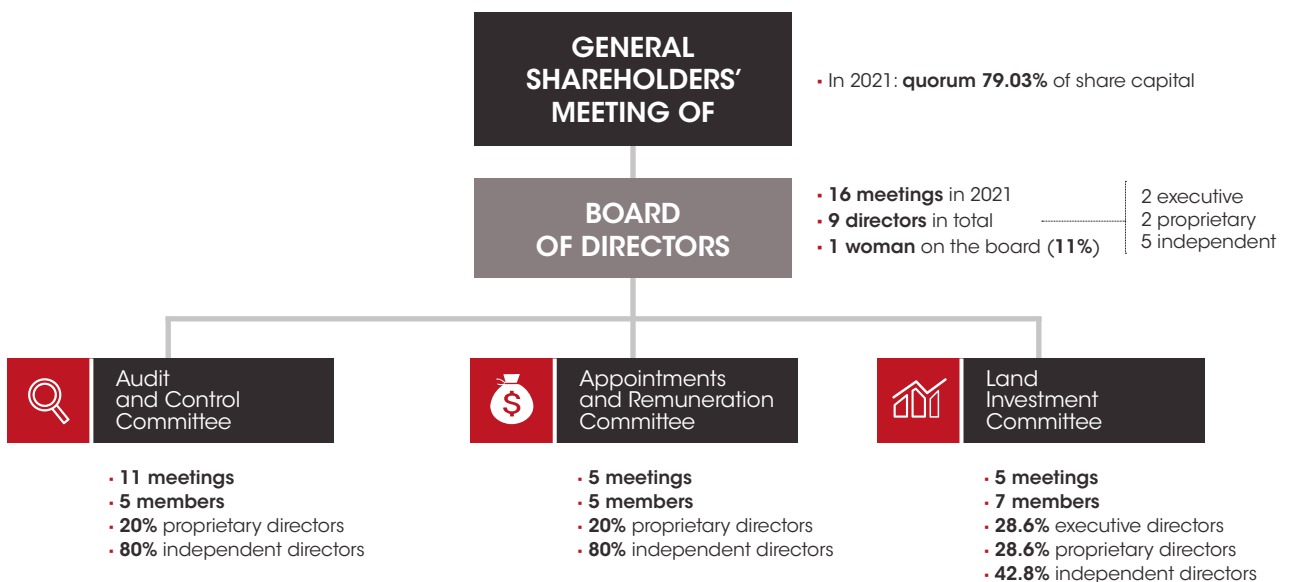


## 2022 - 2025 Sustainability Plan



## WHAT IS OUR GOVERNANCE MODEL BASED ON?

Our business is based on a model of responsible governance

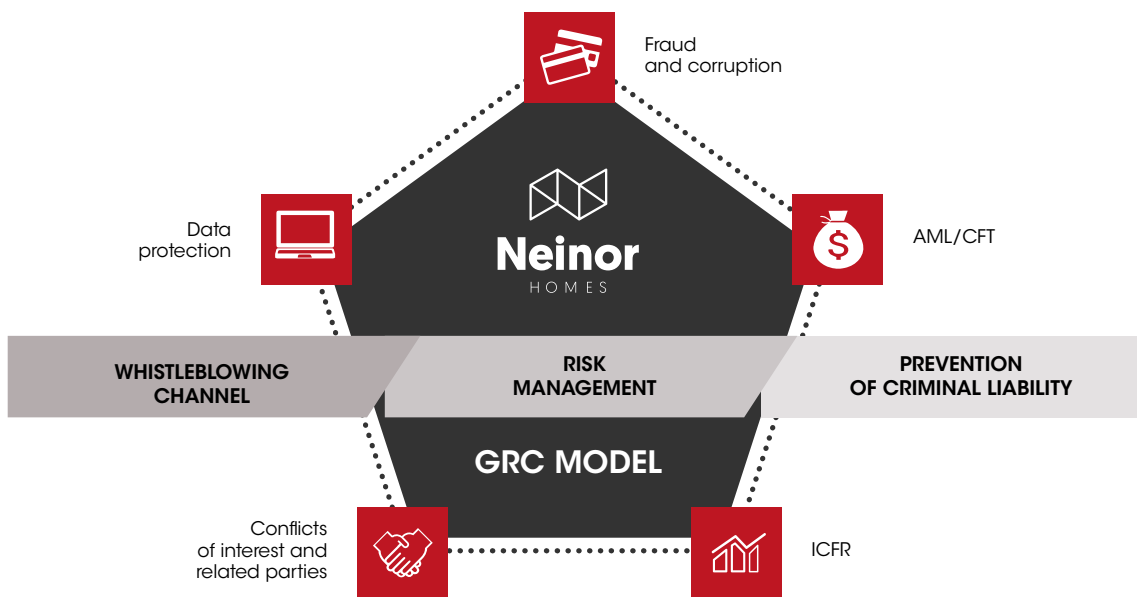


# A COMPREHENSIVE MODEL OF CONTROL, COMPLIANCE AND ASSURANCE

## GOVERNANCE, RISK AND COMPLIANCE MODEL (GRC)

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

### CORPORATE SOCIAL RESPONSIBILITY CORPORATE GOVERNANCE

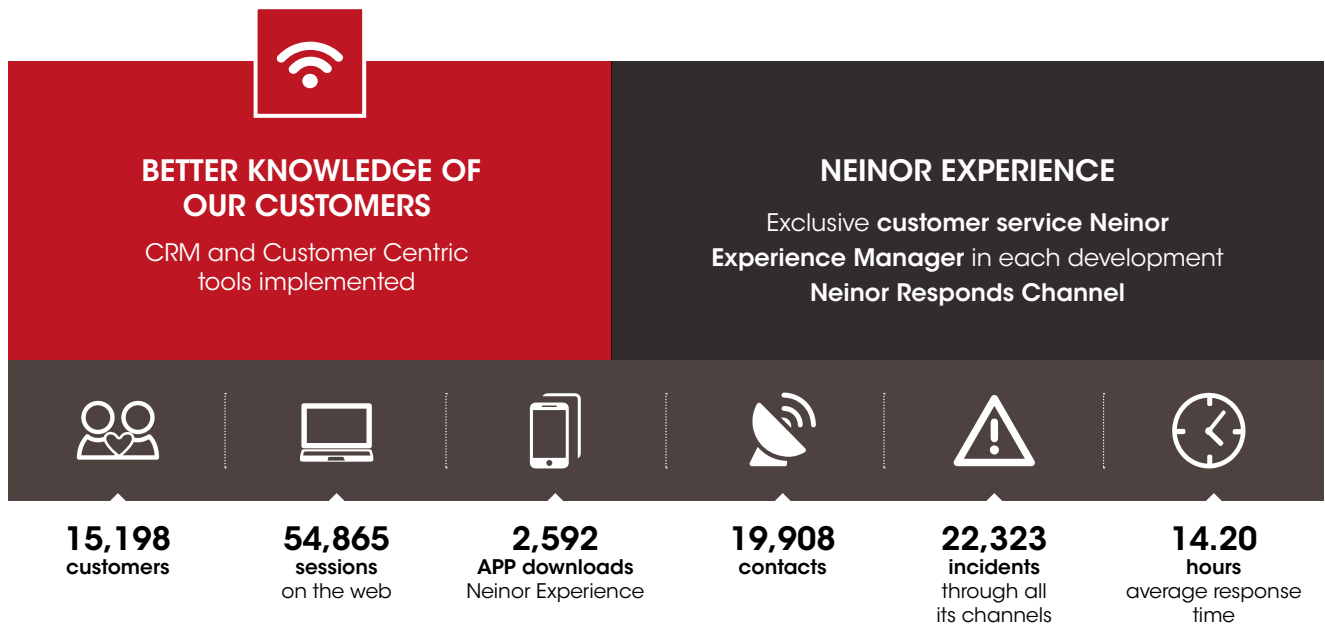


<p><b>Whistleblowing Channel</b></p> <ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Whistleblowing Channel</li> <li>• Complaints handling procedure</li> <li>• Code of Conduct for third parties</li> <li>• Code of Good Practice of real estate brokerage</li> </ul>	<p><b>Risk Management Model</b></p> <ul style="list-style-type: none"> <li>• Integrated Internal Control System</li> <li>• Corporate Risk Map</li> <li>• Risk Plan (Covid 19)</li> </ul>	<p><b>Prevention of criminal liability</b></p> <ul style="list-style-type: none"> <li>• Criminal Risk Policy</li> <li>• Criminal Risk Prevention Manual</li> <li>• Internal rules of conduct</li> <li>• Economic-financial and corporate communication policy</li> </ul>
<p><b>Zero tolerance for corruption</b></p> <ul style="list-style-type: none"> <li>• Anti-Corruption, Fraud and Bribery Policy</li> <li>• Instructions on gifts, invitations and donations</li> <li>• Controls in place</li> </ul>	<p><b>Conflict of Interest Management</b></p> <p>Policy on Management of Conflicts of Interest and Related Party Transactions</p>	
<p><b>Data protection, confidentiality and information security</b></p> <ul style="list-style-type: none"> <li>• Privacy Policy on Personal Data Protection</li> <li>• Procedure for the enforcement of the rights of data subjects</li> </ul>	<p><b>System of internal control over financial and non-financial reporting</b></p> <p>Internal control and risk management systems in relation to the financial reporting process (ICFR) and non-financial reporting (SICNFR)</p>	

 <p><b>ISO 27001</b> Information Security Certification</p>	<p><b>ISO 9001</b> Quality Management Certification</p>	<p><b>ISO 14001</b> Environmental Management Certification</p>	<p><b>UNE 166002</b> R&amp;D&amp;I Management Certification</p>
---	---	--	---

# 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**



**GOOGLE MINI**



**NEINOR MOBILITY PACK**

### QUALITY HOUSING

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

## INNOVATION AS A DRIVER OF TRANSFORMATION

### NEINOR TEXT

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

### 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



**€469,500** paid out to help our customers pay for their future homes



**70.79%** developments delivered since 2015 with BREEAM® certification



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  
Specific measures Covid 19

## Professional and personal development

Internal Promotion  
Welcome Pack  
Attractive and flexible remuneration

## Well-being and work-life balance

Work-life Balance Plan  
Decalogue of measures

## Equality and diversity

Diversity and non-discrimination policy  
Code of Conduct  
Code of Ethics  
Code of Conduct for third parties

## Training

Training platform  
30.94 h. of training per employee and 11 training courses given to employees

## Health and safety

Occupational Risk Prevention (ORP) audits  
Life insurance  
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



**328**  
employees  
**43.2**  
average age



**48%**  
women  
**52%**  
men



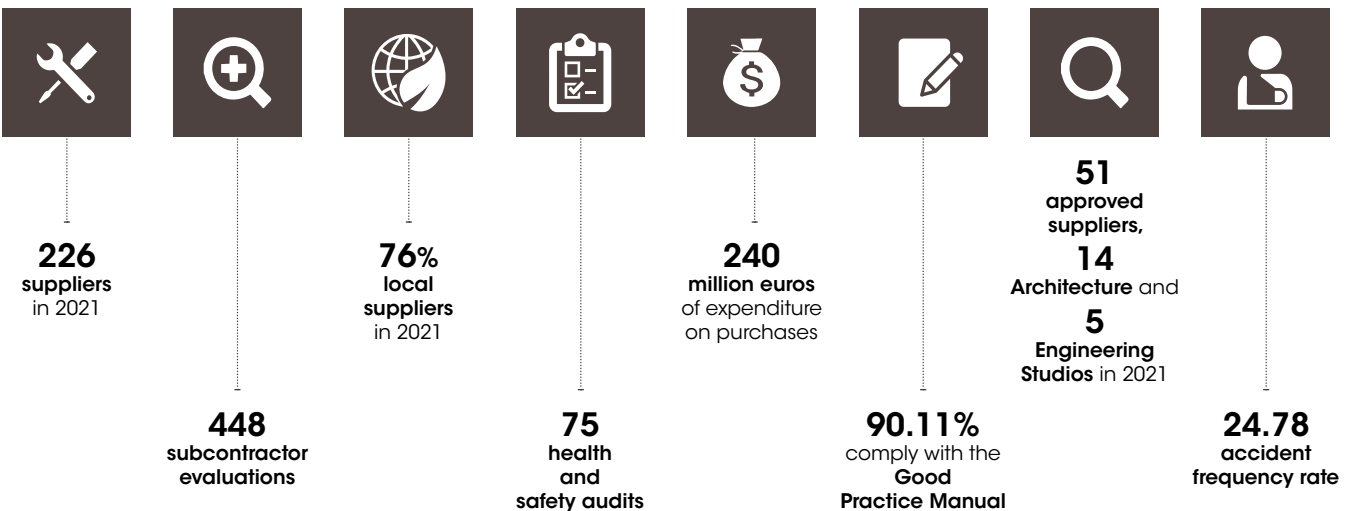
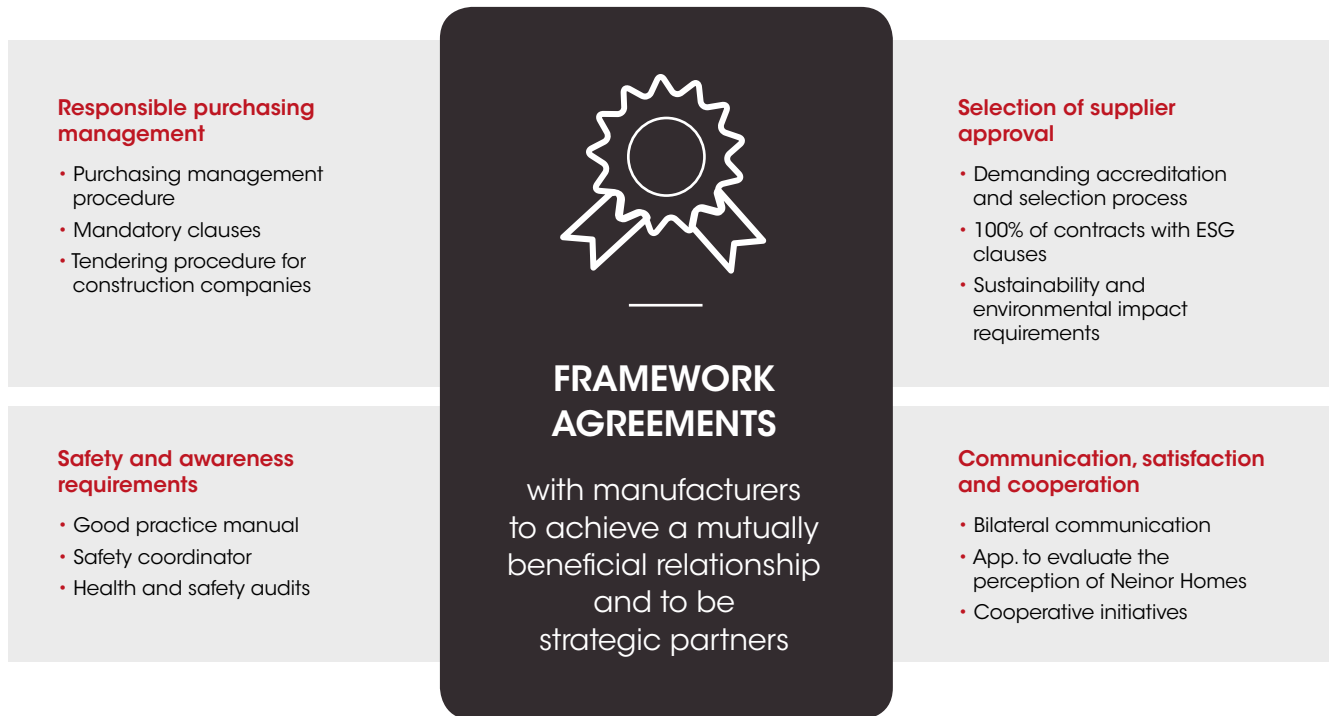
**2.9%**  
absenteeism rate



**34**  
hirings  
**1**  
promoted employee

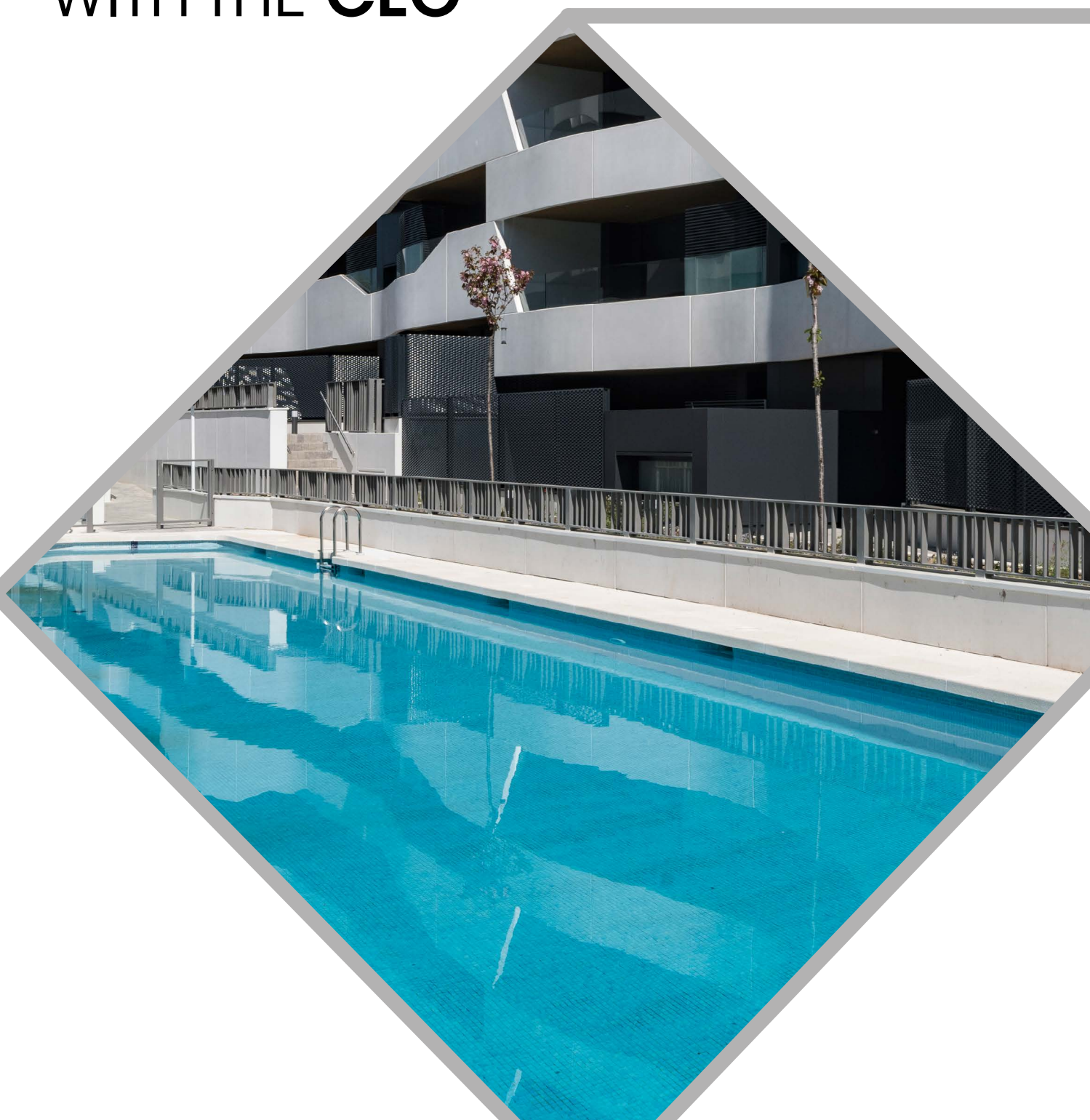
# HOW DO WE WORK WITH OUR SUPPLIERS?

We are strategic partners of our suppliers



02

# INTERVIEW WITH THE **CEO**



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

## What are Neinor's main sustainability challenges?

For Neinor Homes, sustainability is not an option. It is part of our DNA, our corporate culture and our line of business. We are convinced that no company will be viable in the medium and long term if its strategy does not take into account the social and environmental impact it has on its surroundings.

Aware of these challenges, Neinor's Board of Directors approved the 2022-2025 Sustainability Plan, which includes an analysis of the various measures, business lines, corporate transactions, public-private agreements and other courses of action that we have implemented through rental initiatives, agreements with institutions for the development of social rental, new servicing business, the integration of part of the construction sector in the value chain and a line of business - Neinor Essential - that offers quality housing at affordable prices to a large segment of the population that currently has difficulty accessing housing.

## How is Neinor perceived in terms of sustainability??

We closed a historic year for Neinor, with record figures in EBITDA, results, off-plan sales and deliveries. A year marked once again by the pandemic, in which we were able to rise to the occasion, not only from an economic but also from a social point of view.

Aware of this permanent debt that Neinor has with society, we have set ourselves the unpostponable goal of developing a sustainable and profitable housing model that allows us to fulfil our economic and social commitments. This path, which we have been promoting for years, has resulted in one of the most important acknowledgments in the world. **Neinor has obtained the highest international rating in environmental criteria according to Sustainalytics**, a company of the Morningstar group that provides institutional investors and companies with high quality environmental, social and governance (ESG) research, ratings and analytical data. Sustainalytics has also awarded us the Top ESG Performer 2021 badges in the Regional and Industry categories, recognising our sustainable efforts.

We greatly appreciate this distinction, especially considering that housing production faces major challenges, both from the environmental and the social standpoints. This recognition demonstrates that Neinor Homes has been able to achieve its financial targets without compromising its sustainability.



**BORJA GARCÍA-EGOTXEAGA**  
CEO

### What **tools is Neinor developing** to contribute to the challenge of sustainability?

Neinor Homes has the best tools to address the most important structural challenges that involve its business and society. Challenges such as climate change, which we facing up to with a firm commitment to sustainable and eco-efficient building. In the coming years we will see a boom in industrialisation, the use of new materials, the digitalisation of processes, and new energy efficiency standards that will reduce CO2 emissions. In this scenario, Neinor has created a business model in which social and environmental benefits are part of our corporate success, giving us social legitimacy and financial stability.

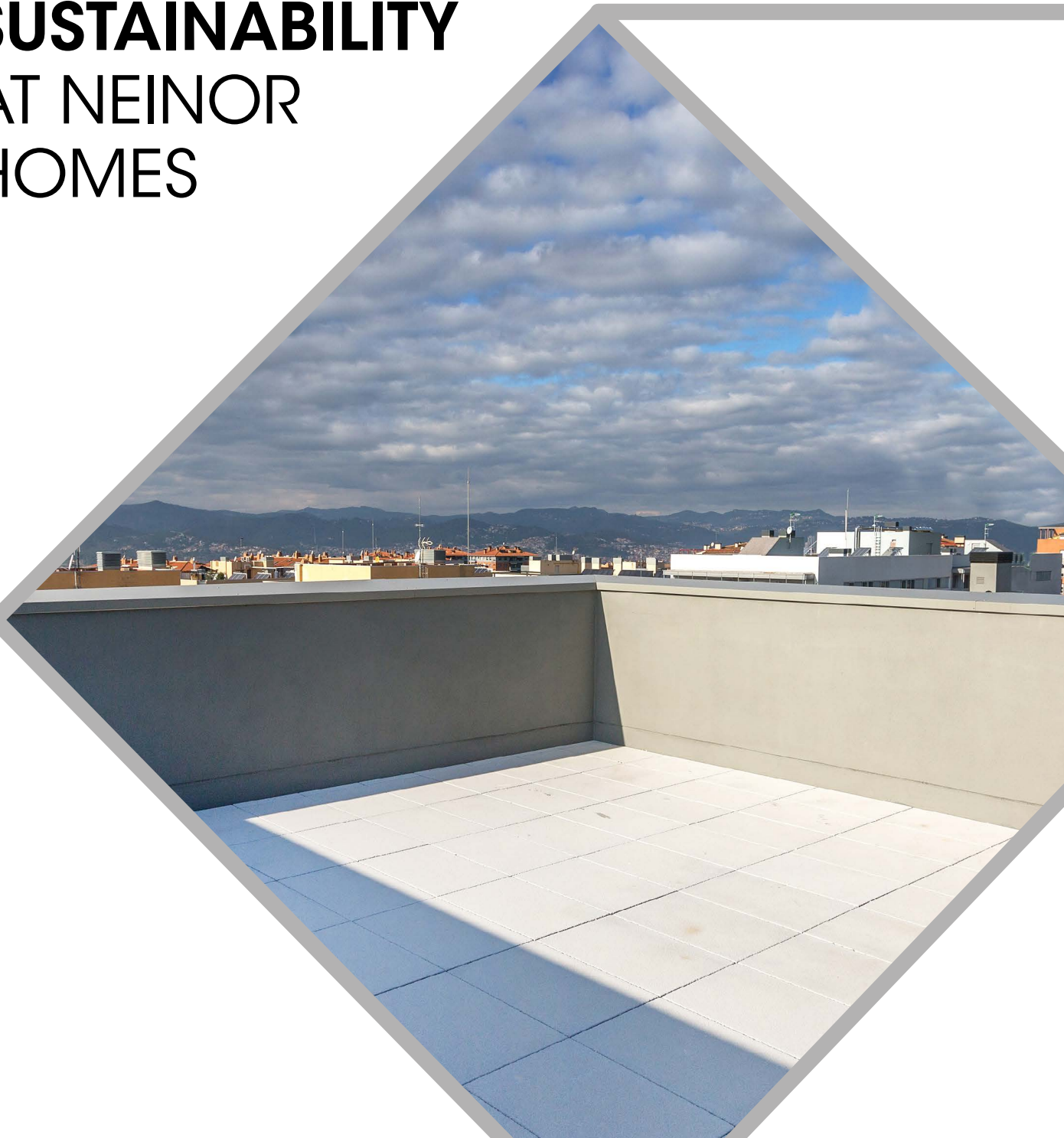
From a social point of view, the main challenge is to reduce the housing shortage. Housing shortage is one of the biggest problems faced by young people and a large part of the most disadvantaged in society. We are convinced that this is one of the most important socio-economic problems we are facing because of the harsh consequences it brings with it: delay in the age of leaving home, reduction of birth rate, decrease in consumption and domestic demand and, in short, delay in economic recovery.

Neinor Homes has created a **business model** in which **social and environmental benefits** are part of our **corporate success**.



03

**THE SHIFT FROM  
CSR TO  
SUSTAINABILITY  
AT NEINOR  
HOMES**





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

The Sustainability Plan has been developed with the aim of transforming the real estate development model towards a more sustainable one, and has focused on creating value for the environment, society and people: minimising the impact of our 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 has been articulated around our three **strategic pillars**: Environmental, Social and Governance (ESG).

 Environmental	 Social	 Governance
<p><b>We build homes for tomorrow</b></p> <p>Because the housing of today will determine our home of tomorrow, we want to provide society with <b>residential solutions that respect the environment</b>, that use only the resources necessary, and that are energy-efficient in their development.</p> <p><b>Homes, in short, that our children and future generations will be proud of.</b></p>	<p><b>Our people and communities</b></p> <p>In Neinor homes we don't just build homes. We <b>build cities</b>, committing ourselves to our social environment and to people's health, safety and wellbeing.</p> <p>The aim is also to <b>provide quality residential homes to all segments of the population.</b></p>	<p><b>Our way of doing things</b></p> <p>We firmly believe that <b>how we do things determines who we are and who we want to be.</b> That's why we hold ourselves and our entire supply chain to <b>ethical standards of integrity and transparency.</b></p> <p>A way of doing things that we complement with our commitment to <b>innovation, digital culture and sustainable financing.</b></p>

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.

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 that are certified as such by a third party 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.

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

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.

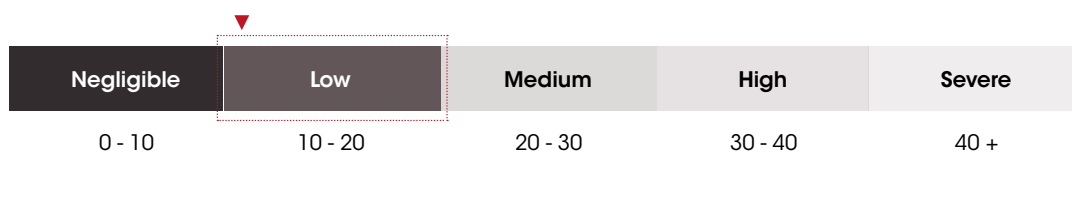
## > Validation of the ESG of the Neinor Homes Group

In order to find out where the company's ESG stands, this year we have taken the step of starting to evaluate it with various analysts, because we believe that this is the best way to objectively communicate what we are doing in this area and to obtain feedback that will allow us to continue improving.

This year we have assessed our ESG with the prestigious analyst Sustainalytics, which has awarded us the ranking of **the world's best residential developer on ESG criteria**, giving us a score of 10.5 (low risk) and has said of us that "The risk of ESG factors having a material financial impact for the company is low, due to its low exposure and strong management of material ESG issues. The company stands out for its good corporate governance, which reduces its overall risk. In addition, the company has not experienced significant controversies."

YOUR ESG RISK RATING

**10.5** LOW RISK



In addition, Neinor Homes has been recognised as one of the best ESG companies among the more than 4,000 companies covered by Sustainalytics in its global universe. For this reason, it has awarded us the Top ESG Performer 2021 badges in the Industry and Regional categories.



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

Neinor Homes is a listed company dedicated to **residential development**, first and second homes, **and the rental** of its own and third-party homes in Spain, whose offer is aimed at customers of all segments. One of our pillars is the social pillar, given our profound conviction that **people should be at the centre** of each and every decision.

Neinor Homes is guided by a **culture of good governance**, both internally and throughout its supply chain. It also has a vision oriented towards a **new, more sustainable business model**, based on the consideration of climate change, sustainability, eco-efficiency and resilience of housing, the protection and improvement of the environment and the circular economy.

The company's raison d'être is based on **three strategic pillars**:



### ENVIRONMENTAL

#### We build homes for tomorrow

Because the housing of today will determine our home of tomorrow, we want to provide society with **residential solutions that respect the environment**, that use only the resources necessary, and which are energy efficient in their development.

Homes, in short, that our children and future generations will be proud of.



### SOCIAL

#### Our people and communities

At Neinor Homes we don't just build homes. We **build cities**, committing ourselves to our social environment and to people's safety, health and wellbeing.

The aim is also to **provide quality residential homes to all segments of the population**.



### GOVERNANCE

#### Our way of doing things

We firmly believe that **how we do things determines who we are and who we want to be**. That's why we hold ourselves and our entire supply chain to **ethical** standards of **integrity and transparency**.

A way of doing things that we complement with our commitment to **innovation, digital culture and sustainable financing**.



## 4.2. A NEW TRAJECTORY, A LONG JOURNEY

Neinor Homes S.A. started business in **May 2015** with the clear objective of leading the **transformation of the real estate sector** and becoming a **benchmark in quality and customer service**. In addition, the firm can count on the almost 30 years of experience of its predecessor, a real estate subsidiary of Kutxabank, from which Neinor Homes split off to become an **independent real estate development firm**. Currently, it maintains a strategic collaboration with the financial entity, as Neinor Homes acts as a Servicer.

Neinor Homes entered a new dimension on 29 March 2017 with its **listing on the Spanish Stock Market**, being admitted for trading on the secondary markets of Madrid, Barcelona, Bilbao and Valencia. This was the first listing of a residential developer in Europe in the last decade.

The company's **achievements** to date and the **rapid growth** it has experienced since its creation (2880homes delivered in the last year) are due to a firm strategy, strong investment in innovation and technology and the talent of its professionals, making it **a benchmark company in the sector**. In this way it has managed to increase its workforce by a factor of 4.1, from 80 to 328 employees.

The figures achieved in terms of deliveries, turnover and profit have made us the leading national residential developer. And the inclusion of services of land purchase and urban development management, design, construction, consultancy and rental management of homes (our own and those of third parties) make us the only real estate platform in Spain that covers 100% of the real estate value chain.

Neinor has become the benchmark for real estate platforms.

## 4.3. OUR PURPOSE AND VALUES

Neinor Homes carries out its activity in a highly competitive environment based on a proposition that highlights its **aspirations** and **objectives**, which are based on **values** closely linked to the 3 strategic pillars: we build homes for tomorrow (environmental), our people and communities (social) and with our own way of doing things (governance).

**Our purpose** is to contribute, from the real estate activity, to the improvement of society. We are looking to the future, adapting to new consumption models and the current social reality.

Moving house has become more than just an option; it is a necessity, a symbol and a driver of social change. That is why at Neinor Homes we are moving forward with people towards the future they want, both personally and globally.



### 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.



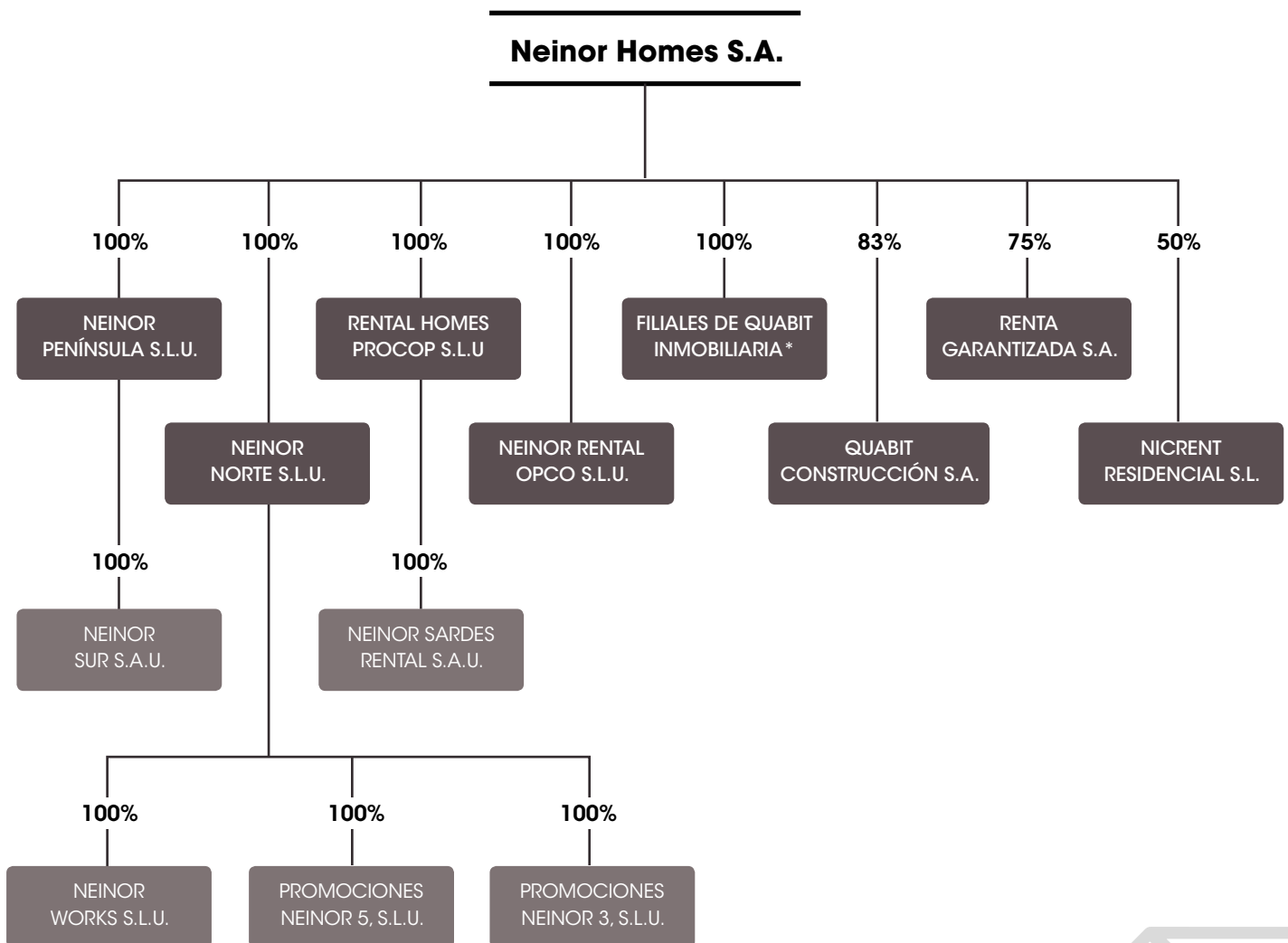
### PRINCIPLES

The ethical principles of **transparency and commitment** are basic to our credibility.

## 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 the Spanish Peninsula**, 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**.



\* 65 subsidiaries from the now-defunct Quabit Inmobiliaria S.A. and integrated in the Neinor Group as a result of its merger by absorption with Neinor Homes, S.A.

05

WE CREATE VALUE  
THROUGH A  
**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.

In an environment of uncertainty, Neinor Homes is prepared to face the changes of the post-Covid world. We have never been better positioned financially, operationally and technologically to face this challenge, as we are able to cover the entire cycle of our business. Last year, in addition to our development business, we incorporated the Rental line, dedicated to rental management and with new build developments for rent, and construction, creating our construction company Neinor Works, which was reinforced with the acquisition of Quabit and its construction company Quabit Construcción. In a new departure, in 2021 we have created Neinor Essential, in which we are developing affordable housing for more segments of the population with the company's usual qualities. In addition, we have also committed to a public-private partnership to build 4,500 social rental homes in Barcelona.

On the other hand, **interest rates have remained at low levels**, increasing Spaniards' accessibility to home ownership. Moreover, financial institutions continue to offer **easier access to mortgages**. All of this has meant that the fundamental data on home sales and purchases remain solid in the current situation.

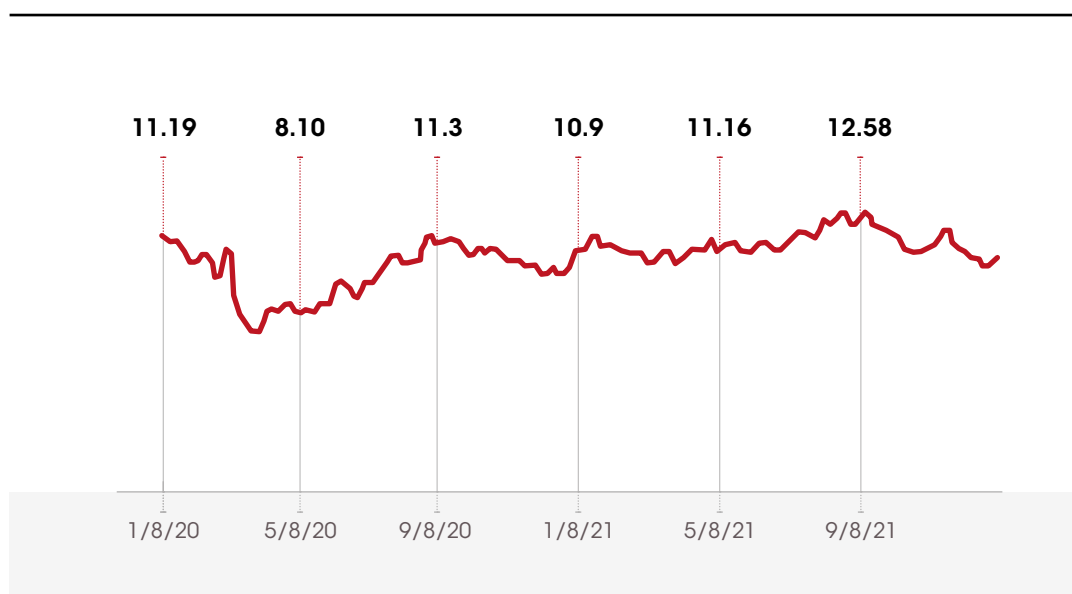
In this **context of a degree of economic stability** and bearing in mind that residential development is a sector with a complex value chain in which numerous agents are involved, Neinor Homes is tackling all these factors through a critical analysis based mainly on **new technologies, innovation**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

We have never been better positioned financially, operationally and technologically to tackle the post-Covid challenge.

## 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.

### SHARE VALUE OVER TIME



Neinor's performance during 2021 has been similar to that of the Ibex 35 Index, ending the year at the same levels as at the beginning of the year. Both saw a notable recovery over the previous year which therefore left a lower potential for revaluation in the current context of uncertainty about the Spanish market.

The sector's discounts to the value of its assets have increased slightly as asset values have risen while sector share prices have remained stable compared to the beginning of the year. In the case of Neinor, the discount has increased by 9 percentage points over the last 12 months to 39%.



Following the announcement of the creation of the new rental business 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 will allow for strong shareholder value creation in the coming years. As at the end of 2021, Quabit was fully integrated into Neinor and was already generating operating profits for the company.

The number of analysts covering the company has remained at 13. The average price target stands today at 13.72 euros per share, 26% higher than at the beginning of the year. In total, the Neinor share has 7 "Buy", 5 "Hold" and 1 "Sell" recommendations.

The distribution of the shareholding is estimated as follows:

#### MAIN SHAREHOLDERS AS AT DECEMBER 2021

Name or company name of the shareholder	Total % of voting rights
Orion European Real Estate Fund IV, SLP	<b>28.01%</b>
Adar Capital Partners LTD	<b>19.34%</b>
Cohen & Steers Inc.	<b>4.98%</b>
BMO Asset Management Limited	<b>4.79%</b>

## 5.3. 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.

### ENVIRONMENT

The Neinor Homes team is part of the same **production chain**, made up of different roles and processes.

### INNOVATION

Through **innovation**, Neinor Homes **optimises** the development of the different processes, incorporating new services, construction systems, technologies and materials.

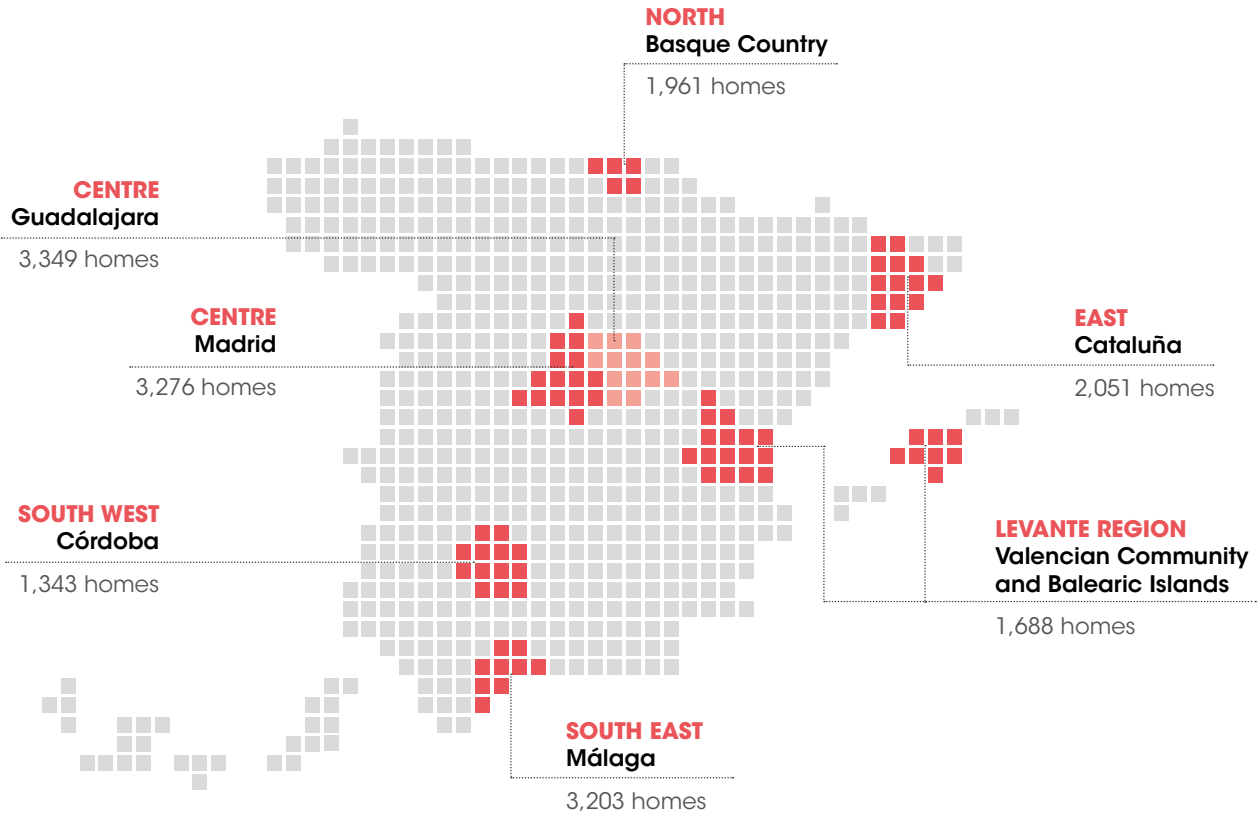
### TECHNOLOGY

Integration of the entire value chain in a **digital environment**, with the objective of increasing productivity, fostering collaborative work and decision-making.

Moreover, Neinor Homes is 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 **2.4 million m<sup>2</sup>**.



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 2021 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 2,880 homes and having, by the end of 2021, more than 7,000 homes in various stages of production (3,629 homes in the launch phase and 3,575 homes under construction)**.

With regard to the Neinor Rental platform, the developer has a land bank of almost 3,500 units, of which 542 are already operating and there are a further 871 units under construction. In 2022, there will be 755 units in operation. Given the number of developments that will be dedicated to Rental, these figures will increase significantly.

Renta Garantizada, a company which was acquired in the last quarter of last year, has 2,700 assets under management, after extending its activities to new geographic locations such as Barcelona, Malaga and Valencia.

Lastly, in addition to the sale of land or non-strategic properties in the portfolio (Sale-as-is and Retail), of note was the activity as a banking servicer managing a portfolio of €1,152 million.

## > VALUE CREATION FOR OUR STAKEHOLDERS



### ECONOMIC VALUE

Neinor Homes is an engine of economic progress in the Spanish real estate sector. In 2021 it purchased land worth €285/650 million (if we include the Quabit takeover), returning to the dynamic of acquiring land 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 €917 million, with a net profit of €103 million euros and EBITDA of €158 million. In addition, €20 million income tax was paid and no subsidies were recorded. Moreover, the net book value of Neinor Homes' stock at 31 December 2021 was €1,323 million, in line with 2020\*.

In the 2021 financial year, the economic value generated was **€917 million** and the economic value distributed was **€793 million**, with a retained economic value of **€124 million**.

\*For further information please see Annual Accounts.

ECONOMIC VALUE  
GENERATED  
**€917 million**

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

DISTRIBUTED  
ECONOMIC VALUE  
**€793 million**

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

ECONOMIC VALUE  
RETAINED  
**€124 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 **328 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 **8,580 professionals**, a figure that has remained stable over the last few years.

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



**328**  
DIRECT JOBS

**8,580**  
INDIRECT JOBS<sup>1</sup>



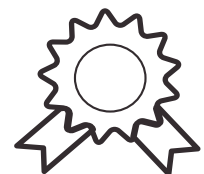
### ENVIRONMENTAL VALUE

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 meet the requirements of the prestigious **BREEAM® sustainability certification**. Of the 134 developments that have obtained the final BREEAM® certification in Spain, one third (34%) are from Neinor Homes.

Currently, 67% of our developments have BA/BB Energy Certification and 24% have AA Energy Certification, and Neinor Homes has committed to carry out a life cycle analysis of all its projects started from 2022. It has also started to measure the corporate carbon footprint, having measured and offset Scope 1 and 2.

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 32 and 33.



QUALITY,  
ENVIRONMENT  
AND INNOVATION  
POLICY

**ISO 14001**  
CERTIFIED

## 5.4. 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 headed by GRC, Internal Audit and Sustainability management, which reports hierarchically to the Audit and Control Committee, which is the supervisory body in this area, in line with the principles established in the **Sustainability Policy**.

Neinor Homes has a Sustainability Policy that 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.

All departments of the company are involved in the fulfilment of the Plan, deadlines for compliance are set and each of the 30 targets is linked to a Sustainable Development Goal.

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



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 member of the BREEAM® Advisory Board, as well as forming part of the BREEAM® programme reserved for companies that share the philosophy and objective of transforming the building sector, promoting more sustainable construction. It is also a member of several associations, following its Corporate Governance, Ethics and Compliance policy.

It has also participated in the Green Building Council Spain sustainable building taxonomy working group and is currently in the European working group of the CPEA (Climate Positive Europe Alliance) to improve the sustainability of buildings.

## SECTORAL ALLIANCES AND MEMBERSHIP OF ASSOCIATIONS

---

Association of Builders and Developers of **Bizkaia** (ASCOBI)

---

Association of Real Estate Developers of **Madrid** (ASPRIMA)

---

Construction Cluster of the **Basque Country** (ERAIKUNE)

---

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**

---

### **ASCOM**

---

Association of **Audidores Internos**

---

Institute of Compliance Officers (**IOC**)

---

**BREEAM® Advisory Board** members

---

**Green Building Council** Spain

---

**Global Compact** (Sustainable Development Goals)

---

**ASVAL** (Association of Rental Property Owners)

---

**CPEA** (Climate Positive Europe Alliance)

## > QUALITY AND ENVIRONMENTAL MANAGEMENT

The application of the principles established in the area of CSR, 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.

In 2021 the Quality department became part of Corporate General Management, 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. Of the developments currently under construction, 25% include the requirements to obtain **BREEAM® sustainability certification**. Currently, 67% of our developments have BA/BB Energy Certification. 24% of our developments have the AA Energy Certification.

### 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

The **offices in Bilbao, Barcelona, Cordoba, Valencia and Malaga** are currently supplied with green energy. With its commitment to green energy, it has tried to standardise the supply of green energy to all possible branches.



### DUAL-SCREEN WORKSTATIONS

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



### 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 Bilbao office.

During 2021 and due to the pandemic, we have been updating the Covid protocols in line with the evolution of the pandemic.

The company is firmly committed to prioritising the health of its employees and implementing all necessary measures to prevent the spread of the virus in our facilities. It is therefore necessary to bear in mind that measures such as the continuous renewal of outside air have led to greater energy consumption in order to maintain adequate conditions in the workplace.



## 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. **Energy consumption** in 2021 was directly linked to the implementation of the new "open windows" protocol to encourage the renewal of outside air, a key measure to prevent the spread of the virus in the offices, thus increasing the use of heating in winter and air conditioning in summer.

Consumption in **2021 was 305,913 KWh in total, only 10% more than in 2020**. It should be remembered that during this financial year, in addition to the measures described above, the workforce has increased by 13%.

On the other hand, **paper use has been reduced by more than 51% in the last three years; we have gone from paper use per employee of 4.65 to 2.1 in 2021**. Total use at company level has been 1500 KG, 625 packs (775 packs in 2020).

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 the legislation applicable 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 2021 **2,145kg of confidential paper, 53kg of toner, 21kg of metal from keys, 40kg of batteries and 136.68kg of sanitary products**. This year, despite the fact that the number of people in the office has increased compared to last year and the number of employees has also increased due to the merger with Quabit, the amount of confidential paper, toner and key metal waste generated has been reduced.

Neinor Homes employees have travelled **565,813 km** in their vehicles for work, which has meant a spending of **€168,176,04** 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 **1,689 m<sup>3</sup>\***.

\*The water consumption for 2021 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 2019	YEAR 2020	YEAR 2021
Nº of employees	<b>273</b>	<b>288</b>	<b>328</b>
kwh consumed	<b>285,501</b>	<b>278,501</b>	<b>305,913</b>
Kg paper used	<b>3,046</b>	<b>1,860</b>	<b>1,500</b>
Paper use per employee	<b>4.65</b>	<b>2.80</b>	<b>2.10</b>



## 5.5. 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. In this sense, communication takes on a leading role, focusing especially on the company's contribution to the improvement and professionalization of the sector. Neinor Homes focuses its efforts on **effective communication that extols its brand attributes** with the ultimate goal of **contributing to a change in the sector and generating trust and closeness to customers**.

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><b>INVESTORS AND SHAREHOLDERS</b></p>	<p>Shareholders are an <b>excellent thermometer</b> of a company's <b>confidence</b> and financial health.</p>	<ul style="list-style-type: none"> <li>• Shareholders' Day</li> <li>• General Shareholders' Meeting</li> <li>• Investor Relations website</li> <li>• Email communications</li> <li>• Press releases</li> <li>• Corporate and product presentations</li> </ul>
 <p><b>CUSTOMERS</b></p>	<p>Customers are <b>the raison d'être of Neinor Homes</b>, 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"> <li>• Neinor Experience website</li> <li>• Neinor Experience app</li> <li>• Development mailbox with personalised attention by NEXT manager</li> <li>• Points of sale</li> <li>• Newsletters</li> <li>• Satisfaction surveys</li> <li>• Direct care from Neinor Experience manager</li> </ul>
 <p><b>EMPLOYEES</b></p>	<p>Employees are <b>what make Neinor Homes what it is</b>, 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"> <li>• Meetings with the CEO</li> <li>• Work climate survey</li> <li>• Whistleblowing Channel</li> <li>• Corporate Newsletter</li> <li>• 360° performance appraisals</li> <li>• Inefficiency Channel</li> </ul>



 <p><b>SUPPLIERS</b></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 <b>key element in maintaining high quality standards.</b></p>	<ul style="list-style-type: none"> <li>• Ongoing dialogue</li> <li>• Regular meetings</li> <li>• App to evaluate Neinor Homes</li> <li>• Building committees</li> <li>• Supplier evaluation</li> <li>• Third party code of conduct</li> </ul>
 <p><b>SOCIETY</b></p>	<p>Neinor Homes' activity has a significant impact on society, creating <b>direct and indirect jobs, and contributing to the social and economic development</b> of the places where the developments are located.</p>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Participation in sectoral forums and associations</li> <li>• Work with universities and associations</li> <li>• Social media</li> </ul>

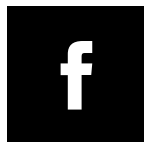
In addition, communication continues to be boosted through **social networks**, generating higher quality content on a fixed and regular basis, as well as through the internal communication channel with employees. Finally, the company continues to increase the presence of various company spokespersons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



## IN SOCIAL NETWORKS



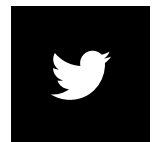
**LINKEDIN**  
**39,038**  
followers



**FACEBOOK**  
**9,714**  
followers



**INSTAGRAM**  
**8,385**  
followers



**TWITTER**  
**3,465**  
followers

06

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



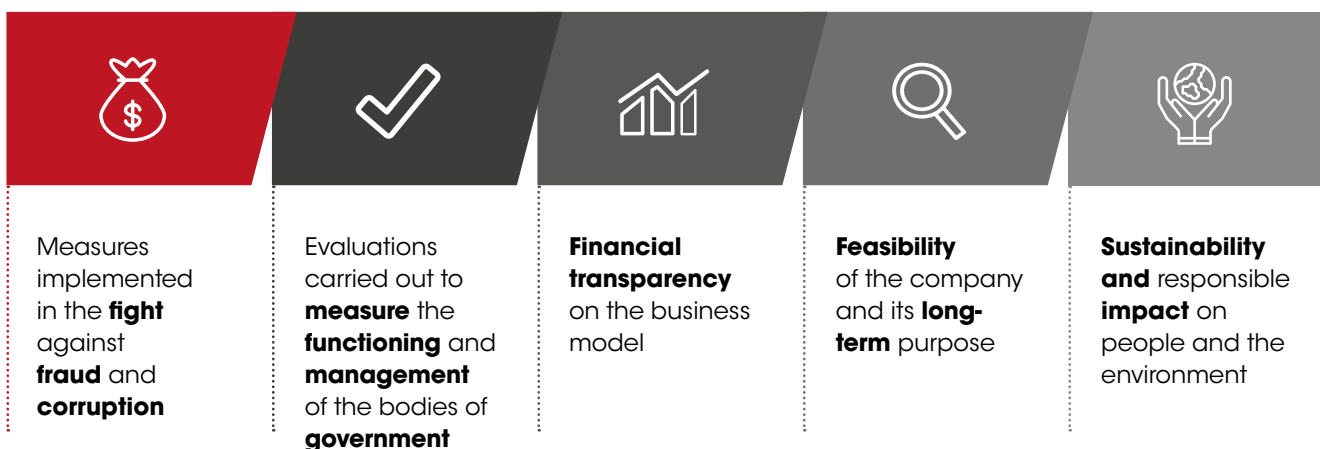
At Neinor Homes when we talk about **Corporate Governance we are talking about people and decisions**, with the understanding that these people are the right people and that they take the right decisions. We firmly believe that it is not only important to do the right things, but also to do them correctly and to be consistent with one's words, as these must be aligned with one's actions and deeds.

## 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 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
- 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 decision-making.

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**.

On 31 March 2021 the **fourth General Shareholders' Meeting of Neinor Homes** was held with a **quorum of 79.03 % of the share capital** (6.16% present and 72.87% represented). All the items on the agenda were approved with a percentage of votes in favour of more than 99%, except for one item which was approved with a percentage of 87.61% votes in favour.

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**.

### 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 2021 the Board of Directors met on 16 occasions, and on 6 of these, ESG issues were dealt with.

At the 2021 close of business the composition of the Board was as follows:

**56%**  
INDEPENDENT  
DIRECTORS

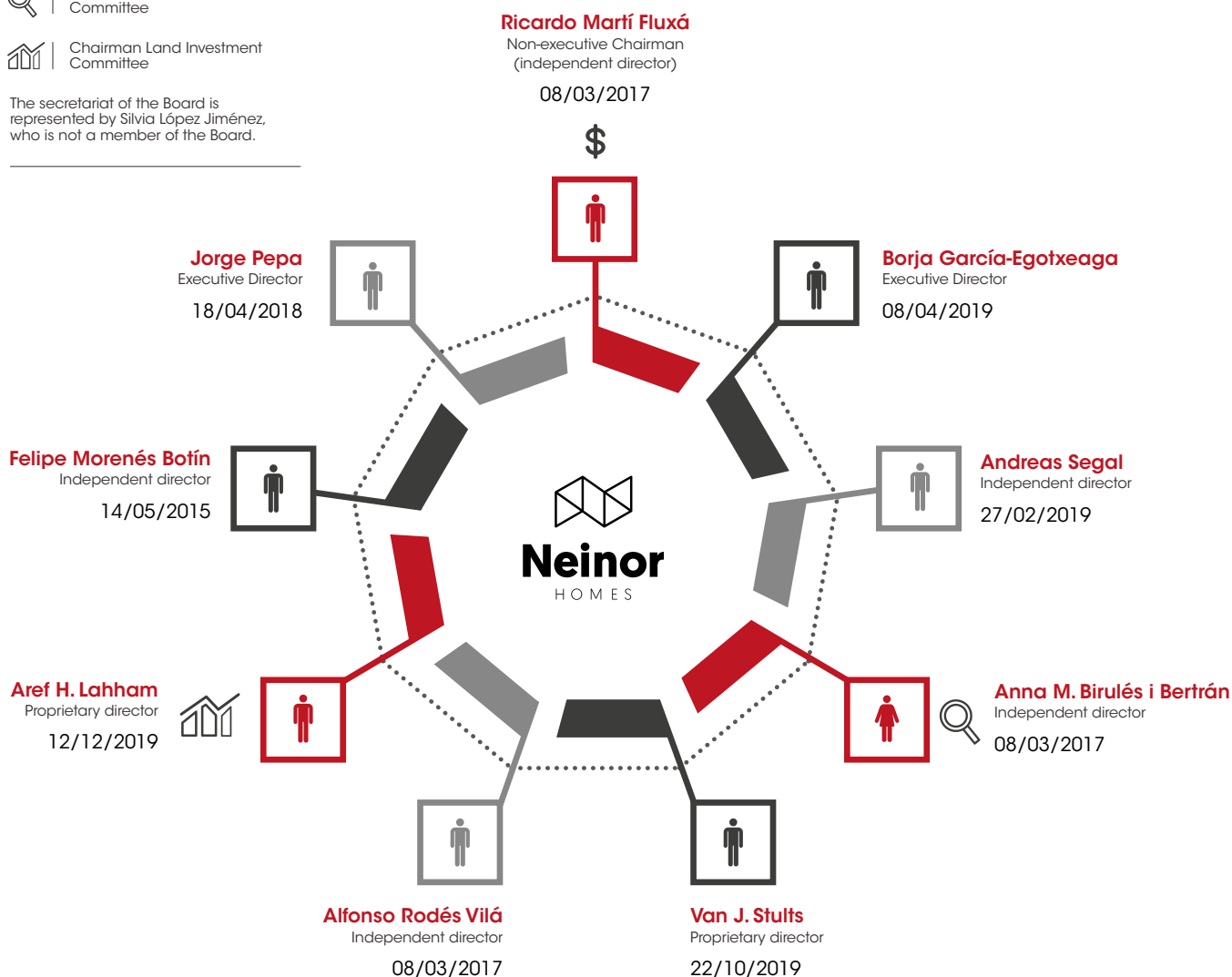
**11%**  
WOMEN

 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.





NeinorHomes **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 last year.

In 2021 this assessment process was carried out internally. The results of the assessments carried out both internally and externally have been similar in terms of conclusions, recommendations and on common lines, placing Neinor Homes in a position of a high degree of compliance with standards and best practices, positioning it above its competitors and other companies in the international real estate sector. These evaluations are public and can be consulted on the corporate website.

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**: Assessment and insight into the effectiveness of performance and functioning by the Directors themselves, through questionnaires of questions and personal interviews which will be processed while respecting the anonymity of the answers.

3

**Comparison with companies in the sector** (Benchmarking): Comparative analysis of the Corporate Governance practices of Neinor Homes compared to the performance of comparable listed companies in the sector and benchmark companies in the field of corporate governance, both nationally and internationally.

4

**Diagnosis of the company's situation in terms of Good Corporate Governance** based on national and international best practices and taking into account benchmark standards such as CNMV, IC-A, EBA, KING IV, etc.

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 decision-making.
- 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 identified in this evaluation were as follows:

**1**

Referring both to the Directors' assessments and to the analysis of best practices and standards carried out, the Board of Directors of Neinor Homes has a structure in line with best practices, in terms of size and composition, with a high degree of diversity in terms of profile, experience, age, knowledge and nationalities. In this regard, the international diversity of Neinor Homes' Board of Directors is above the average for the sector at a national level, even above benchmark Ibex 35 companies with a greater international presence.

**2** Correct internal functioning of the Board of Directors with regard to the frequency of meetings, the notice period, the level of attendance by directors and the correct and adequate quality and quantity of supporting documentation for informed decision-making. In this respect, several members of the Board of Directors have highlighted the good functioning of the Governing Body, even more so considering the restrictions arising from COVID-19.

**3** Highly participatory nature and openness to discussion in the decision-making process of the Board of Directors, differences of opinion being resolved within the Board in a fluid and orderly manner.

**4** Good level of interaction and dialogue between the Board of Directors and Senior Management, with the accessibility of the company's executives, the rigour in the preparation of their appearances and their high level of participation and discussion standing out in a positive way.

**5** An analysis of the documentation provided, as well as the information available on the Neinor Homes website, highlights very positively the existence of a Policy regarding the communication of economic-financial, non-financial and corporate information, a Procedure for conflict of interest and related-party transactions, as well as a Model for the prevention of corporate criminal liability. In relation to the aforementioned policies and procedures and considering the results of the benchmarking carried out, Neinor Homes is one of the pioneering listed companies in complying with recommendations 2, 4 and 22 of the CBGSC, having defined and communicated mechanisms or established rules to prevent possible negative actions or attitudes by directors from affecting or potentially damaging the credit and reputation of the Company.

**6** Compared to its peers, Neinor Homes is a top performer in terms of quality and quantity of public information on topics such as corporate governance, compliance, internal policies and procedures, as the company shows a strong commitment to transparency with its stakeholders and other third parties.

**7** Very positive assessment by the Directors of the performance of the Neinor Homes Board of Directors' Committees.

**8** The analysis of Neinor Homes' internal documentation and regulations shows a high degree of compliance with the CBGSC recommendations (55 compliant, 2 partially compliant and 7 not applicable due to the company's structure).

**9** Neinor Homes has been acknowledged as the best real estate company in the world in terms of ESG criteria by the prestigious analyst Sustainalytics, as a result of the company's efforts in recent years in ESG and environmental matters, including the recent development and approval of its Sustainability Plan and the Sustainability Report that the company has been publishing and auditing for the last 5 years, in anticipation of legal requirements.

In addition, as a result of this review, **opportunities for improvement** have been detected in aspects such as:

- Continuing to work towards gender diversity. It should be noted that the Board is aware of this issue, but that during the last year it has not been possible to improve it because there have been no replacements or additions within the Board.
- Continuing to work on improving the Director Succession Plan to ensure that the governance model evolves in line with the evolution of the business.
- Amendment of the Directors' Remuneration Policy and the Annual Remuneration Report by applying the recommendations detected in the internal analysis carried out, such as linking the variable remuneration of directors to non-financial aspects.
- Encouraging and promoting minority investor attendance at the AGM.

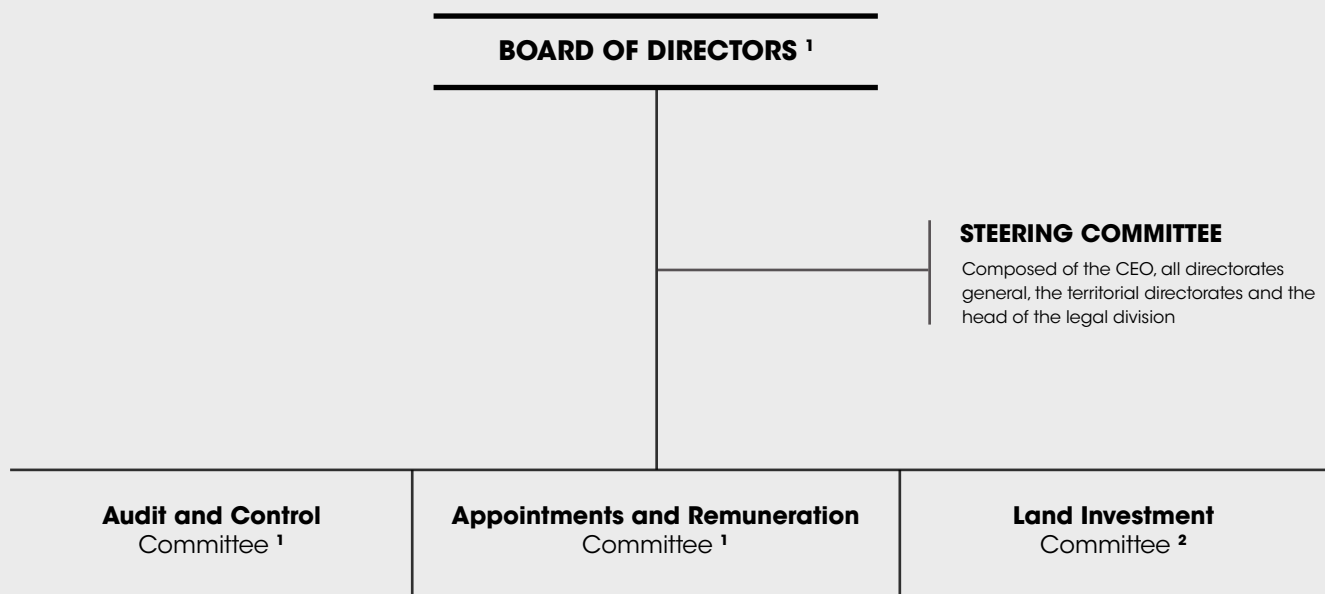
## BOARD TRAINING

Neinor Homes has a defined **training plan for its Board of Directors and its Committees**, in which it offers a programme to update the knowledge of its directors. During the year 2021, the directors received training on the following subjects:

- Corporate Governance: changes in CNMV regulations (Spanish Companies Law, Securities Market Law and Accounts Audit Law).
- Risks in the real estate sector, the situation of the residential market and Directors' responsibilities and obligations.
- Developments, macroeconomic situation, demand/prices, forecasts for the real estate sector: rental and development.
- Non-financial information.

## > 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 under-represented gender on the Board and develop guidance on how to achieve this target.
- Propose to the Board of Directors the remuneration policy for directors.

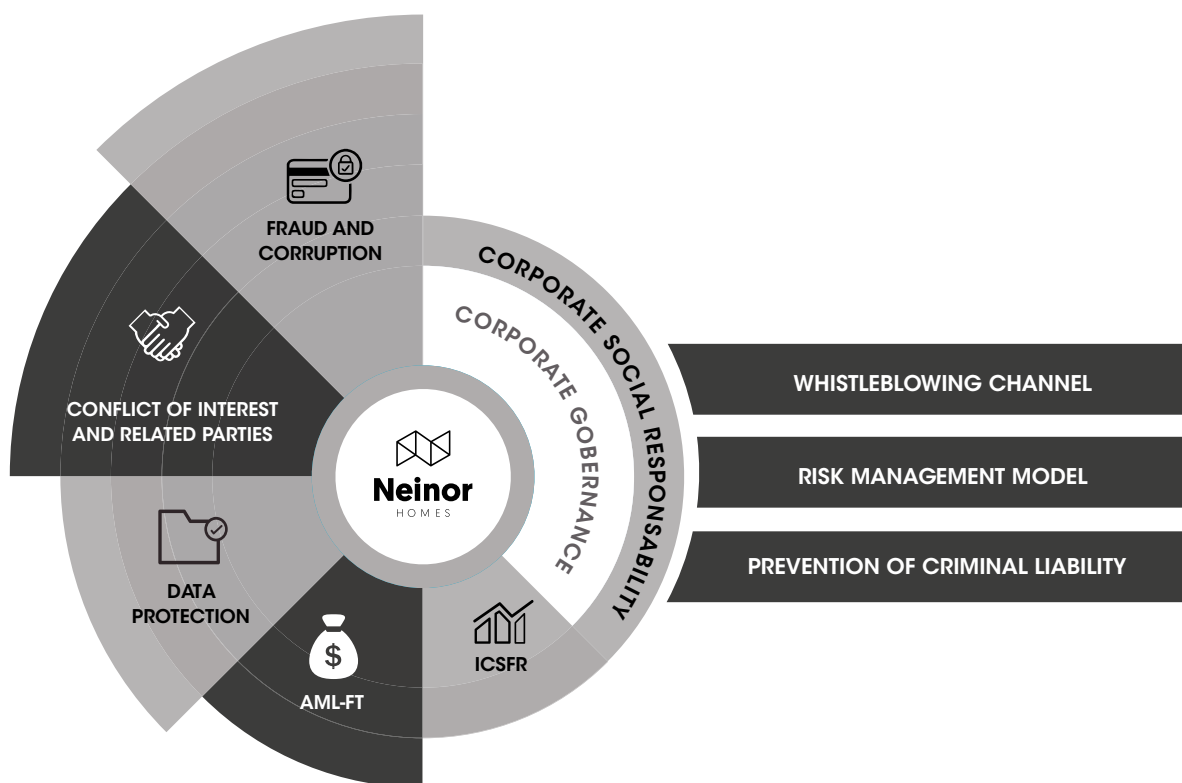
- Define overall investment policies and strategies, investment objectives.
- Evaluate and take the final decision on the possible acquisition of real estate assets, property developments and the financing thereof.
- Analyse and monitor the company's investment performance results in relation to investment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

<sup>1</sup> Bodies in which the majority of its members are Independent Directors.

<sup>2</sup> Body in which the highest percentage of representation is that of Independent Director.

## 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.



In addition, Neinor Homes has an **advisory model** aligned with national and international internal control and compliance standards, which has been implemented and transferred throughout the organisation.

The Advisory Model is a **dynamic and constantly updated model** based on **two cross-sectional axes, Corporate Governance** and **Corporate Social Responsibility**, and **three fundamental pillars: the whistleblowing channel, the risk management model** and the **prevention of criminal liability**. **Five key elements or management themes** converge around it, from which a series of policies and responsibilities emerge:

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

## > 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

Since 2015, Neinor Homes has had on its corporate website a Whistleblowing Channel ([canal.etico@neinorhomes.com](mailto:canal.etico@neinorhomes.com)), accessible and available to any interested party who wishes to report any event that may constitute a breach of legal obligations, the Code of Ethics or the Code of Conduct for third parties.

The Whistleblowing Channel is managed in-house and is available 24/7 from anywhere in the world and in all languages spoken in the Group. The anonymity and confidentiality of all communications received is guaranteed, to ensure that there is no reprisal of any kind against the whistleblower for having made the communication. In June 2017 the Monitoring and Control Committee approved the Complaints Management Procedure: when the complaint is received, its management begins and if it derives from illegal behaviour or behaviour contrary to the Code of Ethics, the Monitoring and Control Committee will meet to establish the appropriate protocols for its analysis, investigation and resolution.

The **GRC, Internal Audit and Sustainability Department** is responsible for ensuring strict compliance with the Code of Ethics and is in charge of promoting and disseminating it, as well as handling complaints received. It also reports regularly to the Board on the handling of complaints.

On the other hand, the **Monitoring and Control Committee** is the body in charge of studying, processing and resolving the complaints received, made up of the Internal Audit, Compliance, Legal and Human Resources Departments. In **2021, 3 complaints** were received through the Whistleblowing Channel, which were investigated and resolved within an average of 5 working days, in compliance with the timeframe established by the Complaints Management Procedure.

As a result of one of the complaints received, corrective measures were implemented, as this was a case of serious misconduct. No complaints related to discrimination, human rights violations, corruption or bribery, or breaches of the Code of Ethics, were received. All complaints were reported to the Audit Committee as part of the Annual Compliance Activity Report.

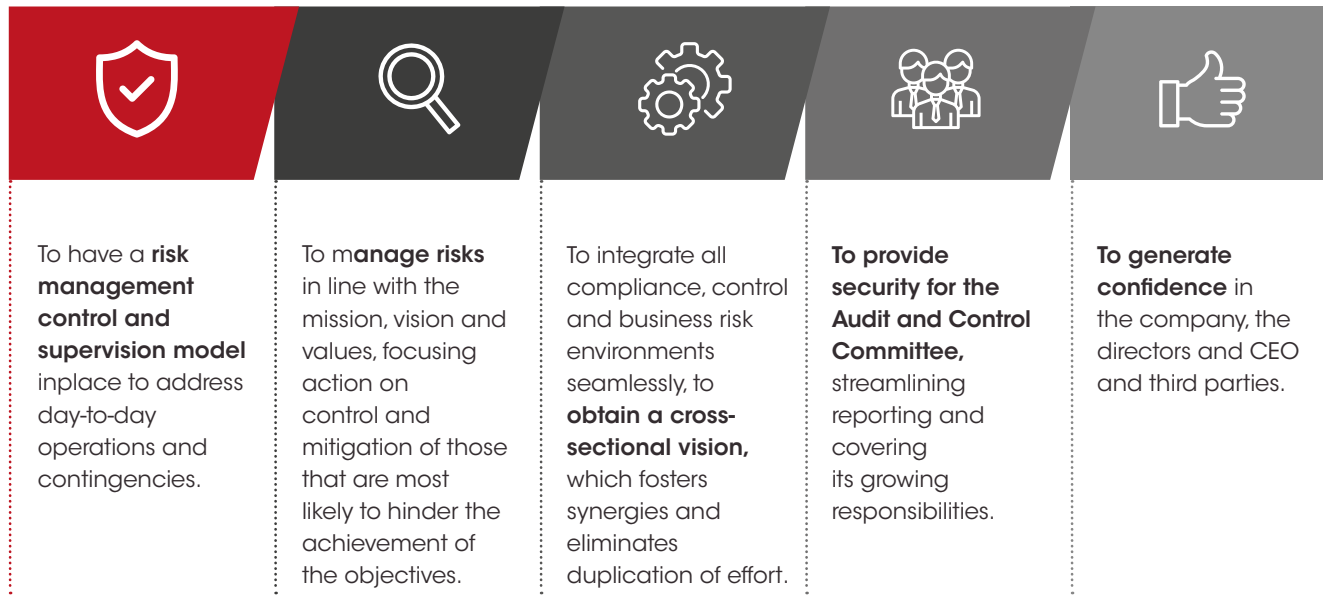
Neinor Homes refrains from working with third parties who do not comply with the provisions of the Code of Conduct, reserving the right to terminate the business relationship with those who fail to comply with any of the stipulated points.

**Training** is provided annually to ensure **knowledge** of and encourage the **application** of all internal regulations and tools in force in the area of ethics and transparency. In 2021, 327 employees received training on corporate governance, business risks, ethics, compliance, ESG, data protection and prevention of money laundering and terrorist financing, among others. In addition, 16 back office employees, 45 Neinor Homes sales representatives and 222 external sales representatives have received training in this last subject.

The annual mandatory training for Neinor Homes staff on Ethics and Compliance this year was given by the CEO and the Head of GRC, Internal Audit & ESG, and dealt with ethics, the compliance system and the basic compliance documents of the Group: codes, policies, diversity, AML/CFT, internal rules of conduct, etc. In addition, some examples of non-compliance were included to make it easier for employees to identify them.

## > RISK MANAGEMENT MODEL

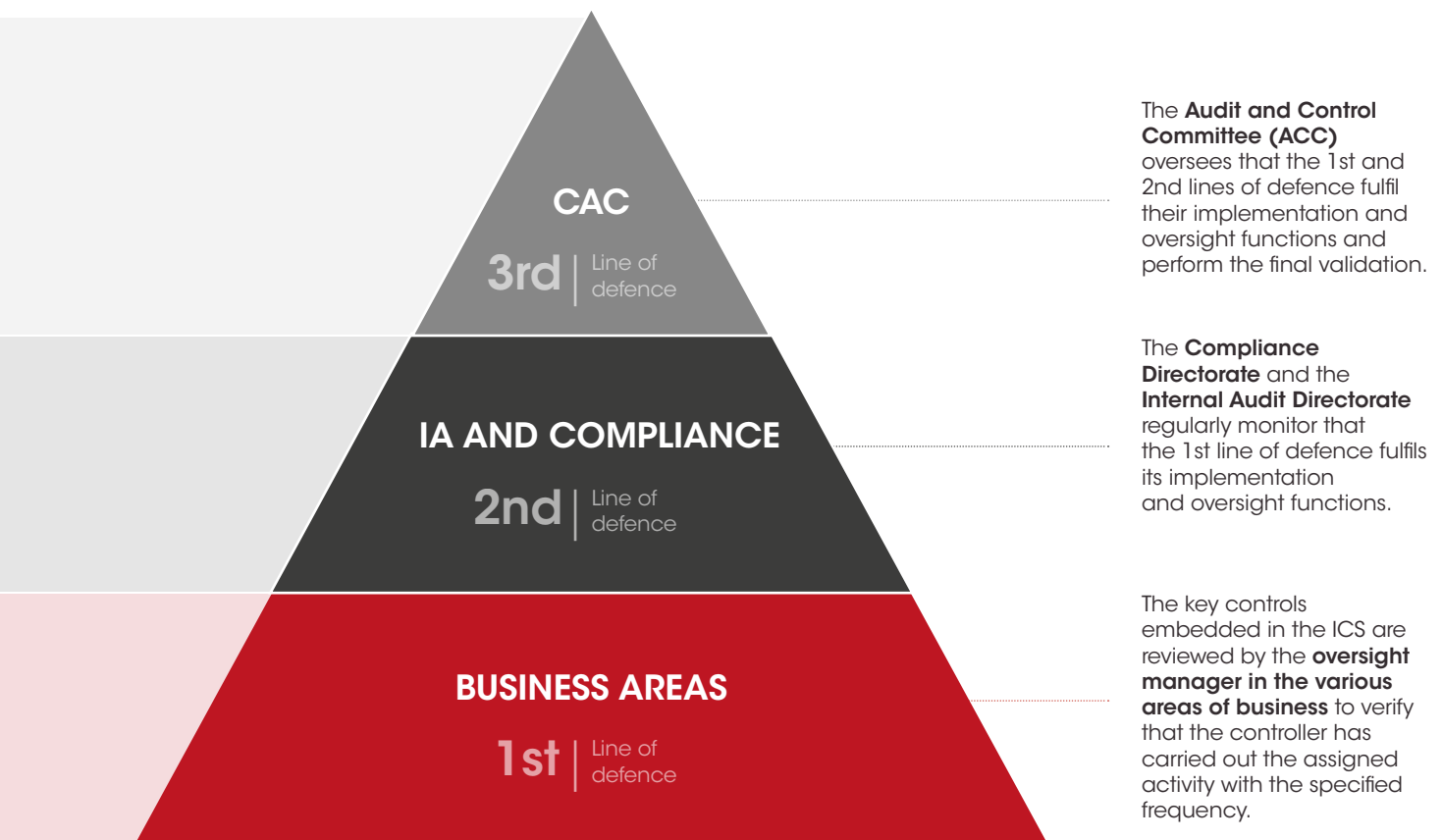
Neinor Homes continuously manages its risks under an **Integrated Internal Control System (ICS)**. This **comprehensive scorecard** associates **risks** with **strategic objectives, processes** and **control activities** in which those responsible for their execution and supervision are incorporated, 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**.

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**:

1

#### ENVIRONMENTAL RISKS

Related to the real estate sector and the cyclicity of the business. Correlation of our sector closely linked to the economic cycle. Business structure/resources not aligned to changes in the cycle / diversification of Servicing / Property / Rental activity. Administrative impact on the sector. New tax and regulatory policies in the sector, land, management and licensing periods/policies. Increase in construction and land acquisition costs, as demand and supply are not homogeneous in the market and competitive environment: associated with the competitiveness of the various agents involved in the real estate sector. Increased competition. Non-homogeneous competition. Environmental impact as a consequence of climate change.

2

#### OPERATIONAL RISKS

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.

3

#### COMPLIANCE AND ETHICS RISKS

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.

4

#### FINANCIAL AND MARKET RISKS

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.

5

#### STRATEGIC RISKS

Failure to meet deadlines or cost targets for strategic (non-development-ready) land development / and in land acquisition. Asset valuation and lack of discipline, consistency and reasonableness in land acquisition. Non-compliance with sales forecasted in the business plan. 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. Non-compliance or poor performance in the management of the Servicing contract.

6

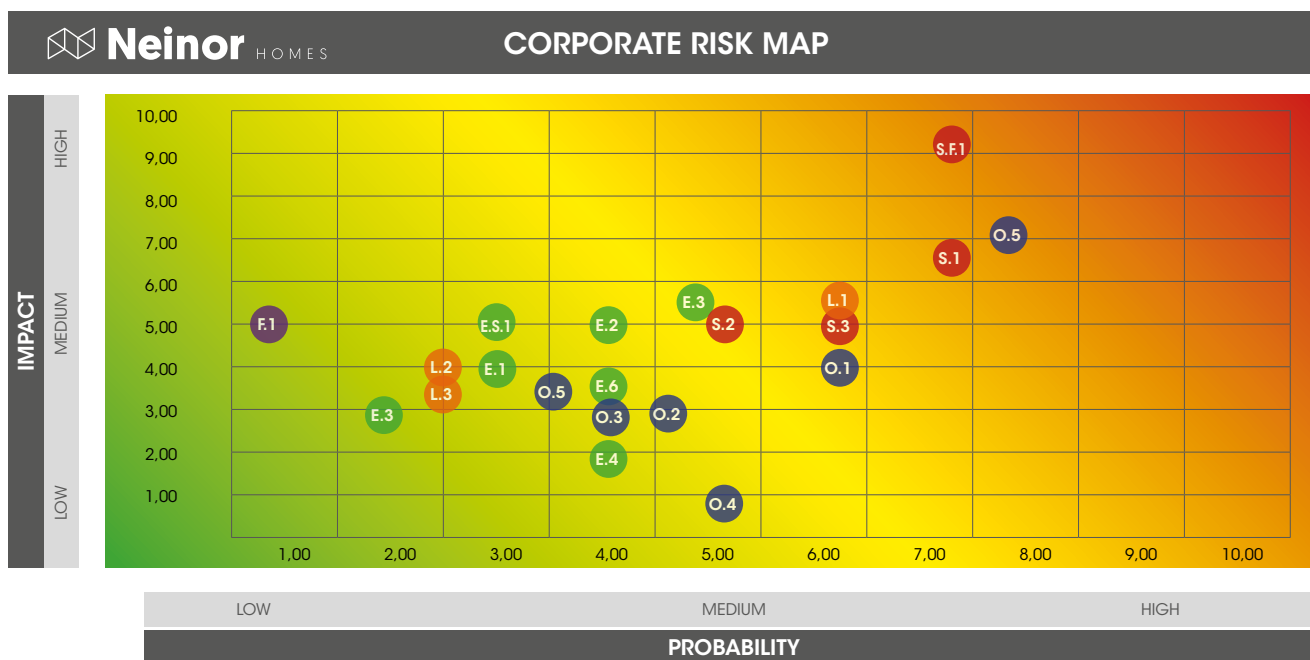
#### CLIMATE CHANGE RISKS

Following the main risks and opportunities identified by the TCFD (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 **Corporate Risk Map** is reviewed on a regular basis and is therefore a fully dynamic model that is continuously monitored.

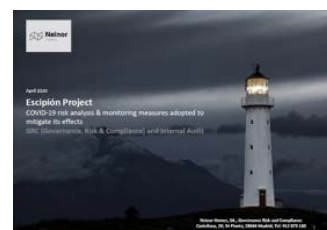


Neinor Homes, following its periodic analysis, has classified the various risks to which it is exposed into 6 global categories, which are set out in Section E.3 of the ACGR.

The 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.

Given that as of the date of this Non-Financial Information Statement we are still suffering from the consequences of the current pandemic, we consider it relevant to mention how the company's risk management system adapted to this new reality.

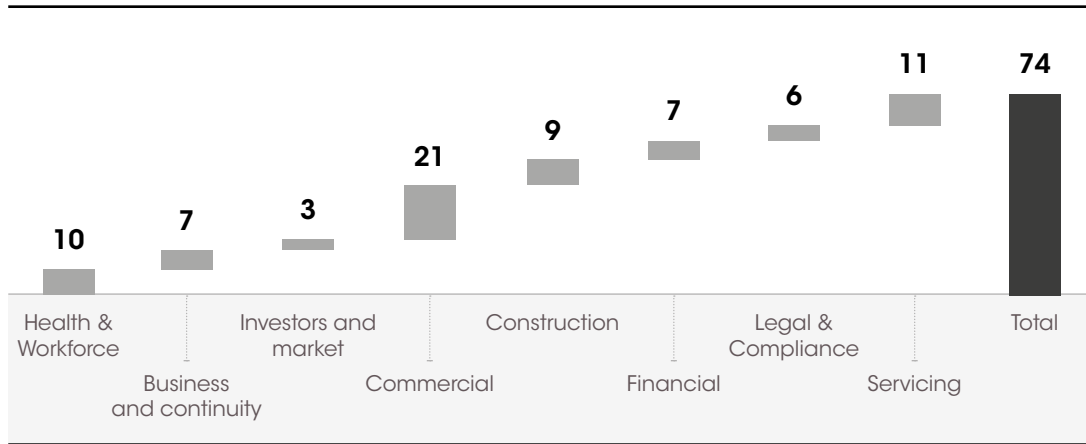
In 2020, following the outbreak of the pandemic caused by Covid-19, the company, as part of its Integrated Risk Control and Management System, defined a specific model for dealing with the risks that could arise from this situation (Project Scipio), which was applied throughout the organisation, associated with strategic objectives, processes and control activities, and which was monitored periodically, with periodic reporting of results to senior management and the Audit Committee.



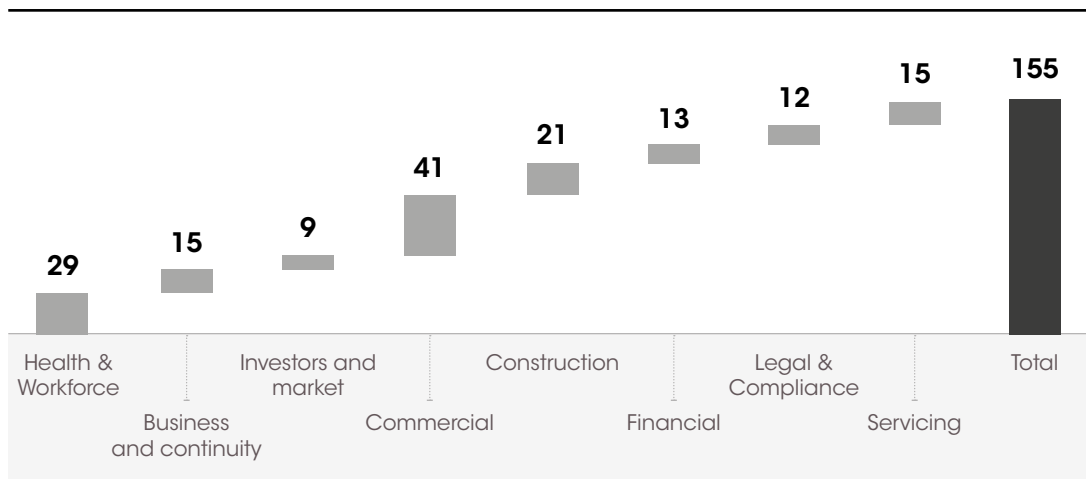


In this regard, 9 major risks, 25 risk materialisation scenarios, 74 causes that could lead to these risk scenarios, 75 direct consequences and 155 actions to be taken to avoid and mitigate the consequences of risk materialisation were identified.

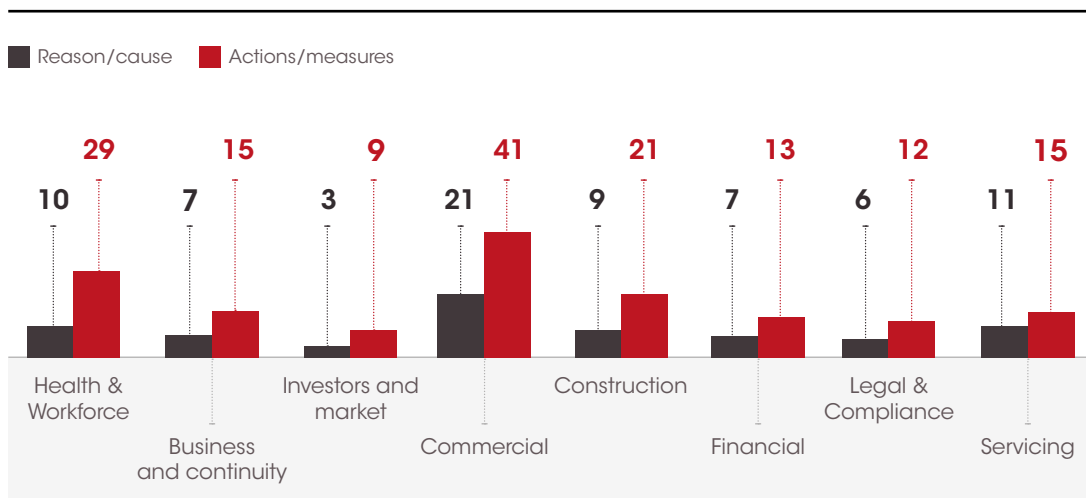
### REASONS/CAUSE SUMMARY



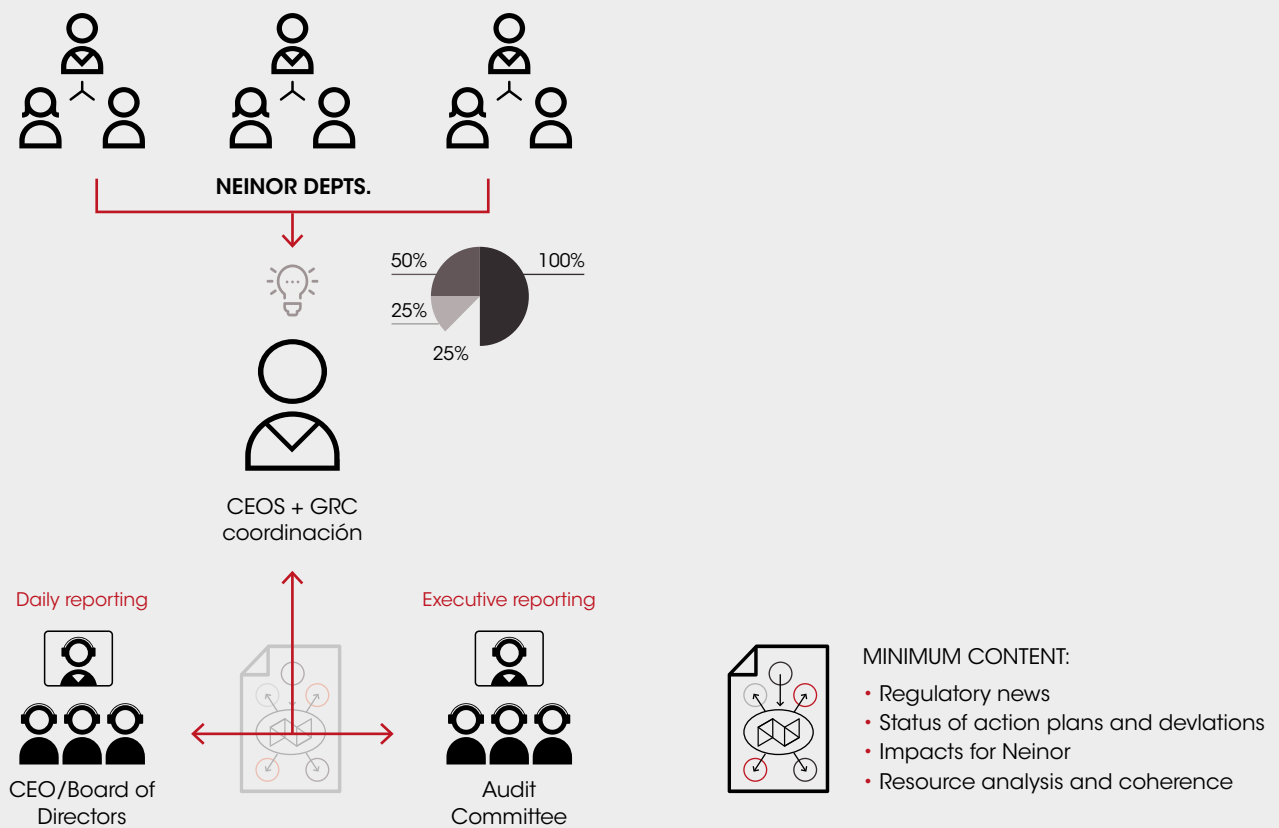
### ACTIONS SUMMARY



### REASONS & ACTIONS BY AREA



The operational model for monitoring the evolution and compliance of the proposed measures was centralised in the CEOs and GRC, who monitored, received and issued reports with updates on each measure proposed and adopted.



In this connection, this risk structure of the company, together with certain conservative and prudent measures taken prior to the declaration of the state of alarm by the respective General Directorates of the company's business, have placed the company in an advantageous position to deal with the period of uncertainty we are facing.

One of the strengths that recurrently appears in the audit report of the ISO 9001 certification is the risk management system implemented by the company. This year, the risk-based action plan prepared to respond to the consequences of the impact of the pandemic, "Scipio", has been highlighted by the auditors as one of the two most significant strengths of the company.

## > 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 crimes take place, Neinor Homes investigates the perpetrators, cooperates in repairing the damage caused and denounces the perpetrators, co-conspirators 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 have received and confirmed the commitment to comply with the Code of Ethics and the group’s policies, and specific training has been provided in 2021 to employees and Directors.

## > 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 decision-making of the other.

GRC management shall keep a **log 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 established terms, the directors requesting explanations should they deem it necessary.

In addition to all the analyses carried out for conflicts of interest and related parties, two full investigation reports on two conflict of interest transactions were carried out this year.

Finally, internally, transactions between companies related to directors and senior management with the company are checked by the Internal Audit Department and these persons additionally confirm these transactions in a declaration.

## > ANTI MONEY LAUNDERING AND COMBATING 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 2021 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.

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.

In 2021 Neinor Homes received **14 requests** related to the rights of customers to **unsubscribe their 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. In this regard, training on cybersecurity and data protection has been provided to employees and users of the Neinor Homes network.

Neinor Homes considers **cybersecurity** to be a key part of its digital strategy. As a result of this concern, it has signed up to a third party service, Redes Limpias, which provides firewall protection for the most common threats.

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**.

Furthermore, a business contingency plan is drawn up biannually. This audit was carried out in accordance with the Audit Plan approved by the Committee and consisted of an unannounced cybersecurity attack on the systems area, and monitored by an external audit.

Neinor Homes  
has the  
ISO 27001  
certification.

## > 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 Directorate General of Finance is responsible for preparing the financial information, although all areas of the company must ensure the **transparency and veracity** of the information handled and supplied to the market. For this reason, the Internal Audit Department has given a training course on ICSFR to those areas involved in the preparation and review of financial information. Furthermore, Neinor Homes voluntarily submits the information relating to ICSFR included in its annual Corporate Governance Report to an **independent external verification**.

In addition, each year the effectiveness and model of the ICSFR is reviewed by Internal Audit. In the current year, an assessment of ICSFR compliance has been carried out by an external expert in order to safeguard the independence of Internal Audit in the preparation and design of the controls to be implemented and to have a complementary view.

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:

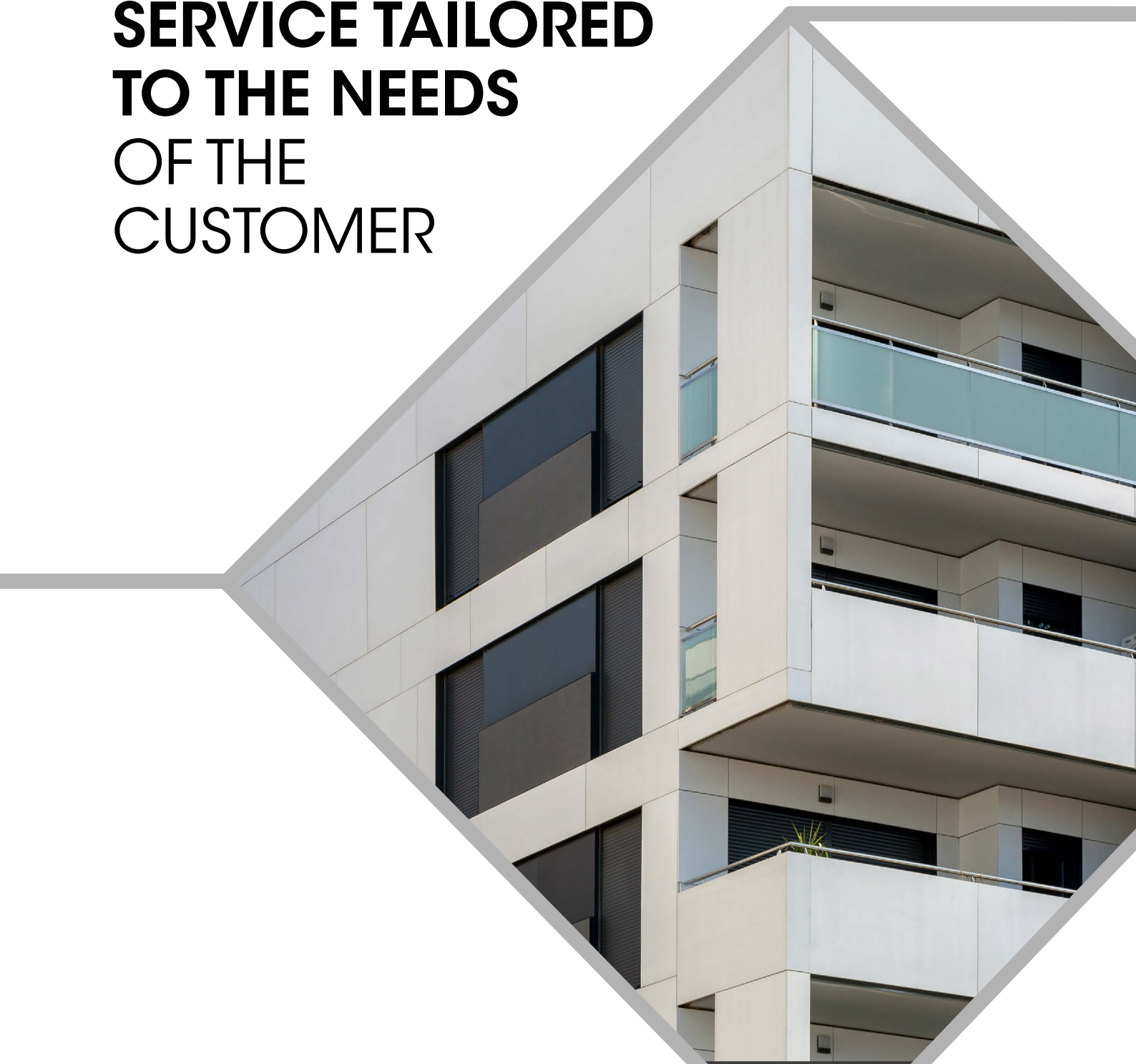
- Approval of tax criteria in line with the company's tax policy and its commitment to the application of good tax practices. These criteria are reviewed and validated annually by the head of tax matters;
- Ongoing monitoring and control of the proper implementation of the agreed criteria. Such monitoring 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.

During the year 2021, various **measures** have been taken **to get to know better those 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 buyer.

Aware of the importance of sustainability and energy efficiency for our customers, Neinor Homes has included as courses of action in its Sustainability Plan the provision of advice to all customers of the developments delivered as to the choice of the most economical energy tariff, as well as the various green tariff options on the market, and the delivery of a guide with practices and recommendations regarding home safety/security, healthy habits and efficient energy use. These measures will be implemented throughout 2022.

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 2021 Neinor Homes had more than 13,000 customers.**

## 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 8 stages that occur during the purchase of a home:



### WELCOME PACKAGE WITH RESERVATION

- Access to the website and to the Neinor Experience App, which includes content on the construction work, the team involved in the project, the home, documents, information on financing, consultations, surveys, etc.
- Contact details of the Neinor Experience personal manager: e-mail address and telephone number.

### START OF CONSTRUCTION WORK

Monthly newsletters containing:

- 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

#### PRE-DELIVERY COURTESY VISIT

#### MANAGEMENT OF THE PURCHASE CONTRACT

Update on the website on the status of the contract.

#### MONITORING THE DELIVERY PROCESS

- Coordination and management of courtesy visits, handover and deeds with all parties involved.
- Control and monitoring of the state of the property for its correct handover and title deed procedure.
- Neinor Experience gift for the customer.

#### AFTER SALES

After sales management in the development: offering the customer a personalised service for detecting and repairing incidents during the entire guarantee period of the property.

### OTHER MEASURES

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

- Reservation.
- Purchase: Deeds.
- Within 6 months of the title deed of the houses being signed
- Within 12 months of delivery, etc.

**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 signing of documents.
- Security protocols at the Notary's office for the signing of deeds.
- Disinfection of dwellings prior to handover.
- Reinforcement of information on Family Homes Protection, which has helped 10 customers this year, and 87 the previous year, to reduce a monthly payment, being in a situation of redundancy or similar.
- Flexibility in payments.

A few weeks before the deed is signed, Neinor Experience invites customers to a courtesy visit to the homes. After the deed is signed, the owners have a few days to draw up a **list of any deficiencies**, which will be sent to the companies working with us and the construction company. Neinor Homes follows up on these and periodically receives the reports cited by customers.

One of the strengths of the **Neinor Experience** department is to be aware of the **Customer Satisfaction Level** in order to be able 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 2021 were as follows:

- Average **CSI** data **for the year\_ 3.04 out of 4**

The milestones on which we assess customer satisfaction are:

- App/Reservation/Showroom/Courtesy Visit/  
Signing of the Deed/After Sales at 6 months/After Sales at 12 months.

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.

**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.

Accessible at  
[www.neinorexperience.com](http://www.neinorexperience.com)  
or via the App.

## > 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 Respond* channel is a corporate service offered to all non-new-build customers. It is a telephone consultation service via an internal **call centre**.



**Call centre service** to deal with customer incidents. During the year 2021, 11,855 incidents were resolved, with an average response time of one minute.

## MAIN FIGURES FOR 2021

54,865

Sessions on the *Neinor Experience* website

19,908

New customers accessing the *Neinor Experience* website

2,592

APP downloads

19,908

Contacts with Neinor Homes

## 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 represented by the digital transformation that has accelerated due to the COVID-19 pandemic allows the creation of pre-sale and post-sale incidents during the same visit to the property in a user-friendly way (with photographs and documentation), from a smartphone or tablet, and which has already been arranged in 28 developments delivered in 2020, plus other developments from previous years.

In 2021  
Neinor Homes  
received 22,323  
communications  
with an average  
response time of  
14 hours and 20  
minutes.

### 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



08

WE BUILD  
HOMES  
WITH **ADDED  
VALUE**



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. And innovation and digitalisation allow us to add value, optimise processes, increase efficiency and reduce operating costs.

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, with the carrying out of a market research process. This is the only way to create innovative 21st century homes that are excellent in design and quality and, above all, sustainable.

Since its inception, Neinor Homes has registered over 8,000 dwellings to obtain the BREEAM® seal

## > VALUE-ADDED SERVICES

### *FAMILY HOMES PROTECTION INSURANCE*

1

Neinor Homes was the **first developer to offer a protection insurance policy for its customers that covers the capital outstanding on the home**, from the signing of the purchase contract until the handover of the property, in the event of death due to accident or absolute permanent disability. In addition, Neinor Homes undertakes to cover the outstanding payments of the purchase contract for the home up to a maximum of 12 monthly payments, in the event that the customer suffers involuntary loss of employment or temporary disability or hospitalisation due to an accident. In 2021, 10 applications for Family Homes Protection were processed. Since its inception, Family Homes Protection insurance has covered 102 buyers (87 of them during 2020 as a result of the COVID-19 pandemic) who are in a situation of redundancy or temporary incapacity, taking over their late payments, thus being able to meet part of the costs of their future home. To date, a total of €469,950 has been paid from the insurance company to help our buyers to pay for their homes.

2

### *DISINFECTION OF DEVELOPMENTS DUE TO COVID-19 SITUATION*

Neinor Homes wants to remain at the side of our customers throughout the current health crisis, supporting them in everything that can help them in this situation. For this reason, having as an absolute priority to guarantee the maximum sanitary safety, we decided to carry out the disinfection of all the developments pending delivery during 2021. Thus, before the delivery of the new developments, we carry out a disinfection of each property as well as the main transit areas of the development with a specialised company, complying with the applicable regulations and using the products authorised by the Ministry of Health. With this measure, we aim to guarantee the health and safety of each of our developments and, above all, provide the peace of mind and security required at the start of such an exciting new stage as moving into a new home.

3

### NEINOR MOBILITY PACK

EWithin the *Neinor Lab* framework, 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**.

## 8.1. HOUSING EXCELLENCE AND QUALITY MANAGEMENT

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 2021 the company continued for the sixth 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 in-depth **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:**

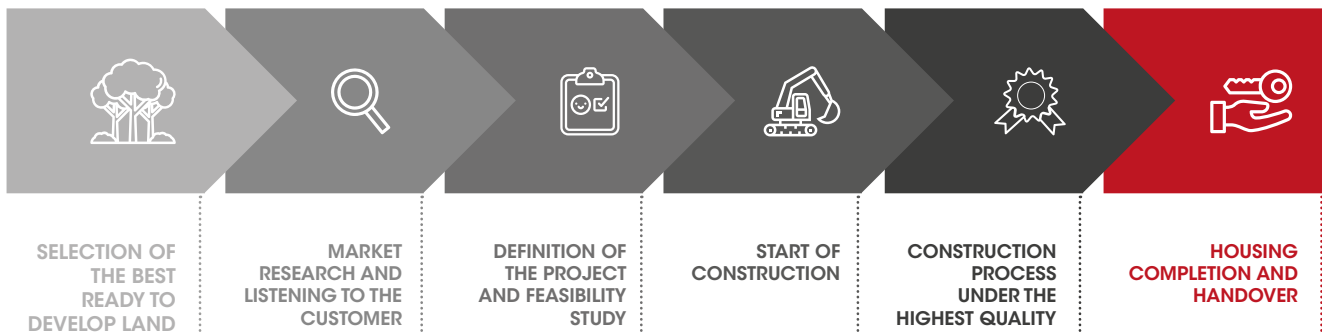
homes that adapt to the new lifestyle and environment in which they find themselves.

- **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

NeinorHomes 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. 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.**



### 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.

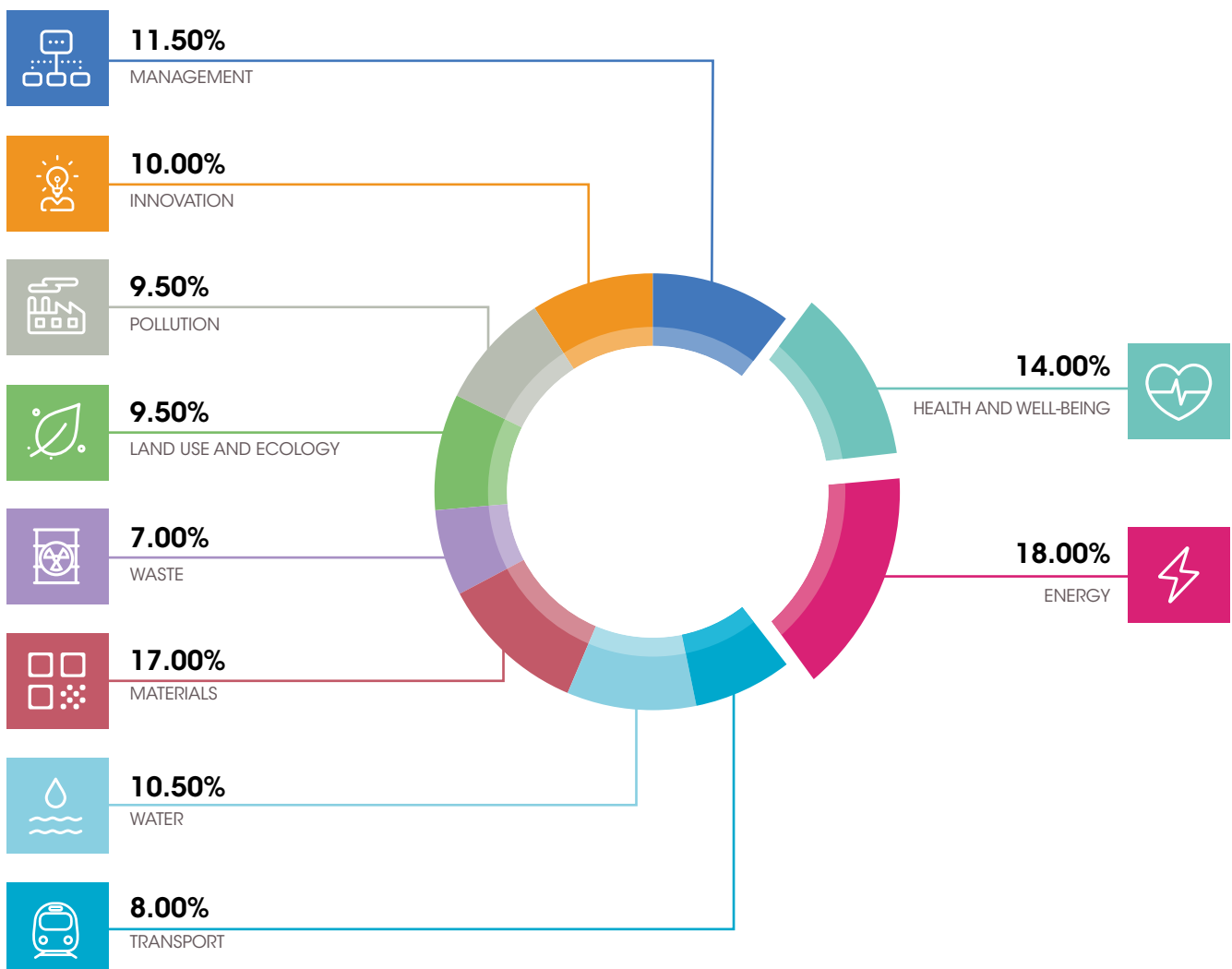
## 8.3. ENVIRONMENTAL SUSTAINABILITY AND HEALTH IN HOUSING

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.

### > 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.







Neinor Homes has made a voluntary commitment to consider the requirements of the **BREEAM®** sustainability certification at Good or Very Good level in most of its developments.

In this regard, in 2021 we have made progress in fulfilling this commitment: **of the total number of developments delivered since the company was founded (89), 63 have the final BREEAM® certificate** or are in the process of certification, which represents **70.79%**. Of these 63 developments, 47 have already been awarded the final certificate, 41 at good level and 6 at very good level.

In addition, of the **31 developments delivered this year**, 15 are **BREEAM®** certified, i.e.48%.

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

Neinor Homes is the **Spanish developer** with the highest number of **BREEAM®** certifications in recent years.

 <b>HEALTH</b>	 <b>COST SAVINGS</b>	 <b>ECOLOGY</b>
<ul style="list-style-type: none"><li>• Use of <b>paints, varnishes and materials</b> with minimum harmful elements.</li><li>• Homes with <b>amenities to enjoy and relax</b>: swimming pool, communal leisure areas, etc.</li><li>• <b>Proximity to basic services</b> (less than 500m from a hub of bus stops, a school, grocery shops, health centres, etc.)</li></ul>	<ul style="list-style-type: none"><li>• <b>Thermal envelope</b> design that saves on heating and air conditioning.</li><li>• Choice of <b>efficient lifts</b>.</li><li>• Use of <b>energy-saving</b> and efficient <b>lamps and lights</b>.</li><li>• Installation of <b>solar panels</b> to supply part of the demand for domestic hot water, resulting in significant economic savings and a reduction in greenhouse gas emissions.</li><li>• Installation of vegetation on roofs and in gardens to create a pleasant environment with low maintenance and water consumption, as they are <b>native plants</b> with low water requirements.</li></ul>	<ul style="list-style-type: none"><li>• Choice of <b>consumption saving taps</b>.</li><li>• Reduction of <b>private car journeys</b> due to the proximity of the dwelling to basic services.</li><li>• <b>CO<sub>2</sub> emissions reductions</b>.</li><li>• <b>Recycling of waste</b> generated on site.</li><li>• <b>Legal timber procurement</b>.</li><li>• Installation of <b>grease separators</b> to minimise contamination of watercourses.</li></ul>

Neinor Homes guides its sales managers and those working with it in conveying the benefits of BREEAM® certification to users and builders. Its continued commitment to this certification is also reflected in the 2022-2025 Sustainability Plan, as it aims to continue to be the national developer with the highest percentage of homes delivered with BREEAM® certification. This, together with the other factors explained in this report, has made Neinor Homes a **leading developer in sustainability**.



## 8.4. 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.

### **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 non-specialised 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.

## 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 m<sup>2</sup>, 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 Development Plan.

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 non-flooding 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.

In addition, Neinor Homes has carried out urban and industrial regeneration projects throughout Spain:

### IN THE NORTH

- **Arrate** homes (Eibar)
- **San Andrés Berri** (Mondragón)
- **Amezola Homes** (Bilbao)
- **Olarizu Homes IV** (Vitoria)

### IN THE CENTRAL AREA

- **Buenavista Homes** (Madrid)

## 8.5. 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 2021 Neinor Homes renewed the

---

### Certificación de AENOR 166002:2014

---

it has held in the last 5 years.

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.

- On these lines, the **Neinor Mobility Pack** has continued to be offered in 2021 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.

- **ERAIKUNE Basque Construction Cluster**, participating to address the various challenges posed in the Basque Country within its Strategic Plan. More specifically, the development of the Working Group 2 "Innovation and Training" to address Challenge 2 "incorporating state-of-the-art knowledge and technologies in the industry".

The objective is to incorporate state of the art knowledge and technologies in the construction industry that will improve the competitiveness of the cluster's companies by means of:

- Sector technology watch.
- Promoting the development of new advanced products and processes.
- Launching innovation projects.
- Upgrading of the skills of existing professionals.
- Training of future professionals.

- **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.



### COOPERATION AGREEMENT WITH CEMEX VENTURES

In 2021, 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.

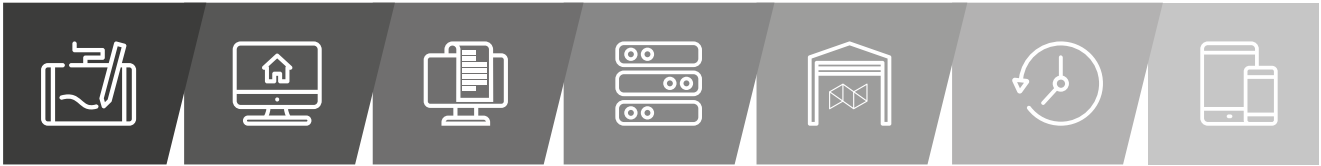
## > DIGITAL TRANSFORMATION

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 **in-house apps for use by the staff**, who can digitally control their shifts, their holidays or access 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.

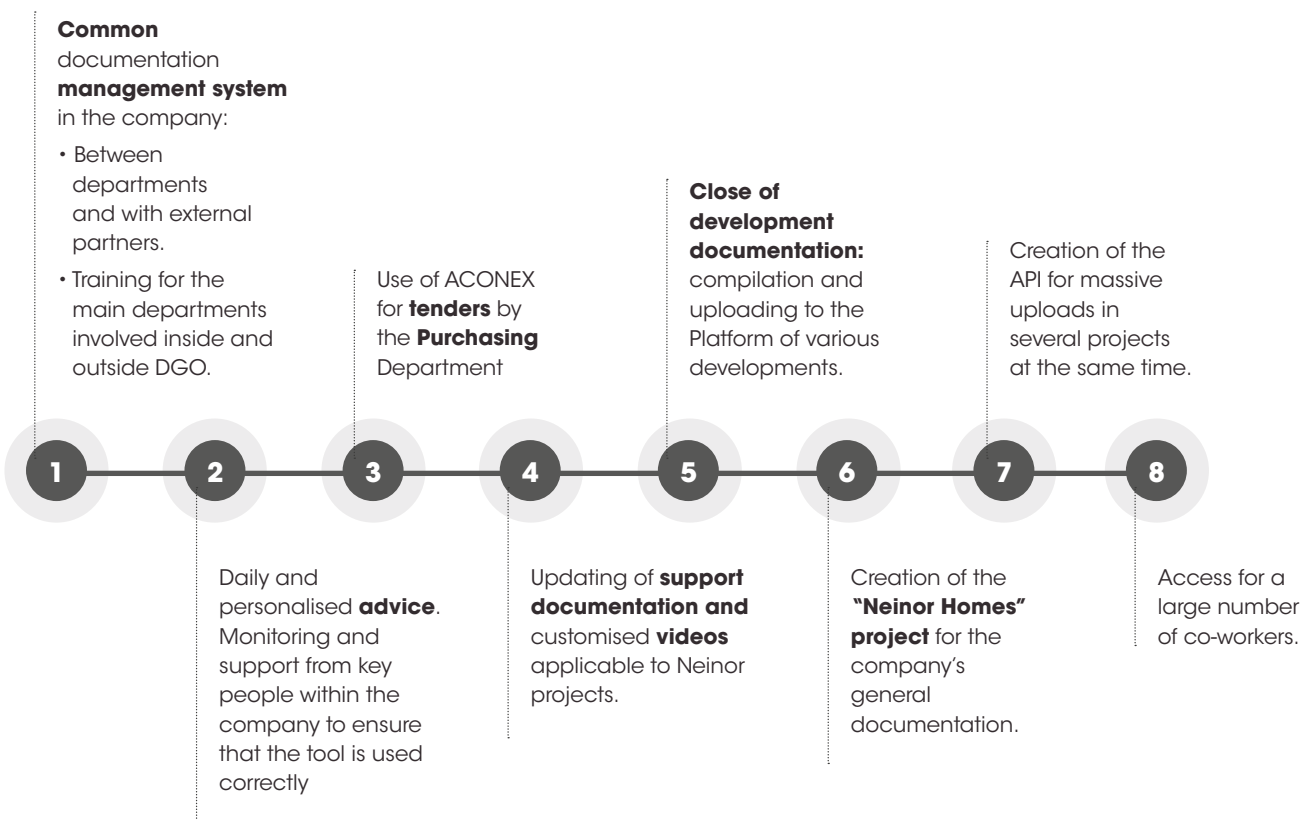


## ACONEX

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 GOALS FOR 2021?

#### Proper management of the platform:

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

#### Creation of workflows:

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

#### Complete upload of all Close of Development Documentation for all developments to date. **Prinex - ACONEX** connection.

Reduction of the documentation burden 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.
- **2500 + transactions signed in 2 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.

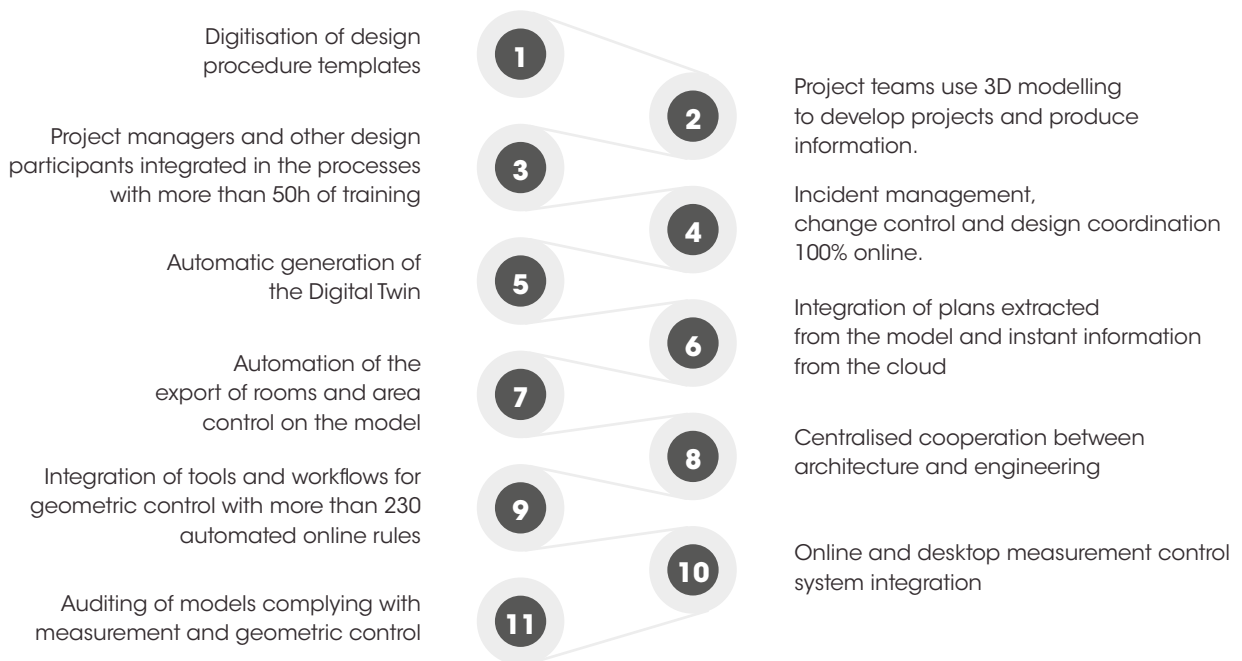
At Neinor Homes we use and have **incorporated technology and various digital enablers** throughout the entire product lifecycle.

- 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.

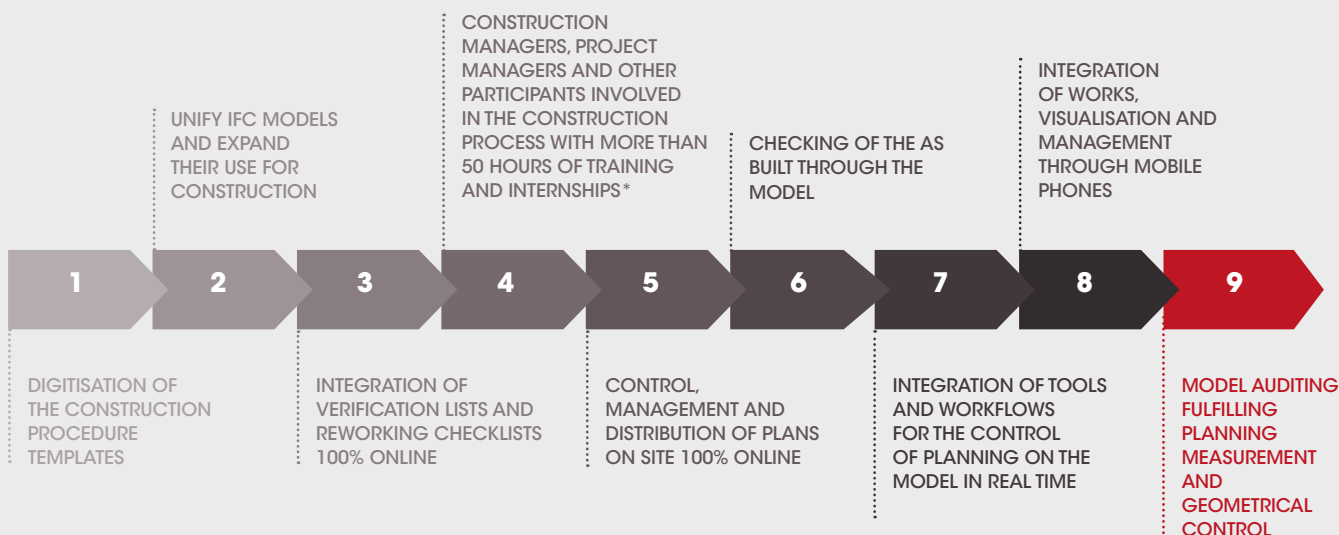
To date **we have achieved:**



## Current Situation



## 2021 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.
- Moreover, 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.
- With regard to our **Servicing business** line .....

WFs

DATA QUALITY

It is also worth highlighting the developments we are bringing about to promote our new business line Neinor Rental, launched in 2020 and with which we have the first platform capable of offering 100% of rental services. In this regard, within this line of business we are working on the development of online booking and rental.

09

WE HAVE A  
**COMMITTED  
TEAM**

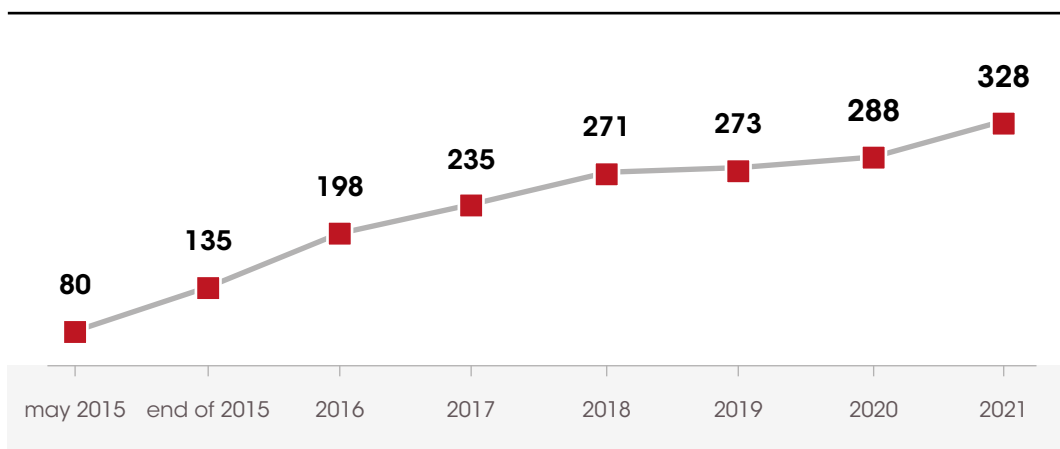


One of Neinor Homes' priorities is to offer its human team an **attractive environment** where they can develop professionally and where they can reconcile their personal life with their work. All of this is based on **equal opportunities, transparency, health and safety**.

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 4.1 in those 6 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



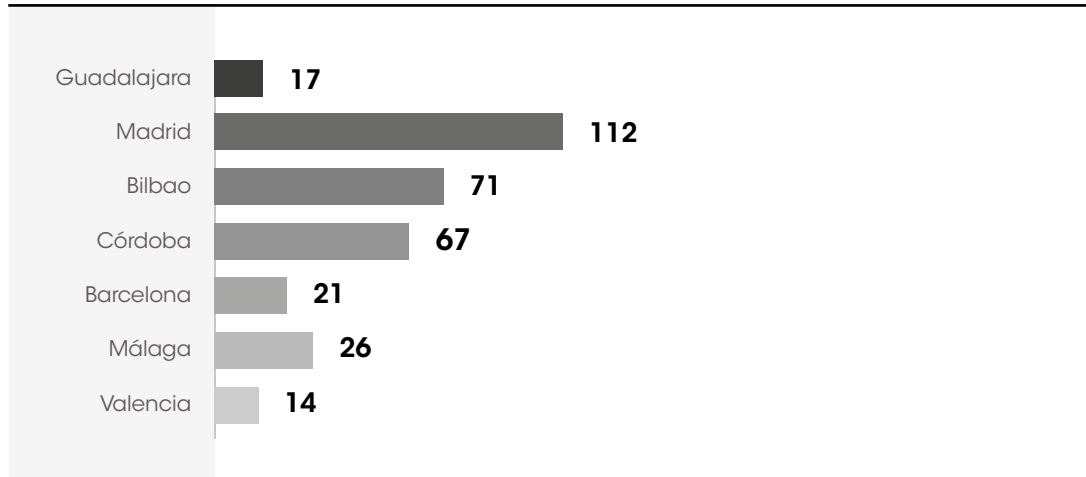
In 2021 Neinor Homes had a workforce of **328\* employees, 52% men and 48% women**, the **number of employees increasing by 40** from 288 in 2020. Neinor Homes is committed to talent and professionalism when it comes to forming its work teams, which is why it has a diversity of profiles. In this regard, the **average age** of employees in 2021 was **43.2 years of age**. The **average length of service** of the workforce was **5.99 years**, as it is a company that has grown considerably in recent years. The figure increased significantly in 2021 due to the takeover of Quabit Inmobiliaria S.A.

\*In addition to the workforce of Neinor Homes, there are 152 employees of Quabit Construcción (113) and Renta Garantizada (39) who are in the process of being integrated into the Group.



During its first 6 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 ST



#### DISTRIBUTION OF THE WORKFORCE BY AGE RANGE



We would like to state for the record that, contrary to some trends that are occurring in many companies, which discard or dispense with people who have more experience just because of their age, increasingly aggravating the problem of mass recruitment processes, Neinor Homes does not take into account the age of candidates to select talent, nor does it carry out any type of age-related discrimination in the work environment (talent retention, internal promotion, etc.). As can be seen, one third of its workforce is between 46 and 65 years old.

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.

## 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. Although there are currently no women in STEM (Science, Technology, Engineering and Mathematics) or similar positions, 28% of management positions are occupied 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.

In this regard, in the last work climate survey carried out in the last quarter of 2020, 80% of respondents said they believed that in the recruitment, evaluation, professional growth and remuneration processes there is no discrimination based on gender, age, origin, sexual orientation or ideology.

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

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

Neinor Homes' commitment to equality and non-discrimination is reflected in its Diversity and Non-Discrimination Policy.



### 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.

Neinor Homes is determined to ensure that there is no gender-based pay inequality in its business. For this reason, it has begun to carry out a salary analysis to identify possible cases of inequality between women and men with identical jobs, functions and responsibilities. In this regard, the company has already obtained two remuneration audit reports on Neinor Homes from an independent third party, which it is analysing and adapting, as a result of the merger with Quabit.

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 pay of men and women compared to the average hourly pay of men, stands at 27.4%, with the Group's average pay being €46,371: €57,319 for men and €34,513 for women. The ratio between the starting salary and the local minimum salary by gender (male/female) is 1.6/1.6

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 ANALYSIS<sup>1</sup>

CATEGORY	AVERAGE REMUNERATION	N° OF PERSONS	AVERAGE AGE	AVERAGE LENGTH OF SERVICE	% VARIATION	ADJUSTED AVERAGE REMUNERATION	ADJUSTED % CHANGE
<b>TOP MANAGEMENT</b>	<b>184,417</b>	<b>6</b>	<b>44.1</b>	<b>7</b>			
Men	184,417	6	44.1	7			
<b>AREA MANAGERS</b>	<b>86,526</b>	<b>35</b>	<b>48.7</b>	<b>7.9</b>			
Men	91,971	27	50	8.7	25%	80,489	14.8%
Women	68,829	8	44.4	5.3			
<b>MANAGERS</b>	<b>50,920</b>	<b>53</b>	<b>45.8</b>	<b>8.1</b>			
Men	55,456	26	47.5	8.2	16%		
Women	46,551	27	44	8			
<b>TECHNICAL STAFF</b>	<b>36,478</b>	<b>160</b>	<b>42</b>	<b>5.5</b>			
Men	38,728	85	43.4	4.9	12%		
Women	33,929	75	40.3	5.1			
<b>ADMINISTRATIVE</b>	<b>22,954</b>	<b>66</b>	<b>39.7</b>	<b>6.2</b>			
Men	22,533	18	39	4.8			
Women	22,724	48	42	6.7	0.8%		
<b>SITE PERSONNEL</b>	<b>42,531</b>	<b>8</b>	<b>47.5</b>	<b>1.1</b>			
Men	42,531	8	45	1.1			
<b>GRAND TOTAL</b>	<b>44,454</b>	<b>328</b>	<b>43.1</b>	<b>5.8</b>			

<sup>1</sup> Remuneration is calculated on the basis of the contractual conditions of each employee, taking into account the total variable salary independently of the amount received.

The existing pay gap is largely unchanged from last year. However, the company has reduced its pay gap in the technical and administrative categories from 15% to 12% and 6% to 0.8% respectively.

The underlying cause of the pay gap in certain categories is the lower presence of women in the workforce, a common situation in the development and construction sector, which is accentuated in the case of senior management positions, area managers and site personnel. However, although women are well represented in our company (48% women, 52% men), a commitment has been made in the Sustainability Plan to introduce measures to increase the number of women in management positions between 2022 and 2025. This year, the presence of women in the two positions of responsibility immediately after Top Management has increased by 8.6%.

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 5 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 25% to 14.8%. \*

Neinor Homes defends salary equality and is committed to reducing the wage gap. Therefore, in order to mitigate this situation, Neinor Homes is working on the implementation and development of an Equality Plan, which it has committed to approve in 2022 (see the 2022-2025 Sustainability Plan) and for the preparation of which it will check that its commitments and plans in terms of equality are aligned with the European Strategy for Gender Equality 2020- 2025 and national legislation.

Once the Equality Plan is approved, the Sustainability Plan includes in its courses of action training in equality and diversity, which will be provided at least to the management team, to those responsible for selection processes and to the members of the Equality Committee (whose composition is defined in the Equality Plan) before the end of 2023.

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: €100,000 per year;
- Other independent and other external directors: €75,000 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 2021 by the 5 Independent Directors (1 woman and 4 men) was € 124,700.

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

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.

In 2021, the Board met 16 times, the Audit and Control Committee 11 times, the Appointments and Remuneration Committee 5 times and the Land Investments Committee 5 times. 7 meetings of the Board and 4 meetings of the Audit and Control Committee were held in writing, thus not giving rise to any entitlement to attendance fees.

The average remuneration of the 2 **Executive Directors** (men) in 2021 was €1,239,000 (including fixed + variable salary).



### 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 a series of measures to promote equality and to reconcile and integrate professional activity with family and personal responsibilities.

**The Human Resources Department** will ensure compliance with and application of this Equality Plan, in cooperation 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 2021 Neinor Homes had 3 employees with atypical abilities.

In the current pandemic situation, all persons considered to be at high risk or living with persons at high risk are given access to teleworking for 100% of their working day.

## 9.2. DESARROLLO PROFESIONAL Y PERSONAL DE LOS EMPLEADOS

The achievements to date and the company's continued growth (**34 new recruits in 2021, 12 women and 22 men**, of which 6 are in the 20-29, 16 in the 30-45 and 12 in the 46-65 age brackets) have been possible thanks to the **search for the best professional training and the attraction of talent** in the selection of personnel. The 2021 recruitment rate was 15%.

In 2021 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. In 2021, **1 employee** was promoted.

Neinor Homes defends **quality employment** and fosters a sense of belonging among its workforce and its consolidation, which is why practically the entire workforce, 93%, has a permanent contract, 98.5% of which are full-time, including medical insurance. The competition is attracted to its valued workers, which has led to a **turnover rate** of 11% in 2021 (19 men and 15 women), despite Neinor Homes' efforts to retain talent and offer quality employment.

In 2021 there were 30 redundancies in the company: 10 women (5 between 30-45 years and 5 between 46-65 years) and 20 men (1 between 20-29 years; 4 between 30-45 years; 15 between 45-60 years). Of the total number of redundancies, 21 posts were due to the effect of the merger with Quabit and the subsequent restructuring process.

In recent years there have been 38 redundancies:

- In **2019**: 7 redundancies, 5 women (1 between 20-29, 3 between 30-45 and 1 between 46-65) and 2 men (1 between 30-45 and 1 between 46-65).
- In **2020**: 1 redundancy (male in the age bracket 20-29 years).
- In **2021**: 30 redundancies, 10 women (5 between 30-45 years and 5 between 46-65 years) and 20 men (1 between 20-29 years; 4 between 30-45 years; 15 between 45-60 years).

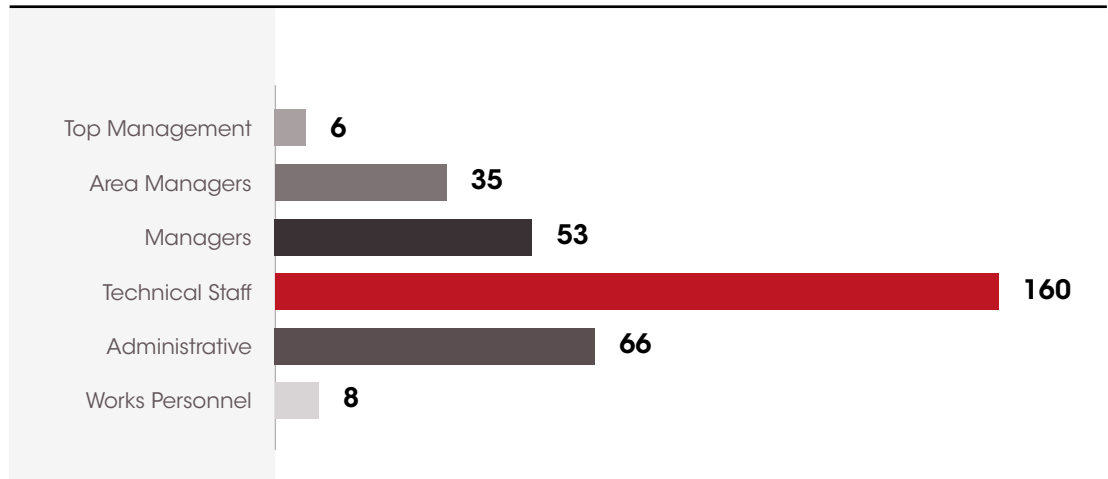
Neinor Homes has a team of talented professionals to encourage internal promotion.

## COMPARISON OF DISMISSALS IN THE LAST THREE YEARS

LAYOFFS	YEAR 2019		YEAR 2020		YEAR 2021	
	Woman	Men	Woman	Men	Woman	Men
Between 20 - 29 years old	1			1		1
Between 30 - 45 years old	3	1			5	4
Between 46 - 65 years old	1	1			5	15
<b>Total</b>	<b>5</b>	<b>2</b>		<b>1</b>	<b>10</b>	<b>20</b>

**15 Women and 23 Men**

## DISTRIBUTION OF STAFF BY PROFESSIONAL CATEGORY



## DISTRIBUTION OF STAFF BY TYPE OF CONTRACT

	WOMEN 157	MEN 171	20 -29 YEARS	30 - 45 YEARS	46 - 65 YEARS	TOP MANAGEMENT	AREA MANAGERS	MANAGERS	TECHNICAL STAFF	ADMINISTRATIVE STAFF	SITE PERSONNEL
<b>FIXED CONTRACT 302</b>	147	155	17	166	119	6	35	53	145	61	2
<b>TEMPORARY CONTRACT 26</b>	10	16	5	5	16	0	0	0	15	5	6
<b>PART-TIME 285</b>	154	169	19	171	133	6	35	53	157	64	8
<b>FULL-TIME 323</b>	3	2	3	0	2	0	0	0	3	2	0

Neinor Homes is working on a **Professional Development Plan** to favour the professional growth and development of its employees, which is linked to the performance of each of them. In relation to this, **annual salary reviews** are carried out of fixed and variable salary, which is directly linked to the employee's performance.

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 2021 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), technical training in Excel and skills training were rated as the most interesting for the training plan. In addition, specific training in urban planning and English was proposed.

In the survey of all Neinor employees (185 votes), 96.2% of those surveyed were in favour of receiving training and making a commitment to complete it. For the employee group the most interesting training sessions were Excel, modelling and skills training.

In addition, specific training in urban planning, among others, was proposed.

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 2021 a total of **10,148 training hours** were given, with an average of **30.94 hours of training per employee** and an average cost (investment) in these training sessions of **€122.06** per employee. This meant a total cost in 2021 of **€40,280**.

Topics have included courses on cybersecurity, financial modelling, technical training, new regulations, training tools 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. In terms of **environmental awareness**, regular communications are sent to employees to raise their awareness of **environmental issues**.

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 (July and August) and a commitment to respect rest hours. On the same lines, 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 results of the **work climate and psychosocial risk survey** and the recommendations identified in the internal audits were taken into account when drawing up the Work-Life Balance Plan. In this way, a **series of measures** aimed at favouring work-life balance was proposed:

### TELEWORKING



The possibility of teleworking is established for a maximum of 3 days per month for any professional as long as their duties allow it. For this purpose, all employees are provided with a mobile phone and laptop computer. The interested employee must coordinate with both the Systems Department for the installation of the VPN, as well as with their manager to establish the appropriate tasks, and there is a calendar for the use of the measure that must be reported to Human Resources.

### REDUCED WORKING HOURS ON NON-SCHOOL DAYS



The **working day may be adjusted** to the school calendar and may be reduced on **non-school days**, as part of the measures included in the Work-Life Balance Plan.

### 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 of one hour is allowed in the time of entry to and exit from** the workplace. Departments ensure that all responsibilities are covered at all times during all working hours. In addition, there is flexibility in **meal times**.



### **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**

SA 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**

**In accordance with the established annual calendar, from 1 July to 31 August** the working day ends at 15:00hours, with weekly rotating shifts in each department so that support and service can be provided in the event of any incident.



### **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 2021, a total of **25 workers**, 13 women and 12 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.

Moreover, preference is offered 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.

## 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 2021, Neinor Homes employees received 60 hours of training on health and safety policies and procedures.

Along these lines, at the beginning of the year, 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 2021 there was 1 occupational accident (a 45 year old woman) while on a journey, with sick leave (38 days), but there have been no occupational accidents with sick leave in the work environment.

Despite Covid, the absenteeism rate at Neinor Homes is 2.90%. To calculate the absenteeism rate (days of sick leave and total hours worked) of the total workforce, we have taken into account the days of maternity, sickness or accident-related sick leave. Covid has an incidence rate below 10% of total absenteeism days.

During 2021, a total of 590 days were lost due to disability (of all types), among our employees. During the last 4 years there have been no work-related fatalities among our employees.

In addition, and to guarantee the safety of all its employees, Neinor Homes has taken out a life insurance policy for the entire workforce, with an insured capital equivalent to 4 monthly payments of each employee's gross salary.

## 9.6. THE SAFETY OF OUR EMPLOYEES DURING THE PANDEMIC

The COVID crisis has posed a huge challenge at a global level, for which reason Neinor Homes, like the rest of the business world, is having to adapt its way of working and its day-to-day operations to cope with the evolution of the pandemic.

For this reason, the company's main priority has been to ensure the safety of its employees' jobs. From the outset, the CEO, Co-CEO and other executives conveyed to the workforce a message of peace of mind regarding the security of their jobs, demonstrating through their management that Neinor Homes is a solid company that is committed to its employees. Proof of this is that during these 2 years of pandemic it has not taken advantage of any temporary redundancy plan (ERTE), having been able to do so, and which would have meant economic savings.

Another of the company's main priorities continues to be preserving the health of its employees. For this reason, during the periods of worsening of the pandemic, in which the number of infections was very high, teleworking was continuously prioritised. In addition, the measures decreed by the authorities have been put in place at all workplaces, the correct implementation of the measures has been verified in our works in progress, and prevention measures have also been put in place at the points of sale.

Depending on the evolution of the pandemic, different phases were established and communicated:

- **Containment**, where in the calmest phase it was possible to incorporate 80% of the staff in all offices, implemented according to the recommendations of the World Health Organisation and taking into account safe distances, protection and safety screens, as well as setting up common areas (kitchens and meeting rooms), reinforcing in this case cleaning and disinfection, limiting opening hours and capacity.
- **De-escalation**, for the staggered incorporation of workers into the offices through a system of shifts to ensure compliance with security measures.

In the final phase of the year and the worsening of the situation, it was decided that 100% of employees should telework; and that those who, either for work-related reasons/commitments or by preference, decided to go to the office, should be facilitated in this possibility by the securing and provision of safe working areas.

In addition, the current regulations established by the health authorities have been monitored in order to adapt and take measures to improve the health and safety of the company's employees.

With regard to the motivational risk of the team, Neinor Homes considers the team/staff to be a key element for recovery, for maintaining operations and for the best performance with regard to our customers and suppliers.

To this end, emotional accompaniment and follow-up (calls, e-mails, videoconferences) have been carried out, conveying the management's concern for the well-being of the teams to facilitate motivation and a better state of mind. To this end, all staff have also been given the opportunity to undergo a contrast test prior to their incorporation into the company's office after their Covid medical discharge, in addition to the recognition of the team for the effort and adaptation to the new work scenario.

Undoubtedly, 2021 continued to be an enormous challenge for all Human Resources departments, and this area at Neinor Homes worked and will continue to work in 2022 to ensure that safety, business development and job satisfaction go hand in hand every day and despite any crisis.

## 9.7. EMPLOYEE COMMUNICATION AND SATISFACTION

In 2021 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. In addition, they have the "Non-conformities" app on their desktop to send questions on a variety of subjects and they have the Whistleblowing Channel at their disposal to report any breach of legal obligations or of the Code of Ethics of which they are aware.

In order to have real data that allow it to act in the right direction, for 5 years the Human Resources department in collaboration with GRC has been sending the "Work Climate Survey" to all its employees to measure their level of satisfaction with the policies and measures adopted by the company regarding 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. In 2021, due to the heavy workload in the last quarter, the survey was moved to the first quarter of 2022.

In the last work climate survey carried out at the end of 2020, the result was very positive, as the result was that 94% would recommend working at Neinor Homes to others.

In addition, the following points were the most highly rated:

<b>97%</b>	feel committed to the company and proud of their achievements.
<b>93%</b>	believe that regulatory compliance is a relevant and rigorous aspect of the company and 85% believe that the company's culture of compliance and ethics is reflected in the procedures and ways of acting.
<b>94%</b>	believe that Neinor Homes is concerned about the environment and society and, likewise, is informed and knows how to participate in the social actions carried out by the company for this purpose.

Finally, there are **initiatives** aimed at fostering pride of belonging and satisfaction:



### **CHRISTMAS PARTY**

An annual Christmas party is held, bringing together all the branches, facilitating the means of transport and thus strengthening the relationship and communication between the employees.



### **NEINOR FAMILY DAY**

One day a year, close to Christmas, employees can bring their children to the office, offering them activities and special catering.

In 2021, as a result of COVID-19, these had to be suspended again, so other initiatives were sought to promote teamwork and a sense of belonging to the company. The proposals chosen were: Business Trivia among employees, Christmas decoration competitions, Christmas carol competition and sending Christmas hampers to all employees.



## 9.8. SOCIAL MEASURES

At Neinor Homes we continue to be committed to our employees and those working with us, to society and to the planet. In 2019 we implemented a strong Corporate Social Responsibility Policy with CSR plans aimed at reinforcing our commitment to sustainability and the environment. As a natural evolution of this Policy, in September 2021 the Strategic Sustainability Plan 2022-2025 was approved. Neinor Homes' commitment to sustainability forms an essential part of its DNA, driving the transformation of real estate development towards a more sustainable model, focused above all on creating value for the environment, society and people.

**The year 2021, as well as 2020 and as a result of the COVID-19 pandemic,** led us to redefine and strengthen our CSR policies and plans in search of a **stronger and closer commitment**. The importance of the people who are part of the organisation, **protecting them, safeguarding their health and safety**, has been the priority of our organisation. Above all, to protect those people who are considered at risk, so as not to expose them to possible pathogens in the office.



- Teleworking for all employees at risk or living with family members at risk.
- Maintenance of the distances of employees who have come to the offices through alternate week shifts.
- Acquisition of hygienic material for the use of employees to avoid risks of contagion by controlling the use of common areas.
- Regular communication and information by management on the evolution of the pandemic, together with a clear and dynamic Anti-Covid protocol and personalised follow-ups.

**Safety** is a theme that has also been transferred to **our suppliers** with a clear message of no accidents on our sites, and with the implementation of the supplier channel to facilitate and guarantee the receipt of invoices.

**To our shareholders,** with electronic board meetings and meetings that reflect the significant digital transformation carried out by Neinor Homes. This is digital transformation translated into security through the implementation of electronic signatures for both purchases and sales so that **our customers** feel secure, so that they can go to the notary's office with strict security protocols, or see our developments thanks to virtual visits.

**Family 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, family support, personal and professional development, the guidelines are set out for an orderly **equality plan** aimed at achieving equal treatment and opportunity between women and men in the company and eliminating discrimination.

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 measures to be taken, with the conviction that cooperation and action by everyone -company, employees and those working with us - is essential.



The social initiatives developed by Neinor Homes this year are aligned with SDGs 1, 2, 3, 4 and 10.

In compliance with the course of action of our Strategic Sustainability Plan, which seeks to **promote the health and sporting habits of our employees**, Neinor Homes pays for sign-up fees for various sporting events to **encourage team sports, and to support and help various social causes and charities:**

- **Women's Run 2021**. To promote women's sport and help in the fight against breast cancer.
- **Carrea de la Ría 2021 (companies from Bizkaia) and the Madrid Companies' Race**: Combining sport, healthy living, fun and friendship among companies.
- **II Solidarity Padel Tournament Real Estate Sector Costa del Sol**: Through the Association "Building The Future", the funds raised and donations were destined to the extension of a school in Uganda.

Along these lines, as a company committed to a healthy lifestyle and teamwork, Neinor Homes also collaborates with various sports associations to support the values that sport promotes:

- **Eibarrés Cycling Club:** sponsorship of various cycling races and events held throughout the year.
- **Alovera Football Club:** main sponsor of the club during the season to support its continuity.

In addition to sporting activities, other types of measures and cooperative efforts were also carried out during the year.

- Campaign to **collect books to work with the NGO AIDA (Ayuda, Intercambio y Desarrollo)**. This is a non-governmental organisation for development that works to improve the quality of life of the most disadvantaged populations and that has very humanitarian and urgent projects and in particular, assisting with the health evacuation of children from Guinea Bissau who suffer from heart disease and who need to be transferred to European countries for treatment.
- **Solidarity campaign with the island of La Palma** to help them rebuild their homes after the eruption of the Cumbre Vieja volcano which had been active for 85 days, damaging the economic fabric and the lives of families on the island. Employees made donations and Neinor Homes contributed double the total amount donated by employees.
- **Fundación Apadrina un Árbol** (Adopt a Tree Foundation, non-profit organisation): We are the main sponsors of the "Apadrina un Árbol" programme and of the environmental, economic and social recovery project at the Solanillos Estate.

In addition, **the pursuance of our own activity** contributes to progress and participation in some of the SDGs, working to **create more sustainable cities and communities, affordable and non-polluting energy, and forming alliances to achieve goals (SDGs 7, 11 and 17): 70.79% of the developments delivered** since the company was founded **have BREEAM® certification**, ensuring that both the user and the environment benefit from health, energy savings and ecological initiatives. It is also the developer with the most BREEAM® licences obtained. In addition, initiatives such as Neinor Smart Sun, the Spatium Seal (2018), participation in the "Green Building Council Spain" sustainable building taxonomy working group or in the European working group of the CPEA (Climate Positive Europe Alliance) to improve the sustainability of buildings, endorse this commitment.

In these times of a degree of economic instability, 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) and to consolidate existing business lines to ensure the continuity of its activity:

**RENTAL\*** With the consolidation of a large portfolio of rental properties (both owned and acquired through corporate transactions) and the integration of the company Renta Garantizada (acquired in 2020).

**CONSTRUCTION.** The acquisition of Quabit has allowed us to incorporate all its experience in the construction business into our Neinor Works business.

**ESSENTIAL\***. 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.

\*More information in point 11.

We know that innovation and technological progress are the 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, **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 consumption of our resources, some of our employees are involved in campaigns to maintain and clean up our oceans.

The development and implementation of Neinor Homes' Sustainability Policy, which is carried out through the GRC (Governance, Risk and Compliance), Internal Audit & ESG Department, in collaboration with other Departments such as HR, Communication and Marketing, **is responsible for encouraging employees to change their behaviour in a more supportive and responsible way**, as a way of driving business growth.

We believe that the cooperation of all our employees and those working with us is key to the development of the ESG strategy of our Sustainability Plan 2022-2025. Through surveys and emails received in our Social Measures mailbox (accion.social@neinorhomes.com) we learn about their concerns, suggestions and preferences in terms of sustainability and social solidarity, which allows us to focus our actions on their opinions and the initiatives they recommend, thus achieving greater staff involvement. An example of this is the Christmas campaign launched on the occasion of corporate Christmas gifts, in which "for each gift received by an employee who donated it to be raffled among all the employees in their delegation, the company donated €10 to the NGO chosen by the region with the highest ratio of gifts received to gifts donated". This initiative raised €1,200 for the NGO chosen by the Valencia branch (the winning region).

10

WE ARE **STRATEGIC**  
**PARTNERS** OF  
OUR SUPPLIERS

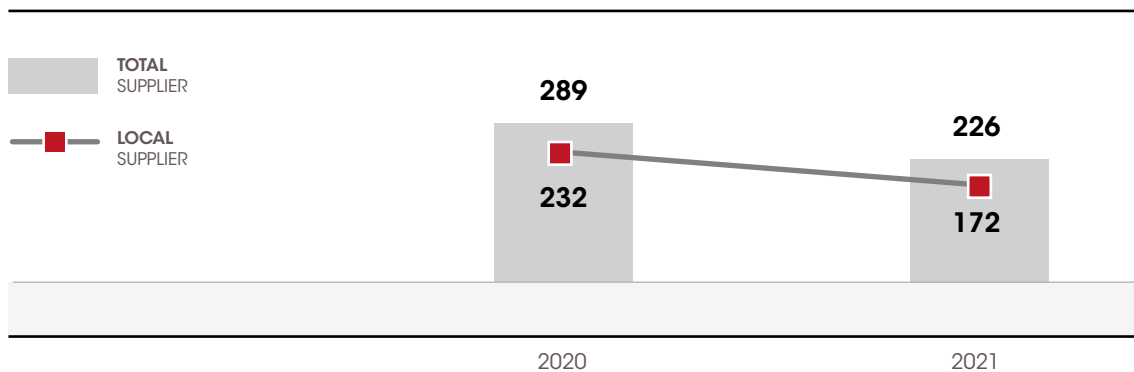


The **relationship** we establish with **our suppliers** and all the mechanisms we put in place to guarantee compliance with minimum criteria and requirements in terms of quality, deadlines and health and safety, among other aspects, is fundamental to the **success of our business**.

## 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, architects and project managers. In addition, other construction companies for minor works and suppliers of other services (kitchen furniture, geotechnical and topographical reports, health and safety coordinators, quality control companies, etc.) also form part of its supply chain.

In total, in 2021 Neinor Homes worked with 226 **suppliers**. Of these 172 (76% of the total) were local suppliers. This high percentage of local suppliers demonstrates its 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 2021 the contracting of framework agreements started in 2018 has been extended (ten new ones signed), adding more companies to the list of those that work directly with Neinor Homes.



## 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:

- **Procurement Departments:** responsible for the entire procurement process, from the selection of construction companies to the award proposal.
- **Technical Department:** participates in the selection of construction companies, resolves any doubts that may arise and reviews the project.
- **Project Manager:** supports the procurement department in some tenders, issuing a report assessing the process. In addition, they study and check the project to locate any possible errors that may have occurred.
- **Compliance Department:** participates in the opening of tender envelopes ensuring the integrity of the tender.
- **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 **units and services** work, similar in all developments, **Framework Agreements** are available. 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. 10 new Framework Agreements were signed in 2021.

Neinor Homes also has a **Tendering Procedure for Construction Companies**, the purpose of which is to define the rules and documents necessary to select the companies that will carry out each of the developments. The most important elements, such as architects and construction companies, are put out to tender with sealed bids and an opening ceremony in which the Compliance Department participates. From among the bids received, the Procurement Department selects a series of companies based on criteria related to approval, technical and economic solvency, geographical location and local experience.

In 2021 Neinor Homes has contracted **procurements worth 240 million euros from suppliers** to carry out its activity, all of which are Spanish companies. 76% 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 increased by 16.80% due to the increase in the volume of contracting.

Framework Agreements promote equal opportunities and the equitable distribution of developments.

The tendering period lasts for 12 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 2021, a total of 70 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, anti-bribery 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 2021 448 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

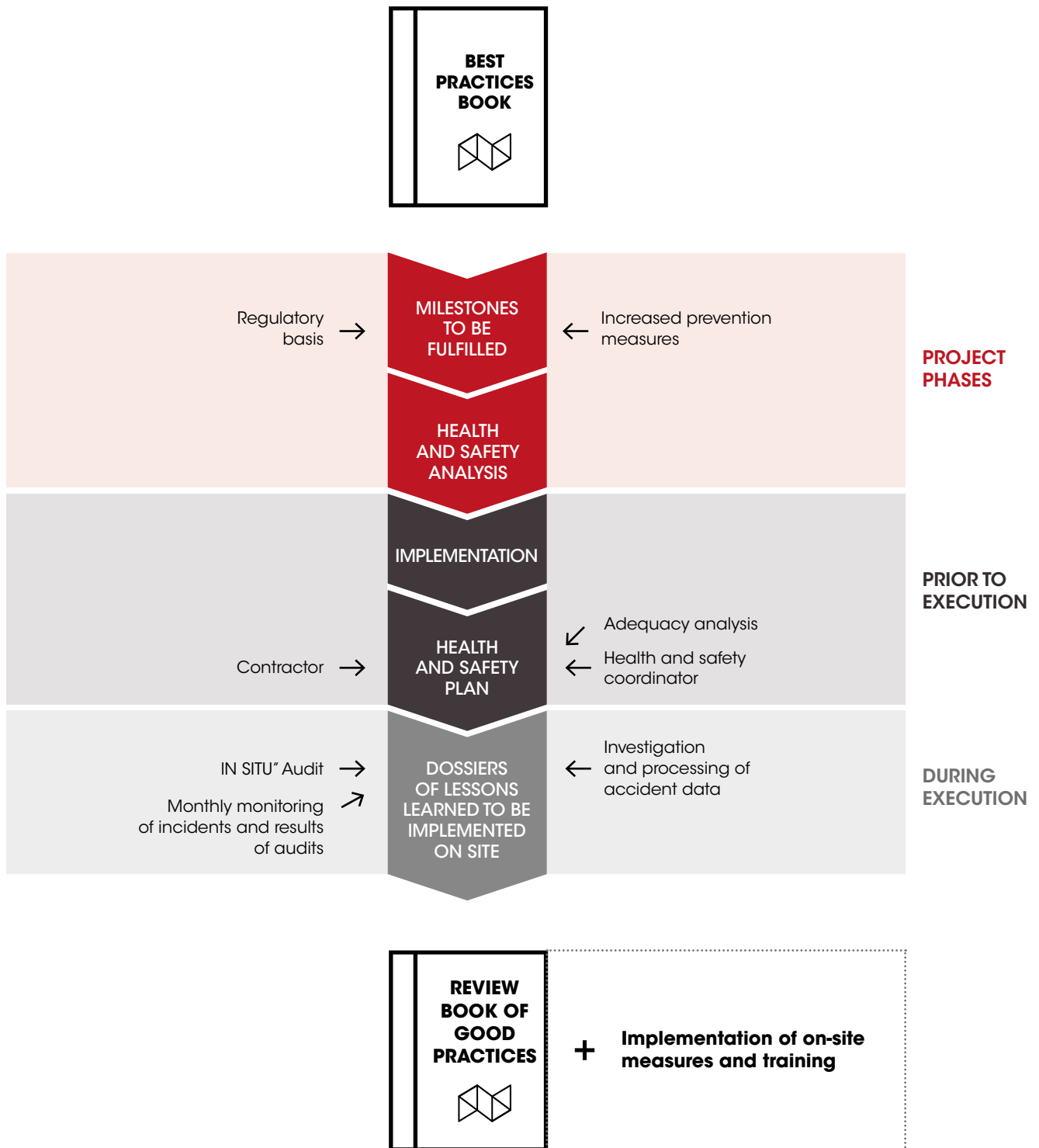
In the current market environment, there is a high demand for labour in a construction sector faced with **workers with limited experience**, low qualifications and, on occasions, an **increase in workplace accidents**. For Neinor Homes, safety and occupational risk prevention are two key factors in its developments and it promotes a safe working environment, applying **health and safety standards that exceed the regulations** and the levels required by the market.

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, responsible for ensuring compliance with the requirements established in the legislation in force and for ensuring compliance 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 and above the regulations established in the sector. At least three audits must be carried out on each construction site.

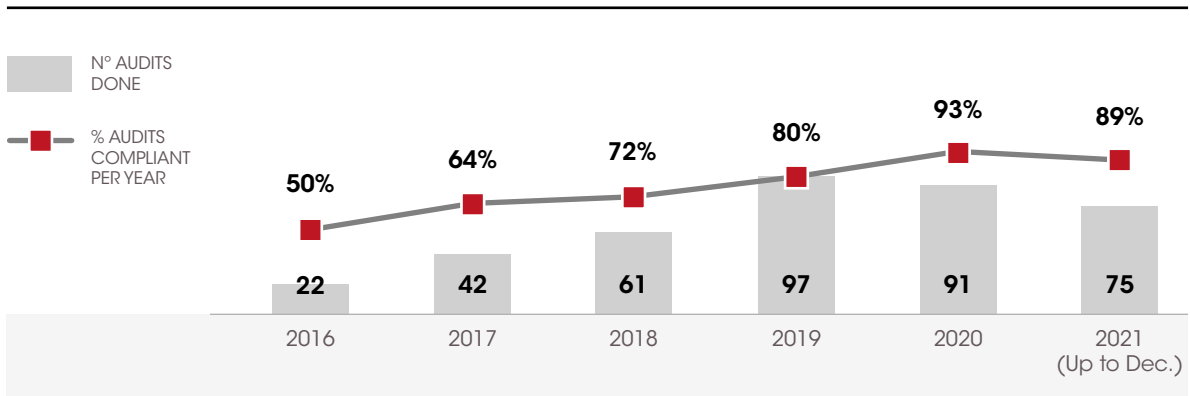


## HEALTH AND SAFETY COMPLIANCE CRITERIA FOR CONSTRUCTION SITES

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. If in either of the two parts a supplier fails to reach the compliance threshold, Neinor Homes automatically disqualifies it from the candidates to be contracted in a new development.

In 2021, **75 Health and Safety Audits** were carried out, which have shown that 98.06% have complied with health and safety regulations and 90.11% have complied with the Neinor Homes Good Practices Manual. Furthermore, the result of 89% of these audits was "Compliant".

% AUDITS COMPLIANT PER YEAR AND N° AUDITS

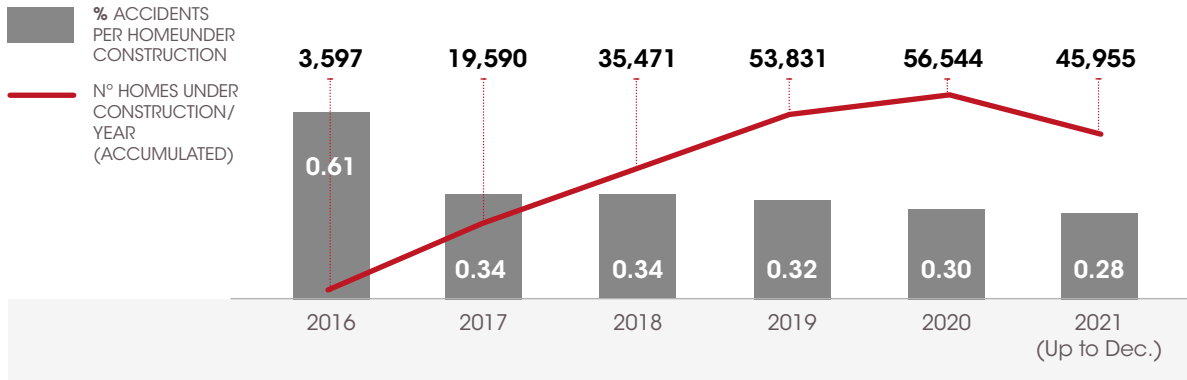


As a result of its commitment to health and safety, Neinor Homes has achieved **accident rates** on its construction sites that are **well below the average for the sector**. All the data we provide relating to accidents on site have been obtained as part of our work to monitor health and safety on our sites, because these workers are not employees of the company or directly contracted by the company.

In 2021 there have been **130 accidents**, all of them involving men, with a frequency rate of 24.78 and a severity rate of 0.57. **During the last 4 years to date**, there have been no fatal accidents on any construction site.

Despite the increase in the number of construction sites in progress, accidents on construction sites have decreased by 46% since 2016.

#### % ACCIDENTS PER HOMEUNDER CONSTRUCTION



Furthermore, the incidence, frequency and severity rates of accidents on Neinor Homes' construction sites are well below those of the sector and the trend is downwards.

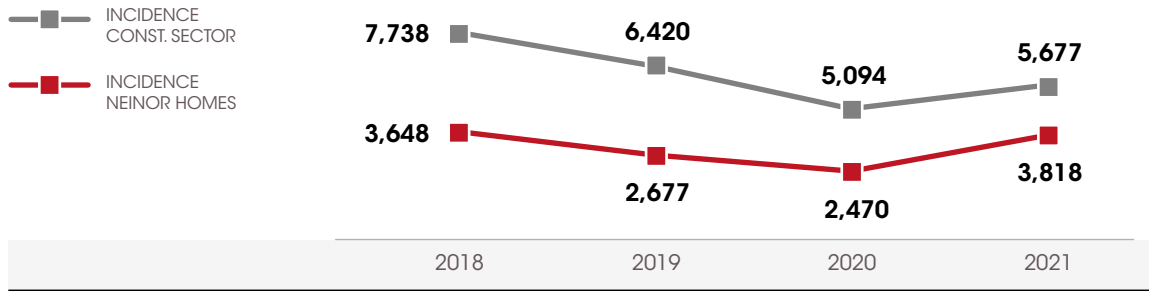
This is due to the Book of Good Practices, continuous audits and safety analyses on construction sites, the combination of which is the most effective measure to achieve accident rates significantly lower than the sector average every year.

Below is our data for the last 3 years for the indices used by the Ministry of Employment and Social Economy.

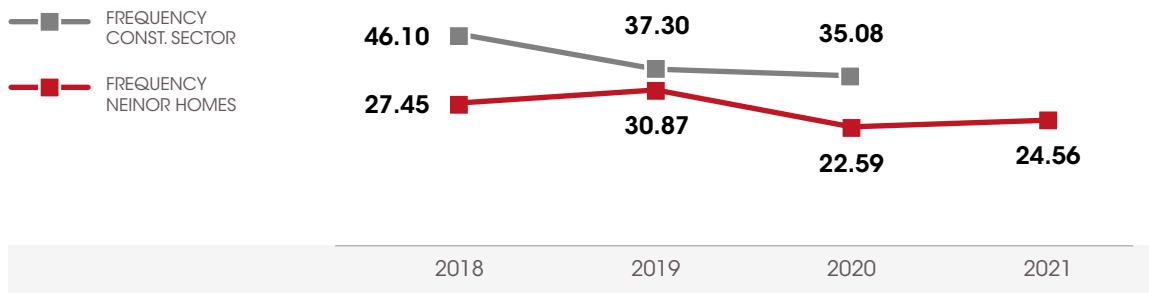
#### ACCIDENT RATES

TOTAL	CONST. SECTOR DEC - 2018*	NEINOR HOMES 2018	CONST. SECTOR DEC - 2019*	NEINOR HOMES 2019	CONST. SECTOR OCT - 2020*	NEINOR HOMES 2020	SECTOR CONST. OCT - 2021*	NEINOR HOMES NOV - 2021
<b>Incidence</b>	<b>7,738.45</b>	3,647.53	<b>6,419.6</b>	2,677.42	<b>5,093.82</b>	2,470.40	<b>5,676.60</b>	3,818.38
<b>Frequency</b>	<b>46.10</b>	27.45	<b>37.3</b>	30.87	<b>35.8</b>	22.59	Pte. de publicación	24.56
<b>Severity</b>	<b>1.51</b>	0.62	<b>1.28</b>	0.73	<b>1.32</b>	0.53	Pte. de publicación	0.57

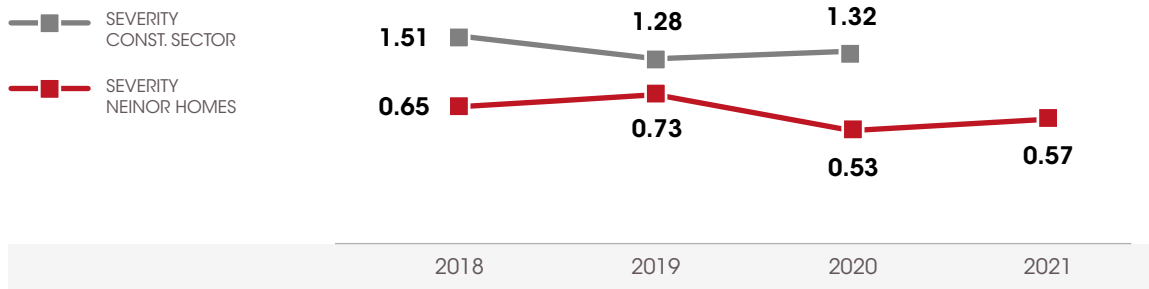
## INCIDENCE



## 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 2021 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. The aim is to promote **bilateral communication** that encourages both companies to improve the worst rated aspects and strengthen the most outstanding aspects.

For Neinor Homes, the brand image it gives 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. In addition, suppliers have at their disposal a computer app where they can **evaluate their perception of Neinor Homes**.

For the worst rated aspects, an improvement **action plan** is drawn up, which is monitored by the Procurement Department. In 2021, **644 evaluations** were carried out.

Neinor Homes maintains a fluid and continuous communication with its suppliers and gives them the opportunity to evaluate their perception of the company.



11

# SUSTAINABLE DEVELOPMENT



# 11. OUR MAJOR SUSTAINABILITY MILESTONES AND NEXT STEPS

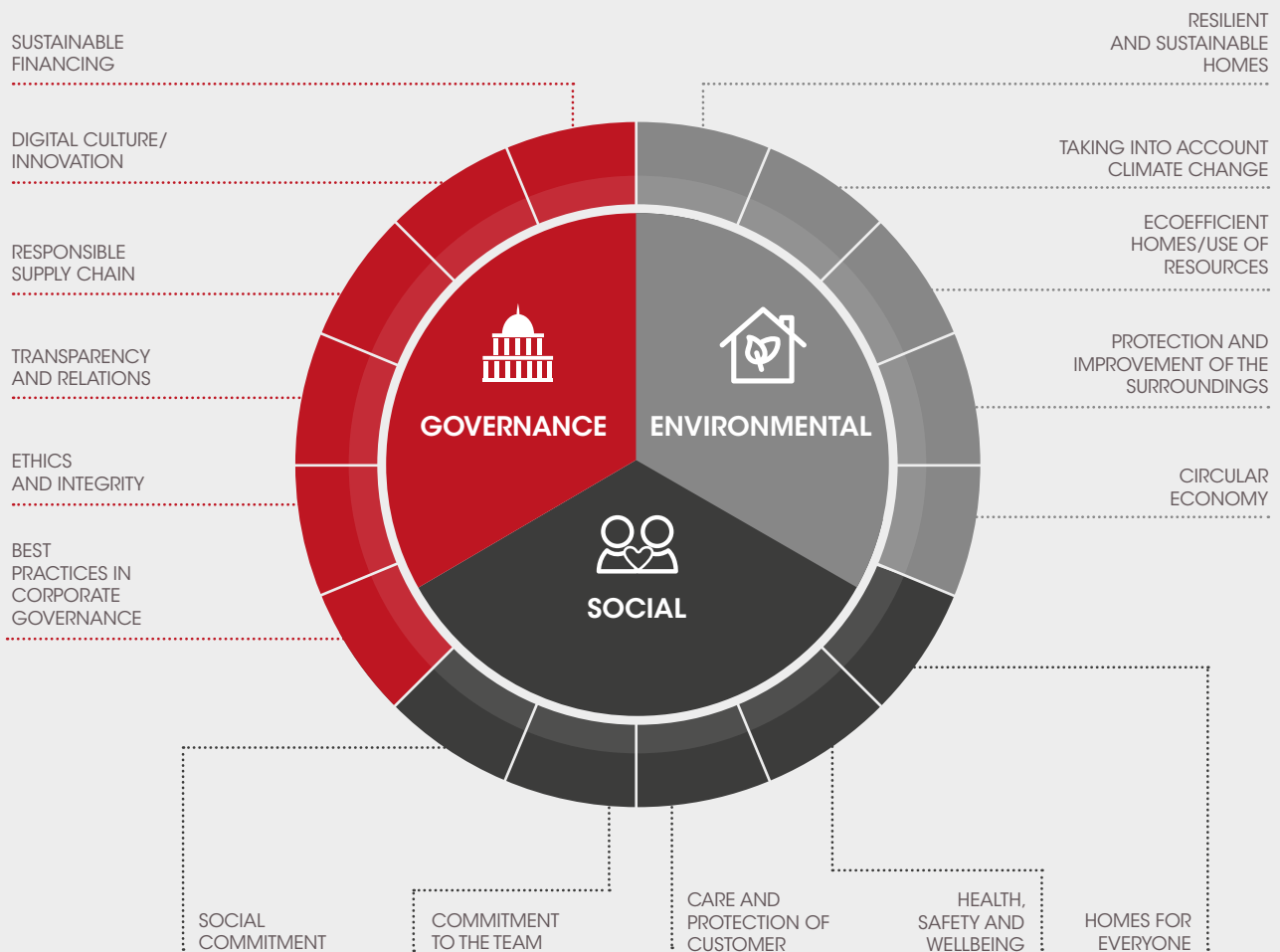
As of the date of publication of this Statement of Non-Financial Information and in line with the course set by the company in terms of diversification, growth, business continuity and commitment to sustainability, this section includes the main milestones achieved in the year in terms of sustainability, our next steps and events after 31 December 2021 that we believe will contribute to the creation of value for the entire environment in which the company operates.

The year 2021 marked a major step forward in terms of sustainability and environmental management for Neinor Homes, with the updating and development of its **Sustainability Policy**, the formation of a **Sustainability Committee** chaired by the CEO and including other members of senior management, and the preparation of its **Sustainability Plan 2022-2025**, which further develops these values, establishes specific short and medium-term objectives and formalises its commitment to sustainability.

## > SUSTAINABILITY PLAN 2022-2025

The preliminary work for the preparation of the Sustainability Plan was based on an analysis of the best practices and most relevant issues in the development sector in terms of sustainability, such as the Corporate Sustainability Assessment - S&P Global; on a review of best practices in this area, such as the Sustainable Development Goals of the United Nations 2030 Agenda or the ESG recommendations of the CNMV; on an analysis of investor expectations, through the evaluation of the ESG requirements of proxy advisors or the ESG guidelines of the largest asset managers worldwide; and on active listening to the company's employees.

In addition to the above, this preliminary work analysed the main risks and opportunities identified by the TCFD (Task Force on Climate-related Financial Disclosures) in its recommendations on disclosure of information on climate-related risks and opportunities for financial institutions and non-financial companies, which were published in 2017 and are widely recognised internationally as guidelines on the subject.



The Sustainability Plan has been developed with the aim of transforming the real estate development model into a more sustainable one, and has focused on creating value for the environment, society and people, minimising the impact of our 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.

In this connection, this has been articulated around our three strategic pillars (or dimensions): Environmental, Social and Governance, and the 17 Sustainable Development Goals (SDGs) of the United Nations have been taken as a benchmark to define its lines of action.

The Plan is made up of 16 areas of action, 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.

The Board of Directors approved it in September and the company immediately started to work on the materialisation of its objectives. Proof of this are the following measures that have been taken.

## > MEASUREMENT OF THE CORPORATE CARBON FOOTPRINT

### ENVIRONMENTAL DIMENSION

In 2021, Neinor Homes, aware of the importance of taking action to limit the increase in the average global temperature to below 1.5°C, has calculated for the first time in its history, with the support of an external expert of recognised prestige and following the guidelines of the GHG Protocol: A Corporate Accounting and Reporting Standard, the carbon footprint linked to the pursuance of its business, evaluating the Greenhouse Gas (GHG) emissions of Scope 1 (direct emissions) and Scope 2 (indirect emissions derived from electricity consumption).

EMISSIONS	UNITS	2021
<b>Scope 1</b>	<b>tCO<sub>2</sub>e</b>	<b>219.08</b>
Stationary combustion	tCO <sub>2</sub> e	79.74
Mobile combustion	tCO <sub>2</sub> e	137.25
Leakage of refrigerant gases	tCO <sub>2</sub> e	2.09
<b>Scope 2</b>	<b>tCO<sub>2</sub>e</b>	<b>131.10</b>
Electricity consumption ( <i>market-based</i> )	tCO <sub>2</sub> e	131.01
<b>Total emissions (Scope 1 + 2)</b>	<b>tCO<sub>2</sub>e</b>	<b>350.09</b>
Emissions offset	tCO <sub>2</sub> e	351.00
Emission intensity	tCO <sub>2</sub> e/house sold	0.12

Once the material emission categories for the company were identified, a screening or first assessment of categories and a preliminary calculation of Scope 3 emissions, i.e. the remaining indirect GHG emissions that occur along the company's value chain, were carried out.

SCOPE CATEGORY 3	SCREENING ANALYSIS*
Purchase of products and services	Relevant (calculated) ✓
Purchase of capital goods	Not relevant (not calculated) ✗
Fuel and energy related activities outside Scope 1 and 2	Not relevant (calculated) ✓
Upstream transport	Not relevant (calculated) ✗
Waste generation	Relevant (calculated) ✓
Business travel	Not relevant (calculated) ✗
Transport to and from work	Not relevant (calculated) ✗
Rental of upstream assets	Not applicable NA
Downstream transport	Not applicable NA
Processing of products sold	Not applicable NA
Use of products sold	Relevant (calculated) ✓
End of life of products sold	Relevant (calculated) ✓
Rental of downstream assets	Relevant (calculated) ✓
Franchises	Not applicable NA
Investments	Not applicable NA

\* The categories marked with a tick will be calculated in more detail and will be included in future sustainability reports. The remaining categories have been considered not relevant as they represent less than 1% of Scope 3 emissions.

In addition, we have designed a questionnaire to assess the climate change maturity of our main suppliers in order to identify cooperative measures to reduce emissions associated with the value chain.

As of the date of publication of this Statement of Non-Financial Information, Neinor Homes has offset 100% of the GHG emissions associated with its operations through the purchase of carbon credits on the voluntary market, selecting for this purpose the "Micro-power plants in Nepal" project, accredited by the UNFCCC (United Nations Framework Convention on Climate Change). This project has been selected taking into account its environmental and social co-benefits as well as the generation of direct and indirect employment, the increase of electricity supply in the region and the reduction of the use of fossil fuels.

In addition to offsetting our emissions, we are contributing to SDGs 1, 3, 7 and 13 by working with this project.



Administrador del Registro del país Spain

**Transacción**

Identificador de la transacción: ES1065798  
 Tipo de transacción: 04-00 Cancelación de unidades de Kioto  
 Estado de la transacción: 4-Completada  
 Identificador de cuenta de origen: ES-121-1003700-0-80  
 Global Factor Commodity Trading, S.A.U.  
 Tipo de cuenta de origen: Cuenta personal en el registro nacional  
 Identificación de la cuenta de destino: ES-230-5021999-2-81  
 Tipo de cuenta de destino: Cancelación voluntaria  
 Fecha de inicio: 15/02/2022 12:21 CET  
 Fecha de aprobación: 15/02/2022 12:24 CET  
 Última actualización: 15/02/2022 12:25 CET  
 Observaciones: Compensación de emisiones 2020 Neinor Homes

Tipo de unidad	Proyecto	Eligibility	Cantidad
RCE	NP3653	No admisible	351



## > MEASURING SOCIAL IMPACT

### SOCIAL DIMENSION

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 an external expert of recognised prestige, has launched an **ambitious and pioneering project in the sector** that aims to **measure the impact of its developments**. To this end, it is supported by 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 generates on its Stakeholders.

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

- 1** **HABITABILITY, WELL-BEING AND SOCIAL COHESION**

This incorporates the contribution the company makes to the health, well-being and lifestyle of the people who live in the homes it builds and designs. The measurement and management of the impact contributes to ensuring the creation of healthy, sustainable neighbourhood communities where the well-being of families is promoted in a quality environment.
- 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**

It contributes to the European Union's objectives promoting urban transformation towards a sustainable, more efficient and more adaptable urban model in the face of climate change.



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.**



## > BEST PRACTICES IN CORPORATE GOVERNANCE

### GOVERNANCE DIMENSION

The Board of Directors is firmly committed to making Neinor Homes a benchmark in ESG for companies in the sector, inspiring by example and helping to develop its activity in the best possible way for the environment and people.

Therefore, with a view to greater transparency and continuous improvement in the company's governance, in the financial year 2021 it asked the Governance, Risk and Compliance area to analyse best practices in the preparation of the Annual Remuneration Report and the Director Remuneration Policy.

In this regard, the Board reviewed and updated its "Remuneration Policy for Board Members" taking into account all the recommendations reflected in the analysis conducted by GRC, notable among which is the inclusion of non-financial performance parameters to be applied to the annual variable remuneration of its Executive Directors.

The Policy has been approved by the Board of Neinor Homes on 23 February 2022 and will be presented for approval at the General Shareholders' Meeting to be held on 13 April 2022.

## > AFFORDABILITY

### SOCIAL DIMENSION

Neinor Homes, aware that one of the main problems in Spain is access to housing, which is directly related to the country's employment problem, has sought to find a formula to try to mitigate this. For this reason, in 2021 it carried out 3 actions to this end:

- Launch of the new **Neinor Essential** product line, which arose after the merger with Quabit Inmobiliaria, with the aim of providing a quality residential offer to all segments of the population, bringing a product with Neinor's usual quality to a segment of the market that has traditionally had difficulties in accessing housing.  
Since the creation of this line of business, based on housing with some type of protection or with prices more affordable than those offered on the market (below €200,000), on 9 February 2022 the "Velilla Homes" social housing development was delivered, consisting of 90 homes under the Basic Public Protection Housing (VPPB) and Limited Public Protection Housing (VPPL) schemes.
- Consolidation and growth of its rental line **Neinor Rental**, by closing the acquisition transaction initiated in 2020 of a PRS (Private Rented Sector, finished and rented product) portfolio comprising 9 residential buildings (391 homes), and the integration of Renta Garantizada, acquired in 2020, which allows us to manage the rental of our own assets (new developments for rental incorporated in 2021) and those of third parties, including the management of portfolios sold to Family Offices.

- **Public-private partnership** through an alliance with Cevasa and Habitatge Metròpolis Barcelona (HMB) to build 4,500 social rental housing units in Barcelona and its metropolitan area, which will come into operation between 2024 and 2027.

This operation allows us to offer certain sectors of the population access to rental housing, making us the first developer to reach a large public-private partnership agreement, with a high volume of housing.

We would like to conclude this point by highlighting that of the 2,880 new-build homes\* delivered in 2021, which have generated revenues of €879 million, 12.7% of this revenue, €111.8 million, corresponds to the sale of 695 homes with more affordable purchase prices than the market average.

In addition, we would also like to highlight Neinor Homes' high level of awareness and commitment to this point, having set targets to be met between 2022 and 2025 in its Sustainability Plan to:

- Promote the construction of social housing for sale (protected housing) (10% of homes under construction per year of this kind).
- Encourage and promote public-private agreements for the development and construction of social rental housing (10% of rental housing under construction per year of this kind).
- Incorporate a new line of homes with more affordable prices than those offered on the market in well-connected locations and with quality services and care (Neinor Essentials) and boost the construction of these developments (10% of homes being built each year of this kind).

\*The term home/housing refers only to main units. It does not take into account annexes or elements such as parking spaces or storage rooms that are marketed separately.

"Velilla Homes" social housing development of the new **Neinor Essential** product line



12

# ABOUT THIS REPORT



# SCOPE OF INFORMATION

Neinor Homes is presenting its Sustainability Report for the fourth time, this time corresponding to the 2021 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 2021 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](http://www.neinorhomes.com)

2021 ANNUAL  
ACCOUNTS

2021 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 2020, 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. 2021 is the first year in which this law applies to the company.

# PROCESS OF PREPARING THE REPORT AND IDENTIFYING STAKEHOLDERS

In order to prepare this Report, Neinor Homes carried out a review of the materiality analysis that reflects the most relevant issues for the company in accordance with its internal management and its Stakeholders' expectations. This review consisted of the analysis of various sources of information that provide the external perception of the company, also in relation to the internal strategic vision of Neinor Homes based on the main lines of the 2022-2025 Sustainability Plan. The commitment made by Neinor Homes in its Sustainability Plan hinges on the following levers:

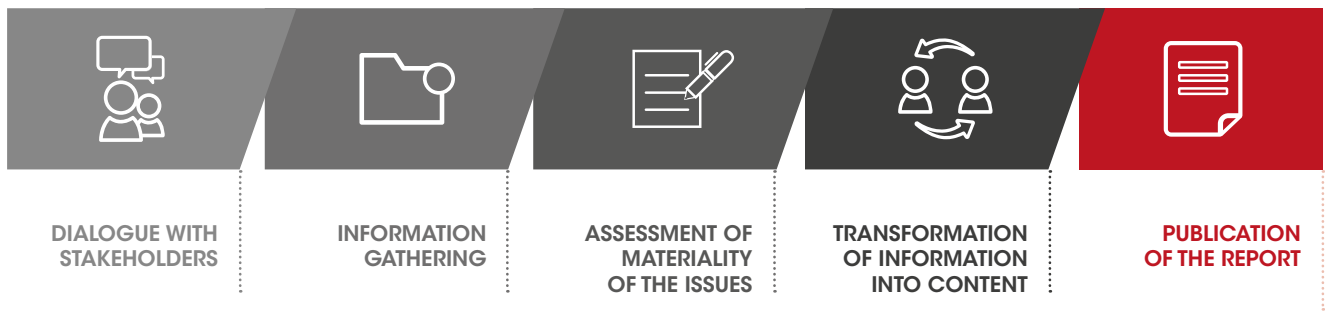
**Sustainability linked to the business**, building sustainable and resilient homes, carrying out life cycle analyses of our developments, reducing and offsetting the company's emissions, committing to urban regeneration, reducing and recovering construction waste and protecting the biodiversity of the 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.

The main Stakeholder expectations identified in the previous year have also been taken into account. Neinor Homes considers its Stakeholders to be all those who are directly or indirectly affected by the pursuance of its business activity and, therefore, also have the capacity to directly or indirectly affect the development thereof. Under this premise, Stakeholders are considered to be investors and shareholders, customers, employees, suppliers and society in general. More information is provided in section "5.5. The importance of communication with our Stakeholders" in this Report.

Taking stakeholder dialogue as a basis, and through the analysis of other sources of information, Neinor Homes identified a list of issues that took into account stakeholder expectations based on their relationship with different areas of the company. These issues were also assessed according to their internal relevance for the company itself.



As a result of the assessment of the relevance of the various issues, those that are most relevant for Neinor Homes were identified. Following the review of the materiality analysis, no additional issues have been identified in addition to those identified in 2020. 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 STANDARDS ASPECTS
Transparency	<ul style="list-style-type: none"> <li>• Organisational profile</li> <li>• Stakeholder engagement</li> <li>• Economic performance</li> </ul>
Ethics and integrity	<ul style="list-style-type: none"> <li>• Ethics and integrity</li> <li>• Anti-corruption</li> <li>• Public policy</li> <li>• Unfair competition</li> <li>• Socio-economic compliance</li> <li>• Diversity and equal opportunities</li> <li>• Non-discrimination</li> </ul>
Good Governance	<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Organisational profile</li> <li>• Environmental Compliance</li> <li>• Governance</li> </ul>
Innovation strategy applied to products and services, technology and digitisation	<ul style="list-style-type: none"> <li>• Customer health and safety</li> <li>• Marketing and labelling</li> <li>• Training and education</li> </ul>
Sector leadership and influence with GGII	<ul style="list-style-type: none"> <li>• Stakeholder engagement</li> </ul>
Customer service	<ul style="list-style-type: none"> <li>• Customer privacy</li> <li>• Marketing and labelling</li> </ul>
Corporate reputation and sustainable brand value	<ul style="list-style-type: none"> <li>• Organisational profile</li> </ul>
Occupational health and safety	<ul style="list-style-type: none"> <li>• Health and safety at work</li> </ul>
Economic sustainability and responsible investment	<ul style="list-style-type: none"> <li>• Strategy</li> <li>• Socio-economic compliance</li> </ul>

RELEVANT ASPECTS FOR NEINOR HOMES	GRI STANDARDS ASPECTS
Product added value	<ul style="list-style-type: none"> <li>• Customer health and safety</li> <li>• Marketing and labelling</li> </ul>
Human capital management, attracting and retaining talent	<ul style="list-style-type: none"> <li>• Organisational profile</li> <li>• Employment</li> <li>• Training and education</li> </ul>
Corporate reporting	<ul style="list-style-type: none"> <li>• Reporting practices</li> </ul>
Strategic relationship with suppliers	<ul style="list-style-type: none"> <li>• Procurement practices</li> <li>• Environmental assessment of suppliers</li> <li>• Social assessment of suppliers</li> </ul>
Responsible sourcing system	<ul style="list-style-type: none"> <li>• Procurement practices</li> <li>• Materials</li> <li>• Energy</li> <li>• Effluents and waste</li> <li>• Environmental assessment of suppliers</li> <li>• Social assessment of suppliers</li> </ul>

The various company departments have been involved in the process of preparing this Report, coordinated and led by GRC, which is responsible for the company's sustainability, ensuring the accuracy and completeness of the information reported. It should also be noted that this Report is published together with the financial information for the year, making it easier for Stakeholders to consider it together with the rest of the company's relevant information.



13

**GRI**  
CONTENTS





CONTENT OF LAW 11/2018 ON NFI	GRI Standard Used	EPRA Sustainability Performance Measures	Reference (Page)
<b>BUSINESS MODEL</b>			
Description of business model	102-1, 102-2, 102-5, 102-7, 102-16, 102-45	N/A	4 - 10, 20 - 23, 26 - 27
	102-14	N/A	12 - 13
	102-3	N/A	Calle Ercilla nº24, Bilbao
Organisation and structure	102-18, 102-22, 102-23, 102-24	Gov-Board	41 - 49
Geographical presence	102-4, 102-6	N/A	23, 29
Objectives and strategies	102-15	N/A	54 - 59
Main factors and trends affecting future developments	102-15	N/A	15 - 18, 26 - 27
			54 - 59
<b>STRATEGY AND RISK MANAGEMENT</b>			
Description of the policies applied by the company	102-35, 103-1	N/A	42 137 - 140
Outcome of the policies applied by the company	103-2, 103-3	N/A	15 - 18, 20 - 21, 26 - 29, 41 - 64
Main risks relating to issues linked to the company's activities	102-15	N/A	54 - 59, 138 - 140
<b>PROFILE OF THE NON-FINANCIAL INFORMATION</b>			
Reporting framework used	Standards, GRI, 101	Investors and shareholders	137
Analysis of materiality	102-44, 102-46, 102-47	N/A	138 - 140
Profile of the report	102-48, 102-50, 102-54	N/A	137 - 140 No salient information has been restated with respect to last year
	102-52	N/A	Annual
	102-53	N/A	sustainability@neinorhomes.com alvaro.conde@neinorhomes.com
<b>ENVIRONMENTAL ISSUES</b>			
<b>ENVIRONMENTAL MANAGEMENT</b>			
Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	102-15, 102-29, 308-2	N/A	34 - 37
			54 - 59 121 - 125
Environmental evaluation or certification procedures	102-11, 102-29	N/A	34 - 37
Resources dedicated to environmental risk preventions	102-29	N/A	34 - 37
Application of the precautionary principle	102-11	N/A	34 - 37
Amount of provisions and guarantees for environmental risks	307-1	N/A	No fines or penalties were received in 2021

CONTENT OF LAW 11/2018 ON NFI	GRI Standard Used	EPRA Sustainability Performance Measures	Reference (Page)
<b>POLLUTION</b>			
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment. Any other form of air pollution	103-2, 103-3	N/A	34 - 37, 77 - 78, 130 - 131
<b>CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT</b>			
Measures for prevention, recycling, reuse, other forms of recovery and elimination of waste	103-2, 103-3, 306-3	Waste - Abs	34 - 37 8.3 Environmental sustainability and health in housing
Actions to combat food waste			As derived from section 12. About this report, food waste was not deemed material in the Group
<b>SUSTAINABLE USE OF RESOURCES</b>			
Water consumption and water supply in accordance with local limitations. Measures for responsible use	303-3	N/A	34 - 37 77 - 78
Consumption of raw materials. Measures for responsible use	301-1	N/A	34 - 37 77 - 78
Direct and indirect energy consumption. Measures to improve energy efficiency. Use of renewable energies.	302-1, 302-5	Elec - Abs	34 - 37 77 - 78
<b>CLIMATE CHANGE</b>			
Greenhouse Gas Emissions. Measures adopted to adapt to the consequences of Climate Change. Greenhouse gas reduction targets	103-2, 103-3	N/A	34 - 37, 77 - 78 130 - 131
<b>BIODIVERSITY</b>			
Measures taken to preserve or restore biodiversity. Impacts caused by activities or operations in protected areas	103-2, 103-3	N/A	15 - 18, 77 - 78, 119 - 120
<b>SOCIAL AND PERSONNEL ISSUES</b>			
<b>EMPLOYMENT</b>			
Total number and distribution of employees by gender, age, country and professional classification	102-7, 102-8, 405-1b	Diversity - Emp	92 - 93, 100 - 102
Total number and distribution of types of employment contracts	102-8	N/A	92 - 93, 100 - 102
Average annual number of permanent, temporary and part-time contracts by gender, age and professional classification	102-8	N/A	92 - 93, 100 - 102
Number of redundancies by gender, age and professional classification	401-1	Emp - Turnover	100 - 101
Average remuneration and its evolution broken down by gender, age and professional classification or equal value	102-35, 102-36, 405-2	N/A	95 - 99

CONTENT OF LAW 11/2018 ON NFI	GRI Standard Used	EPRA Sustainability Performance Measures	Reference (Page)
Wage Gap	405-2	N/A	95 - 99
Remuneration of equal or average positions at the company	202-1	N/A	95 - 99
Average remuneration of directors and executives	102-35, 102-36 405-1 a, 405-2	Diversity - Emp	44 - 48 94 - 99
Implementation of measures to disconnect from work	103-2, 103-3	N/A	104 - 106
Employees with disabilities	405-1.b	Diversity - Emp	99
<b>ORGANIZATION OF WORK</b>			
Organization of working time	103-2, 102-41	N/A	104 - 106
Number of absence hours	403-9a Work-related injuries	N/A	107
Measures to facilitate work-life balance	401-3	N/A	104 - 106
<b>HEALTH AND SAFETY</b>			
Occupational health and safety conditions	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7	H&S- Emp H&S - Asset	107 - 109, 121 - 125
Work-related accidents (frequency and severity) broken down by gender <sup>1</sup>	403.9 b Work-related injuries	N/A	124 - 125
Occupational diseases broken down by gender <sup>2</sup>			
<b>SOCIAL RELATIONS</b>			
Organisation of social dialogue	102-41, 403-1	N/A	108 - 110
Percentage of employees covered by collective bargaining agreements by country	102-41	N/A	93, 107- 109
Balance of collective bargaining agreements, particularly in the field of occupational health and safety	403-1	N/A	93
<b>TRAINING</b>			
Policies implemented in the area of training	404-2	N/A	100, 103
Total number of training hours by professional category <sup>3</sup>	404-1	Emp-Training	103
Universal accessibility for persons with disabilities	102-2, 102-3	N/A	73 - 76

<sup>(1)</sup> The accident rates refer to contractors associated with Neinor's works, not to the company's own employees. It is not broken down by gender since most of the professionals working in the works are men.

<sup>(2)</sup> Information on occupational illnesses is not provided.

<sup>(3)</sup> Training hours by professional category are not detailed, as they are proportional in all categories.

CONTENT OF LAW 11/2018 ON NFI	GRI Standard Used	EPRA Sustainability Performance Measures	Reference (Page)
<b>EQUALITY</b>			
Measures taken to promote equal treatment and equal opportunities for men and women	405-1	Diversity - Emp	94 - 99
Equality plans and measures taken to promote employment	405-1	Diversity - Emp	94 - 99
Protocols against sexual and gender-based harassment	405-1	Diversity - Emp	94 - 99
Integration and universal accessibility of persons with disabilities	405-1	Diversity - Emp	94 - 99
Policy against all forms of discrimination and, where appropriate, diversity management	406-1	Diversity - Emp	94 - 99 In 2021 there were no cases of discrimination or claims due to discrimination.
<b>INFORMATION ON THE RESPECT FOR HUMAN RIGHTS</b>			
Implementation of human rights due diligence procedures	102-16	N/A	4, 22, 52 - 53
Prevention of human rights violation risk and, where appropriate, measures to mitigate, manage and redress possible abuses committed	414-1	N/A	52 - 53, 94 - 99, 117 - 118
Complaints due to human rights violations	406-1	N/A	In 2021 there were no cases of discrimination or claims due to discrimination.
Promotion of and compliance with the provisions of the ILO core conventions relating to the respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour	102-2, 102-3, 414-1	N/A	52 - 53, 94 - 99, 117 - 118
<b>INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION AND BRIBERY</b>			
Measures taken to prevent corruption and bribery	102-16, 205-2, 205-3, 206-1, 415-1	N/A	4, 22, 60 - 62 In 2021 no cases of corruption were detected. In 2021 no claims were received due to unfair competition. The Neinor Homes Code of Ethics prohibits any type of contribution to political parties and/or political representatives. In 2021 no breach of the Code of Ethics was identified in relation to these matters.
Measures to combat money laundering	102-16, 205-3	N/A	4, 22, 62
Contributions to foundations and non-profit organisations	201-1, 102-12	N/A	33, 111 - 114

CONTENT OF LAW 11/2018 ON NFI	GRI Standard Used	EPRA Sustainability Performance Measures	Reference (Page)
<b>COMPANY INFORMATION</b>			
COMPANY COMMITMENTS TO SUSTAINABLE DEVELOPMENT			
Impact of the company's activity on local development and employment	204-1, 203-1	N/A	30, 117
Impact of society's activity on local populations and the country	413-1, 201-1	N/A	30, 111 - 114
Relationships with local community players and the modalities of dialogue with them	102-40, 102-42, 102-43, 102-12, 413-1	N/A	38 - 39, 109 - 114 137 - 140
Partnership or sponsorship actions	102-13	N/A	33
<b>SUBCONTRACTING AND SUPPLIERS</b>			
Inclusion of social, gender equality and environmental issues in the procurement policy	308-1, 414-1	N/A	117 - 118
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	102-9, 102-10, 204-1, 308-1, 414-1	N/A	119 - 125
Supervisory systems and audits and the results thereof	308-2, 414-1, 414-2	N/A	119 -126
<b>CONSUMERS (OUR CUSTOMERS)</b>			
Consumer health and safety measures	416-1, 417-1	H&S- Asset	28, 74 - 75, 77 - 78
Complaint systems, complaints received and their resolution	416-2; 418-1	H&S- Comp	52 - 53, 71 In 2021 no complaints were received for health and safety breaches in products and services.
<b>FISCAL INFORMATION AND TRANSPARENCY</b>			
Profit obtained by country	207-1, 207-2, 207-3	N/A	30, 64
	207-4b.vi, 201-1	N/A	
Income tax paid	207-1, 207-2, 207-3	N/A	30, 64
	207-4b.viii, 201-1	N/A	
Public subsidies received	201-4	N/A	30

*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 2021**

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, 2021, 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 Table "13. GRI Content" included in the NFIS in the Management Report 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 Table "13. GRI Content" of the NFIS in the Management Report attached.

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 International Quality Control Standard 1 (NICC 1) 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 2021 based on the materiality analysis carried out by Neinor Homes Group and described in section "12. 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 2021.
- 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 2021.
- 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 2021 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, 2021 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 in Table "13. GRI Content" included in the NFIS in the consolidated Management Report attached.

---

**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.

Iñigo Úrculo

23 de febrero de 2022





**Neinor**

HOMES

