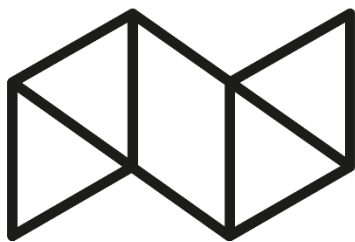




WHEN TRUST MATTERS



NEINOR HOMES - SUSTAINABLE FINANCING FRAMEWORK 2024



Neinor
H O M E S

Document title: Second Party Opinion on Neinor Homes' Sustainable Financing Framework 2024

Prepared by: DNV Business Assurance Services UK Limited

Location: London, U.K.

Date: 28 October 2024

This assessment is valid so long as the evidence provided to DNV remains materially unchanged and remains applicable in the context of the financial Framework being assessed.

NEINOR HOMES SUSTAINABLE FINANCING FRAMEWORK 2024

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

Neinor Homes, S.A (henceforth referred to as “Neinor Homes” or the “Company”) is a leading listed Company operating within the residential development market in Spain. Since its inception in 2015 and following a series of mergers in recent years¹, Neinor Homes has expanded its operations and assets to cover both the developer and rental market. The Company’s reach spreads across Central, Eastern and Northern Spain; Eastern and Western Andalusia; and the Levante regions.

The Company has a Sustainability Plan (2022 – 2025)² in place, focusing on three pillars - Environmental, Social and Governance (ESG), and to date, Neinor Homes has achieved 72% of the actions as outlined within this Plan. In 2025, Neinor Homes plans to publish a new four-year Sustainability Plan for the period 2026 - 2030.

As part of its environmental commitment to decarbonise its assets, since 2022, the Company has conducted a Life Cycle Analyses (LCA) for its developments. Neinor Homes has also set an emissions reduction target for the Company, which have been approved and validated by the Science Based Targets (SBTi) initiative, to deliver on a reduction of Scope 1 and 2 Green House Gas (GHG) emissions by 42% by 2030, relative to 2021 levels, with a view to reduce Scope 3 emissions by 2030 also. Neinor Homes is also committed to aligning its economic activities to the EU Taxonomy and has already aligned its developments within the Rental business line since 2023.

In alignment with its Sustainability Plan, the Company remains committed to encouraging, promoting, and constructing social housing, aiming to alleviate one of the main challenges faced by the real estate sector within Spain. In order to deliver on its social ambitions - tackling accessibility to housing across Spain - Neinor Homes endeavours to measure the social impact of its developments annually and through measures relating to: accessibility to housing, basic services, healthy lifestyle, employment and local development. With the initial assistance of an external partner, Transcendent, Neinor Homes was the first Spanish developer to implement and report measurement of its social impact in 2022.

In addition, the Company provides services such as its residential rental platform offering lines for bank servicing alongside its core business lines, i.e. Subsidised Housing, Public-Private Partnership and Rental. Over the last three years, Neinor Homes has delivered the highest number of social housing units across Spain, i.e. more than €1,800m in assets, whilst also leading in the number of social housing developments nationally.

To help deliver on its Sustainability Plan by 2025, Neinor Homes has updated its Sustainable Financing Framework (the “Framework”) for 2024, under which it can raise capital through the issuance of a range of Sustainable Financing Instruments, including but not limited to green, social, and sustainability bonds and/or loans. This is to support the (re)-financing of activities of an environmental and social nature, including the building of new constructions, renovations, as well as the acquisition and development of residential buildings, for social housing across Spain.

DNV Business Assurance Services UK Limited (henceforth referred to as “DNV”) has been commissioned by Neinor Homes to provide a review of its Sustainable Housing Finance Framework against the International Capital Market Association’s (“ICMA”) Green Bond Principles (GBPs) 2021 with June 2022 Appendix 1, Social Bond Principles (SBP)

¹ <https://www.neinorhomes.com/en/shareholders-and-investors/financial-information/merger-with-quabit/>

² [Sustainability Plan 2022-2025 | Neinor Homes](#)

2023 and Sustainability Bond Guidelines (“SBG”) 2021, alongside the Loan Markets Association’s (“LMA”) Green Loan Principles (“GLP”) 2023, Social Loan Principles (“SLP”) 2023.

Our methodology to achieve this is described under ‘Work Undertaken’ below. We were not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of the Sustainable Financing Instruments as issued under the Company’s Framework, the value of any investments, or the long-term environmental or social benefits of the associated transactions. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of Neinor Homes and DNV

The management of Neinor Homes have provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Neinor Homes’ management and other interested stakeholders in the Framework, as to whether it is aligned with the principles as set out by the ICMA GBPs, SBPs and the SBGs; and the LMA’s GLPs and the SLPs. DNV’s assessment is supplemented with international guidelines and standards, as well as DNV’s own technical expertise to assess sustainability eligibility.

In our work, we have relied on the information and the facts presented to us by Neinor Homes. DNV is not responsible for any aspect of the projects or assets referred to in this opinion, and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Neinor Homes used as a basis for this assessment were not correct or complete.

Basis of DNV’s opinion

We have adapted our eligibility assessment methodology to create a Neinor Homes-specific Sustainable Housing Financing Framework Eligibility Assessment Protocol (henceforth referred to as “Protocol”). Our Protocol, detailed in [Schedule 2](#) of this document, includes a set of suitable criteria that can be used to underpin DNV’s opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that any Sustainable Financing Instrument must use the funds raised to finance Eligible Green and Social Projects, that should produce clear green and/or social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection. Evaluation criteria are guided by the requirements that an issuer of a Sustainable Financing Instruments financing instrument should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that the Sustainable Financing Instruments should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting should be provided on the use of proceeds until all have been allocated, and that quantitative and/or qualitative performance indicators should be used.

Work Undertaken

Our work constituted of a high-level review of the available information provided to us by Neinor Homes in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion, included:

- Creation of a Neinor Homes-specific Protocol adapted to the purpose of the Framework, as described above;
- Assessment of documentary evidence provided by Neinor Homes on the Framework, supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Neinor Homes' management and a review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria as detailed in [Schedule 2](#) of this document.

Our opinion, as detailed below, is a summary of these findings.

Findings and DNV's opinion

DNV's findings are listed below, with further detail provided in [Schedule 2](#).

1. Principle One: Use of Proceeds.

DNV confirms that an amount equivalent to the net proceeds from the Sustainable Financing Instruments (green, social and sustainability bonds and loans) as issued under the Framework, will be used to (re-)finance in part or in full, Eligible Green and Social Projects, falling under the following ICMA/LMA Eligible Green and Social Projects categories.

These are detailed below:

Eligible Green Project Categories:

- Green Buildings.

Eligible Social Project Categories:

- Affordable Housing.

The description for each of the activities falling under the Eligible Green and Social Project categories as listed above, and within the Framework, are further defined in [Schedule 1](#) of this Opinion.

Neinor Homes has confirmed that an amount equivalent to the net proceeds from the funds raised under the Framework via Sustainable Financing Instruments, will be allocated to finance- or refinance- in whole or in part new or existing Eligible Green and Social Projects within twenty-four (24) months of issuance. The Company have also a look-back period of up to thirty-six (36) months prior to the time of the construction start date, which will apply for investments in the acquisition or development of the Eligible Projects as stated within its Framework.

Neinor Homes has also committed to working towards delivering on its [Sustainability Plan](#) alongside delivering on the applicable United Nations (UN) Sustainable Development Goals (SDGs). The Company has outlined what SDGs its proposed Eligible Green and Social Projects will contribute towards, specifically: SDG #1 (No Poverty), SDG #7 (Affordable & Clean Energy), SDG #11 (Sustainable Cities & Communities), and SDG #13

(Climate Action). The Company has also mapped the Eligible Projects to the relevant EU Sustainable Taxonomy Objectives in [Schedule 1](#).

DNV concludes that the Eligible Green and Social Project categories as described within the Framework by Neinor Homes, provided to DNV, are consistent with those listed in the GBPs, SBPs, SBGs, GLPs and the SLPs, and that such projects will provide clear environmental and social benefits.

2. Principle Two: Process for Project Evaluation and Selection.

DNV can confirm there is a robust decision-making process behind the approval of the Eligible Green and Social Projects that fall within the respective categories, as outlined in the Framework.

The Company's Sustainability Committee ("SC"), will convene on at least a quarterly basis to evaluate and select eligible green and social projects, proposed for allocation of a portion of the net proceeds, according to the criteria as set out in [Schedule 1](#). The SC consists of representatives from a range of internal departments within the Company, including: the Chief Executive Officer (CEO) as and when required, the Deputy CEO and the Chief Financial Officer (CFO), the Chief Operating Officer (COO), the Head of Governance, Risk & Compliance (GRC) Department and Sustainability, the Head of Investor Relations and Capital Markets, and the Head of Product and Innovation. When required, additional team members, (i.e. internal team or external representatives) will be brought into the SC to facilitate discussions around the evaluation and selection process around Eligible Projects.

Decisions on the approvals of the Eligible Projects to be financed are made in consensus by the members of the SC.

In addition to selecting eligible green and social projects, the SC aims to ensure compliance of the eligible projects against the Framework, the Company's internal policies and procedures, and the Company's wider Sustainability Plan. If project no longer become complaint, the Company will ensure replacement with an eligible project.

DNV concludes that Neinor Homes' Framework appropriately describes the process of project evaluation and selection, and that this is in line with the requirements of the GBPs, SBPs, SBGs, GLPs and the SLPs.

3. Principle Three: Management of Proceeds.

DNV can confirm the net proceeds generated from each Sustainable Financing Instrument issuance, for the (re-) financing of the eligible green and social projects, will be managed and overseen by the Governance, Risk and Compliance (GRC), Internal Audit and ESG departments, via an internal Sustainable Financing Issuances Register.

This will track relevant information, such as the details of the issuance(s), and details of the eligible use of proceeds per green, social and sustainability issuance.

For proceeds that cannot be immediately allocated to eligible projects, Neinor Homes will temporarily use all or a portion of the net proceeds for transactions in line with the Company's internal general liquidity management practices. These include temporary measures include cash, cash equivalents, and/or other liquid marketable instruments and investments which do not include greenhouse gas intensive assets.

DNV concludes that there is a clear process in place for the management of proceeds as outlined within the Framework, and that this meets the requirements of the GBPs, SBPs, SBGs, GLPs and the SLPs.

4. Principle Four: Reporting.

Allocation reporting of the net proceeds will be made publicly available by Neinor Homes to investors annually on the [Company's website](#) until full allocation of the net proceeds and thereafter in the event of material changes to the allocation.

- An initial allocation report will be made publicly available on the Company's website detailing the:
- Total amount of outstanding debt securities
- Share of proceeds used for financing vs. re-financing purposes
- List of Eligible Projects financed through Neinor Homes' sustainable finance instruments (green bonds, social bonds, etc.), and amounts allocated
- Net proceeds allocated per eligibility category, with breakdown per project
- Amount of unallocated proceeds, if any
- Geographical distribution of the eligible projects and assets
- Amount / percentage of projects aligned with the EU Taxonomy Climate Delegated Act.

Additionally, impact reporting on selected Eligible Projects will also be provided by Neinor Homes on an annual basis, where applicable via its website. This will include Key Performance Indicators (KPIs) demonstrating the impact of the Eligible Projects, as seen below:

Eligible Green Projects:

Green Buildings:

- Estimated annual GHG Footprint (tCO₂ eq) per financed or certified area
- If available, avoided energy (kWh) and avoided emissions (tCO₂eq) compared to a relevant benchmark
- For renovations: the percentage reduction of Primary Energy Demand (PED).

Eligible Social Projects:

Affordable Housing:

- Number of units intended for affordable housing for rent under development.
- Number of rental housing units in the affordable segment under operation.
- Number of housing units intended for social housing under development with a breakdown by type.

For a full list of KPIs, please refer to [Schedule 2](#).

DNV concludes that Neinor Homes has made the appropriate plans to produce reporting on both the allocation and the impact of Sustainable Financing Instruments issued, and that this is aligned with the requirements as listed under the GBPs, SBPs, SBGs, GLPs and the SLPs.



On the basis of the information provided by Neinor Homes and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol, and that it is aligned with the GBPs, SBPs, SBGs, GLPs and the SLPs.

for DNV Business Assurance Services UK Limited

London, 28 October 2024.

A handwritten signature in black ink, appearing to read "Zohrah Yaqub".

Zohrah Yaqub
Senior Consultant and Project Manager
DNV – Business Assurance

A handwritten signature in black ink, appearing to read "Niki Hutson".

Niki Hutson
Head of Sustainable Finance and Reviewer
DNV – Business Assurance

About DNV



Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 14,800 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

Neinor Homes has listed its eligible green and social project categories, with descriptions of the respective activities to be (re)-financed, in its Framework. The Company has also mapped out the alignment of the respective green and social project categories to the applicable UN SDGs that they will contribute towards, and where able, alignment to the relevant EU Taxonomy environmental objectives.



Eligible Green Project Categories:

ICMA & LMA Eligible Green Project Categories	Description of Projects to be Financed	EU Taxonomy Category Alignment ³	UN SDG Alignment
<p>Green Buildings</p>	<p>New constructions, including:</p> <ul style="list-style-type: none"> Buildings with Primary Energy Demand (PED) at least 10% lower than the threshold set for Nearly Zero-Energy Buildings (NZEB) requirements in national measures. 	<p>7.1. Construction of new buildings</p>	 
	<p>Renovations, including:</p> <ul style="list-style-type: none"> Residential buildings that have been subject to a renovation complying with the applicable requirements for major renovations⁴ or leading to a reduction of Primary Energy Demand (PED) of at least 30%. 	<p>7.2. Renovation of existing buildings</p>	

³ Neinor Homes has stated in its Framework, that it will ensure the proposed eligible green projects align to the Substantial Contribution Criteria and the Minimum Safeguards of the EU Sustainable Taxonomy, noting that alignment to the Do No Significant Harm criteria will be asset dependent and require a third party assessment.

⁴ As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU.

Eligible Social Project Categories:

ICMA & LMA Eligible Social Project Categories	Description of Projects to be Financed	Target Population	UN SDG Alignment
<p>Affordable Housing</p>	<p>Acquisition or development of buildings for social housing purposes based on commonly used definitions, including but not limited to:</p> <ul style="list-style-type: none"> ▪ Official Protection Houses (VPO). ▪ Basic Public Protection Houses (VPPB). ▪ Public Protection and Limited Price Houses (VPPL) or based on the requirements set by national governments. 	<p>Eligible beneficiaries in need of housing who are unable to rent or purchase properties on the open market in their local area. Eligible beneficiaries are selected according to socio-economic requirements set by the national or by regional governments confirming their eligibility to a decent and affordable/social housing. Such socio-economic requirements, set by the national or by regional governments, often include income level, number of family members, ownership of other real estate assets, etc.</p>	 

SCHEDULE 2: NEINOR HOMES SUSTAINABLE FINANCING FRAMEWORK ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	The Sustainable Financing Framework should make clear what financial instruments are to be defined as eligible for green, social and sustainable financing.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> Neinor Homes Sustainable Financing Framework 2024. 	<p>Neinor Homes intends to use this Framework to issue Sustainable Financing Instruments, including green, social and sustainability bonds and/or loans to (re-)finance in whole or part, new or existing Eligible Green and Social Projects.</p> <p>DNV can confirm that the Company intends to allocate net proceeds within 24 months of issuance of the Sustainable Financing Instrument under the Framework, to an Eligible Project.</p> <p>Separately, a lookback period of 36 months prior to the time of the construction start date will apply for investments in the acquisition or development of the Eligible Project.</p>
1b	Green / Social / Sustainable Project Categories	The cornerstone of a Green/ Social/ Sustainability Bond/ Loan is the utilisation of the proceeds which should be appropriately described in the legal documentation for the security.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> Neinor Homes Sustainable Financing Framework 2024. 	<p>Neinor Homes intends to use the proceeds from Sustainable Financing Instruments issued under the Framework, to (re-)finance, in part or in full, Eligible Green & Social Projects falling under the following ICMA/LMA Eligible Green and Social Projects categories:</p> <p><u>Green Project Categories:</u></p> <ul style="list-style-type: none"> Green Buildings. <p><u>Social Project Categories:</u></p> <ul style="list-style-type: none"> Affordable Housing.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>DNV confirms that the Eligible Green and Social Projects as stated in the Framework and in Schedule 1 of this opinion, are consistent with the GBPs, SBPs, SBGs, GLPs and the SLPs.</p> <p>DNV can also conclude that the Framework appropriately describes the proposed utilisation of proceeds. The specificities of each issuance will need to be further assessed on an individual basis.</p>
1c	Green / Social / Sustainable benefits	All designated Green/ Social/ Sustainable Project categories should provide clear environmentally sustainable or social benefits, which, where feasible, will be quantified or assessed by the issuer.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> ▪ Neinor Homes Sustainable Financing Framework 2024. ▪ Neinor Homes Sustainability Plan 2022-2025 (link). ▪ Neinor Homes Sustainability Report 2023 (link). 	<p>Neinor Homes has committed to working towards its own Sustainability Plan alongside the UN SDGs, and has outlined what SDGs its proposed Eligible Green and Social Projects will contribute towards, specifically:</p> <ul style="list-style-type: none"> ▪ Goal #1 (No Poverty). ▪ Goal #7 (Affordable & Clean Energy). ▪ Goal #11 (Sustainable Cities & Communities). ▪ Goal #13 (Climate Action). <p>To make benefits quantifiable, the Company has also provided a list of potential metrics for each topic, which are listed in Section 4a of Schedule 2.</p> <p>DNV confirms that the Eligible Green and Social Project Categories as detailed in Schedule 1, will provide clear environmental and social benefits.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1d	Target Population	All designated social projects should provide the social benefits outlined in 1d to specific target populations.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> Neinor Homes Sustainable Financing Framework 2024. 	<p>The proceeds will be targeting eligible beneficiaries in need of housing who are unable to rent or purchase properties on the open market in their local area in Spain. Eligible people will also meet the criteria set out by national / regional socio-economic requirements. These contain thresholds relating to income level, number of family members, ownership of other real estate assets, etc.</p> <p>DNV confirms that the target population is consistent with the those outlined in the SBPs and SLPs.</p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The issuer of a Sustainable Financing Instruments should outline the decision-making process it follows to determine the eligibility of projects using Sustainable Financing Instruments proceeds.</p> <p>This includes, without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the Eligible Green & Social Project categories identified in the principles. 	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> Neinor Homes Sustainable Financing Framework 2024. 	<p>On at least a quarterly basis, the Company's Sustainability Committee ("SC") will convene to evaluate and select Eligible Green and Social Projects for allocation of a portion of net proceeds, according to the criteria set out in the Framework.</p> <p>The SC consists of representatives from a range of internal departments within the Company, including the CEO (as and when required), the Deputy CEO and CFO, the COO, the Head of Governance, Risk & Compliance (GRC) Department and Sustainability, the Head of Investor Relations and Capital Markets and the Head of Product and Innovation.</p> <p>When required, Neinor Homes will bring in additional team members, (i.e. additional senior internal team representatives</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<ul style="list-style-type: none"> ▪ The criteria making the projects eligible for using the proceeds; and ▪ The environmental and social objectives. 		<p>or external representatives) to facilitate discussions around the evaluation and selection process around Eligible Projects.</p> <p>Decisions on the approvals of Eligible Projects are ultimately made on a consensus basis by members of the SC.</p> <p>In addition to selecting potential Eligible Green and Social Projects, the SC aims to ensure continued compliance of Eligible Projects against the Framework, internal policies and procedures and the Company’s wider Sustainability Plan, whilst excluding Projects that are no longer compliant.</p> <p>DNV concludes that the activities to be financed by future Sustainable Financing Instrument issuances will be appropriately evaluated, selected, managed and reported on as outlined within Neinor Homes’ Framework. DNV can also conclude that they meet the requirements as set out under the GBPs, SBPs, SBGs, GLPs and the SLPs.</p>
2b	Issuer’s environmental and social governance framework	In addition to the information disclosed by an issuer on its Green/ Social/ Sustainability Bond/ Loan process, criteria and assurances, investors may also take into consideration the quality of the issuer’s overall framework and performance regarding environmental sustainability.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> ▪ Neinor Homes Sustainable Financing Framework 2024. ▪ Neinor Homes Sustainability Plan 2022-2025 (link). ▪ Neinor Homes Sustainability Report 2023 (link). 	<p>DNV has reviewed the evidence showing that the Framework falls within the wider environmental and social approach of Neinor Homes, as set out in Company’s Sustainability Plan.</p> <p>To identify and manage the environmental and social risks and impacts, new and existing Eligible Green and Social Projects will be evaluated against internal processes, policies, and procedures.</p> <p>The SC is also responsible for regularly reviewing the Eligible Green and Social projects, ensuring continued Eligibility and also facilitating the verification of the allocation of proceeds by an independent third party.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>In relation to wider sustainability matters, Neinor Homes is responsible for reviewing the Framework, and for ensuring alignment with the EU taxonomy, as well as identifying, mitigating, and managing risks associated with Eligible Projects.</p> <p>DNV concludes that the Framework is in line with the wider approach to managing the environmental and social responsibility of the Company.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Sustainable Financing Instruments issuances should be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Eligible Green and Social Projects.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> ▪ Neinor Homes Sustainable Financing Framework 2024. 	<p>The responsibility of allocating proceeds from Sustainable Financing Instruments issuances to the (re-)financing of the Eligible Green and Social Projects will be managed and overseen by the Governance, Risk and Compliance (GRC), Internal Audit and ESG department via an internal Sustainable Financing Issuances Register.</p> <p>The Register will track relevant information, such as the following:</p> <ul style="list-style-type: none"> ▪ Details of the issuance(s), i.e. <ul style="list-style-type: none"> ○ ISIN ○ Pricing date, etc. ▪ Details of eligible use of proceeds per green, social and sustainability issuance, i.e.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> ○ Project categories ○ Eligibility categories ○ Amount of allocation made ○ Estimate of impact of the eligible use of proceeds ○ Details on taxonomy-alignment of projects. <p>DNV concludes that the Company has made the appropriate plans to track the use of proceeds and can confirm that this is attested to by a formal internal process.</p>
3b	Tracking procedure	So long as the Green/ Social/ Sustainability Bonds/ Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Green/ Social/ Sustainable investments or loan disbursements made during that period.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> ▪ Neinor Homes Sustainable Financing Framework 2024. 	<p>Neinor Homes will manage the monitoring and distribution of funds for Eligible Green and Social Projects, intended for the allocation for an amount equivalent to the net proceeds generated from each Sustainable Financing Instrument, within 24 months of issuance. This will be done for the (re-)financing of current and/or future Eligible Green and Social Projects.</p> <p>If a project or investment is found to no longer be eligible under the criteria, Neinor Homes has confirmed that this will be removed from the Sustainable Financing Issuances Register and will be replaced with other Eligible Projects, as soon as reasonably practicable.</p> <p>DNV concludes that there is a clear process in place for the tracking of the balance of the proceeds which accounts for disbursements.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3c	Temporary holdings	Pending such investments or disbursements to Eligible Green and Social Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> Neinor Homes Sustainable Financing Framework 2024. 	<p>For proceeds that cannot be immediately allocated to Eligible Green and Social Projects, Neinor Homes will temporarily use all or a portion of the net proceeds for transactions in line with the Company's general liquidity guidelines management practices.</p> <p>These Guidelines include temporary measures include cash, cash equivalents, and/or other liquid marketable instruments and investments which do not include greenhouse gas intensive assets.</p> <p>DNV concludes that Neinor Homes has appropriately disclosed how it will manage any unallocated proceeds.</p>

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Bond, and where appropriate Loan proceeds, have been allocated including - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the	<p>In addition to reviewing the evidence below, we have had detailed discussions with Neinor Homes.</p> <ul style="list-style-type: none"> Neinor Homes Sustainable Financing Framework 2024. 	<p>Allocation reporting of the net proceeds will be made publicly available by Neinor Homes to investors annually until full allocation of the net proceeds and thereafter in the event of material changes to the allocation.</p> <p>An initial allocation report will be made publicly available on the Company's website detailing the:</p> <ul style="list-style-type: none"> Total amount of outstanding debt securities. Share of proceeds used for financing vs. re-financing purposes.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>amounts disbursed, as well as the expected environmentally and socially sustainable impact.</p>		<ul style="list-style-type: none"> ▪ List of Eligible Projects financed through Neinor Homes' sustainable finance instruments (green bonds, social bonds, etc.), and amounts allocated. ▪ Net proceeds allocated per eligibility category, with breakdown per project. ▪ Amount of unallocated proceeds, if any. ▪ Geographical distribution of the eligible projects and assets. ▪ Amount / percentage of projects aligned with the EU Taxonomy Climate Delegated Act. <p>Impact reporting on selected Eligible and Social Green Projects will also be made available annually on the Company's website.</p> <p>This will align with the ICMA "Handbook – Harmonised Framework for Impact Reporting (June 2024)" and the "Harmonised Framework for Impact Reporting for Social Bonds (June 2022)" on a best efforts basis.</p> <p>Impact Reporting will also include impact metrics (KPIs), split by eligible project category, as seen below:</p> <p><u>Eligible Green Projects:</u></p> <p>Green Buildings:</p> <ul style="list-style-type: none"> ▪ Estimated annual GHG Footprint (tCO₂ eq) per financed or certified area. ▪ If available, avoided energy (kWh) and avoided emissions (tCO₂eq) compared to a relevant benchmark.



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> ▪ For renovations: the percentage reduction of Primary Energy Demand (PED). <p><u>Eligible Social Projects:</u></p> <p>Affordable Housing:</p> <ul style="list-style-type: none"> ▪ Number of units intended for affordable housing for rent under development. ▪ Number of rental housing units in the affordable segment under operation. ▪ Number of housing units intended for social housing under development with a breakdown by type: VPO, VPPL, VPPB. <p>DNV can confirm the Company's commitment to producing appropriate and transparent reporting on both the allocation and impact of the financing, and that this meets the requirements of the GBPs, SBPs, SBGs, GLPs and the SLPs.</p>