

The background image shows a modern, multi-story building with a light-colored facade and large windows. In the foreground, there is a rooftop garden area with several wooden pergolas covered in green vines. String lights are strung across the garden. People are seen sitting at wooden tables and benches, enjoying the outdoor space. The sky is blue with scattered white clouds.

Niam Sustainability Report 2023

NIAM

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Cover: The top terrace at Harbor House, part of the development of Värtahamnen, Stockholm
Illustration: Walk the Room

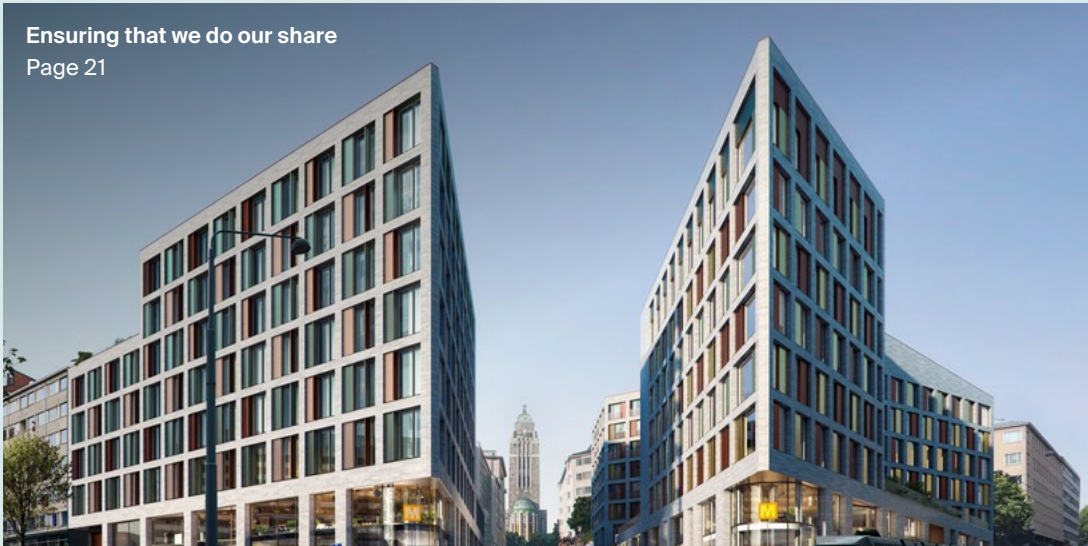
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Niam’s Sustainability Report This is Niam AB’s (organization number 556339–0789) ninth sustainability report, covering the financial year of 2023 (2023.01.01–2023.12.31) and includes data for our funds data for our funds Niam Nordic VI, Niam Nordic VII, Niam Nordic VIII, Niam Nordic Core-Plus II, Niam Nordic Core-Plus III, Niam Infra Fund I, Niam Credit II and Niam Credit III. In this report the terms sustainability and ESG (Environmental, Social and Governance) are used interchangeably



Ensuring that we do our share
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Niam in brief

Niam has developed from a real estate fund manager, founded in 1998 in Stockholm, to a diverse company with three platforms: Real Estate, Infrastructure, and Credit. Our geographical reach includes Sweden, Finland, Norway, Denmark and Luxembourg, with our headquarters located in Stockholm.

Niam Real Estate is our longest-running business. Our property portfolio includes e.g. offices, residential, retail, logistics, industrial buildings and warehouses. Properties are located in Sweden, Denmark, Finland, Norway and Poland. At the end of 2023 our funds owned 98 properties in total. The last two funds are Article 8 funds under SFDR promoting environmental characteristics.

Niam Infrastructure focuses on investing in sustainable infrastructure within renewable energy, transport and telecom. The platform’s first fund (Article 8) concentrates on small to medium-sized investments with a focus on asset aggregation and risk reduction, primarily in sustainable infrastructure.


Niam Credit is the largest alternative real estate lender in the Nordics and offers credit solutions across all commercial real estate segments. Niam Credit’s sustainability strategy is to finance the decarbonisation and sustainability transition of the real estate sector. Existing active funds are classified as Article 8 – promoting environmental and social characteristics.

~5.5


€ bn

Asset under management (AUM)* as of Q4 2023.

- Niam Real Estate AUM ~€3.6 bn
- Niam Infrastructure AUM ~€50.9 m
- Niam Credit AUM ~€1.9 bn



Offices in Denmark, Finland, Luxembourg, Norway and Sweden



Assets owned in Denmark, Finland, Norway, Poland and Sweden

106

106 employees working across European borders, with a local presence in and outside the Nordics

Frameworks and Commitments



United Nations Global Compact



PRI Principles for Responsible Investment



GRESB



ISO 9001:2015



ISO 14001:2015



ilpa INSTITUTIONAL LIMITED PARTNERS ASSOCIATION



TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



Niam Nordic VI

We are currently managing five close-ended private equity Real Estate funds, Niam Nordic VI, Niam Nordic VII, Niam Nordic VIII, Niam Nordic Core-Plus II and Niam Nordic Core-Plus III.



Niam Nordic VII



Niam Nordic VIII



Niam Nordic Core-Plus II

In our Infrastructure platform we are managing one fund, Niam Infra Fund I. The Credit platform consists of two funds, Niam Credit II and Niam Credit III.



Niam Nordic Core-Plus III



Niam Infra Fund I



Niam Credit II

During 2023 Niam Nordic Core-Plus II received a GRESB five-star rating and a score of 88. Niam Nordic Core-Plus III reported for the first time and received a GRESB two-star rating and a score of 74.



Niam Credit III

NIAM

REAL ESTATE

NIAM

INFRASTRUCTURE

NIAM

CREDIT

* AUM is defined as the underlying value of assets for Niam Real Estate and Niam Infrastructure and as Net Asset Value for Niam Credit
Abbreviations and terms: find a comprehensive list with abbreviations and sustainability terms on page 45

/MANAGING PARTNERS' LETTER/

Sustainability is a work in progress

Sustainability is a work in progress where each step forward means learning and evolving. This is why our approach is multi-faceted and adaptable to the changing needs of people and the environment.

For Niam it is important to have a solid base for our sustainability work, prioritise the most important aspects and constantly make improvements. Niam's sustainability efforts during 2023 has been mostly focused on more sustainability action in our assets to meet our goals, governance, data quality and social sustainability.

Our journey towards sustainability is dependent on creating positive impacts within our assets, and we are pleased to highlight various initiatives in this sustainability report that contribute to this goal.

- Niam Real Estate has invested in important improvements to the energy performance leading to increase of renewable energy consumption and reduction of greenhouse gas emissions
- Niam Infrastructure's investment in Nima Energy is presently helping the roll-out of ultrafast charging infrastructure for electrical vehicles

- Niam Credit has identified methods for property owners and financiers in the real estate sector to promote social sustainability. This will guide Niam's own methodology and aims to inspire other industry players

With evolving stakeholder expectations and regulatory frameworks, establishing robust data quality is paramount. This past year, we have done a targeted effort to collect more data and ensure that it is reliable and comprehensive. As a result, we can now add more metrics and include Credit platform in the Sustainability Report next to Real Estate and Infrastructure, meaning that the report gives us a better understanding of our operations than ever before. This gives us a better ability to track our progress and compare performances year by year.

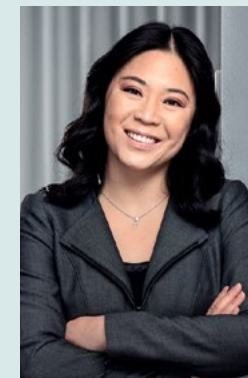
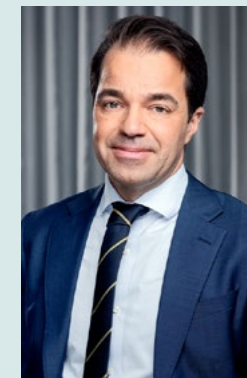
In terms of governance, we want to introduce a new addition to this year's report: the climate risk section. This marks the first time we present our analysis aligned with the Task Force on Climate-Related Financial Disclosures (TCFD).

We are proud of our achievements to date, having taken significant steps towards creating a better environment, more attractive neighbourhoods and safer workplaces whilst creating value for our investors. Looking ahead, we will continue to push ourselves with high ambitions.

Rikard Henriksson & Jennifer Andersson
Managing Partners at Niam

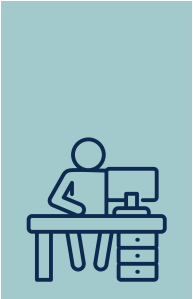
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We are deliberate in our actions, focusing on initiatives that not only align with our role but also maximise positive outcomes for all.



ESG highlights 2023

Employer Value Proposition formulated



To better guide our efforts to be a great workplace where people develop and thrive, Niam in 2023 formulated an Employer Value Proposition (EVP) with the aid of a group of employees representing all parts of the organisation. The resulting EVP captures what we promise our existing employees, as well as what we can offer potential new employees. Read more on page 34.



Accelerating the transport electrification

Niam Infrastructure's investment in Nima Energy is presently helping the roll-out of ultrafast charging infrastructure for electrical vehicles around Sweden. Three sites in strategic locations opened in December 2023, offering a total of 24 charging sites, and many more are to come. Read more on page 25.

Improved energy efficiency in Finland

Niam Real Estate has invested in important improvements to the energy performance of two properties in Finland. The industrial property Kaarinantie 700 in Turku got an overhaul that radically reduces its carbon footprint and 300 solar panels were installed on the roof of the Saari shopping centre in Helsinki. Read more on page 27.

Correct and comprehensive data

In preparation for an ever-changing sustainability landscape ahead, Niam has put a lot of focus on establishing secure and good data quality and coverage in our sustainability governance. Knowing where you stand enables you to prioritise and proceed to make the most positive impact. Read more on page 12.

UNPRI results 2023

In the new scoring from UNPRI 2023 Niam received:

- Five-stars and score of 100 in module "Confidence building measures"
- Five-stars and score of 93 in module "Direct - Real estate"
- Four-stars and score of 86 in module "Policy Governance and Strategy"

UNPRI - UN Principles for Responsible Investments

Understanding what builds social sustainability

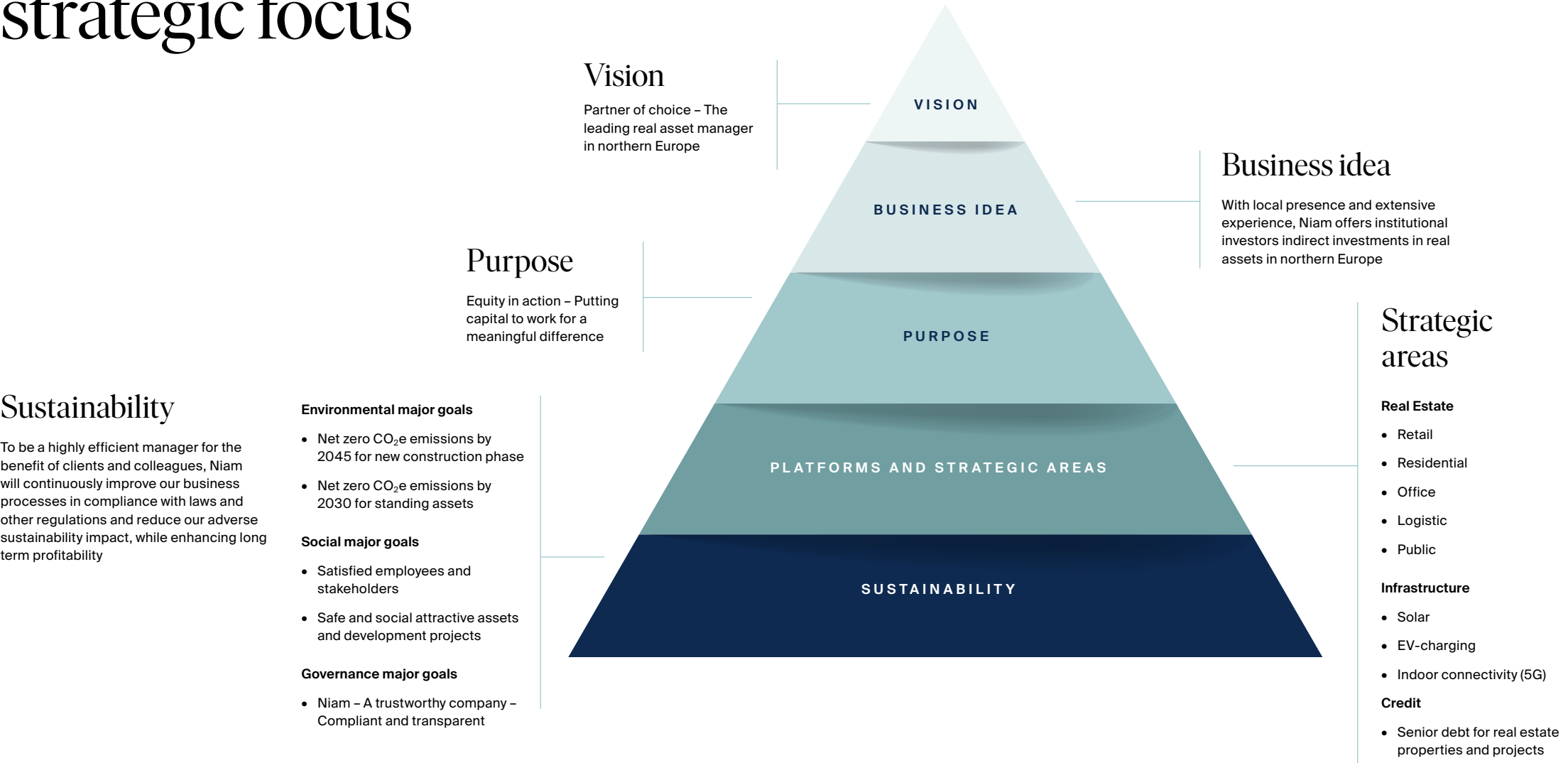
A report commissioned by Niam Credit tries to identify the best methods for property owners and financiers in the real estate sector to promote social sustainability. The report's findings will guide Niam's own methodology and aims to inspire other industry players, as well. Read more on page 36.



GRESB results 2023

Niam has in 2023 earned a five-star rating from the Global Real Estate Sustainability Benchmark (GRESB) for the Niam Nordic Core-Plus II fund. This achievement, with an overall score of 88, reflects Niam's consistent improvement year after year and underscores our commitment to sustainability.

Vision, business idea and strategic focus



Sustainability goals



Generally, Niam sets common minimum standards and goals on company level while the implementation of these is left to each department, team, platform or subsidiary. This means procedures and

routes may differ between the subsidiaries. A fund may have other goals and targets than the company. The goals are applicable to Niam AB Group's investment activities as described on this page.

Environmental

- Energy consumption – Reduce facility energy consumption to 100 kWh/sqm in average (Real Estate)
- Renewable electricity – 100% renewable facility electricity in our properties (Real Estate)
- Renewable heating/cooling – 100% renewable heating/cooling (Real Estate)
- Greenhouse Gas emissions – Net zero CO₂e emissions by 2030 for Standing assets and by 2045 for New construction phase (Real Estate)
- Water consumption – Reduce the water consumption per sqm in our properties by at least 1% per annum, like for like (Real Estate)
- Waste – All our Standing assets are to have at least four different waste fractions. All our contractors in New construction and renovation must sort waste in six fractions for recycling, plus energy recovery, hazardous, and other (Real Estate)
- Building certifications – All new constructed buildings and major renovations must be certified (Real Estate)
- Increased renewable energy capacity (Infrastructure)
- Increased renewable energy generation (Infrastructure)
- Avoidance of CO₂e emissions (Infrastructure)
- At least 50% loans with sustainability aspects (Credit)

Social

- ESI – 4.2 (Employee Satisfaction Index)
- ISI – 4.2 (Investor Satisfaction Index)
- Social initiative – In new construction and major renovation project at least one social initiative shall be done
- Gender balance with 50/50 distribution

Governance

- Niam – A trustworthy company – Compliant and transparent
- Zero reported cases of whistle blowing
- Full data coverage and quality of ESG data in all Niam assets

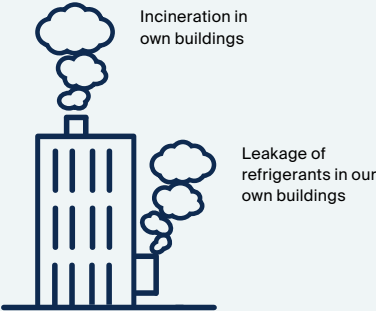
Reporting of emission types in different scopes

It is important for Niam to be transparent about the climate impact that Niam is responsible for. Presented below are the greenhouse gas (GHG) emission types

monitored and reported related to Niam’s business based on the GHG Protocol. Niam continuously works to broaden the categories of emission types monitored.

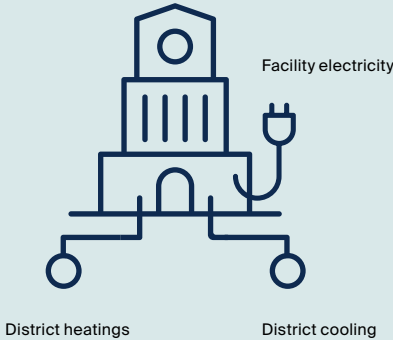
Scope 1

Direct emissions from own buildings



Scope 2

Emission from use of bought energy



Scope 3

Emission from purchase of goods and services, and from customers use of our buildings



Our commuting to work



Our business travel



Our financially leased Niam company cars



Construction site; building material, transports, waste and energy



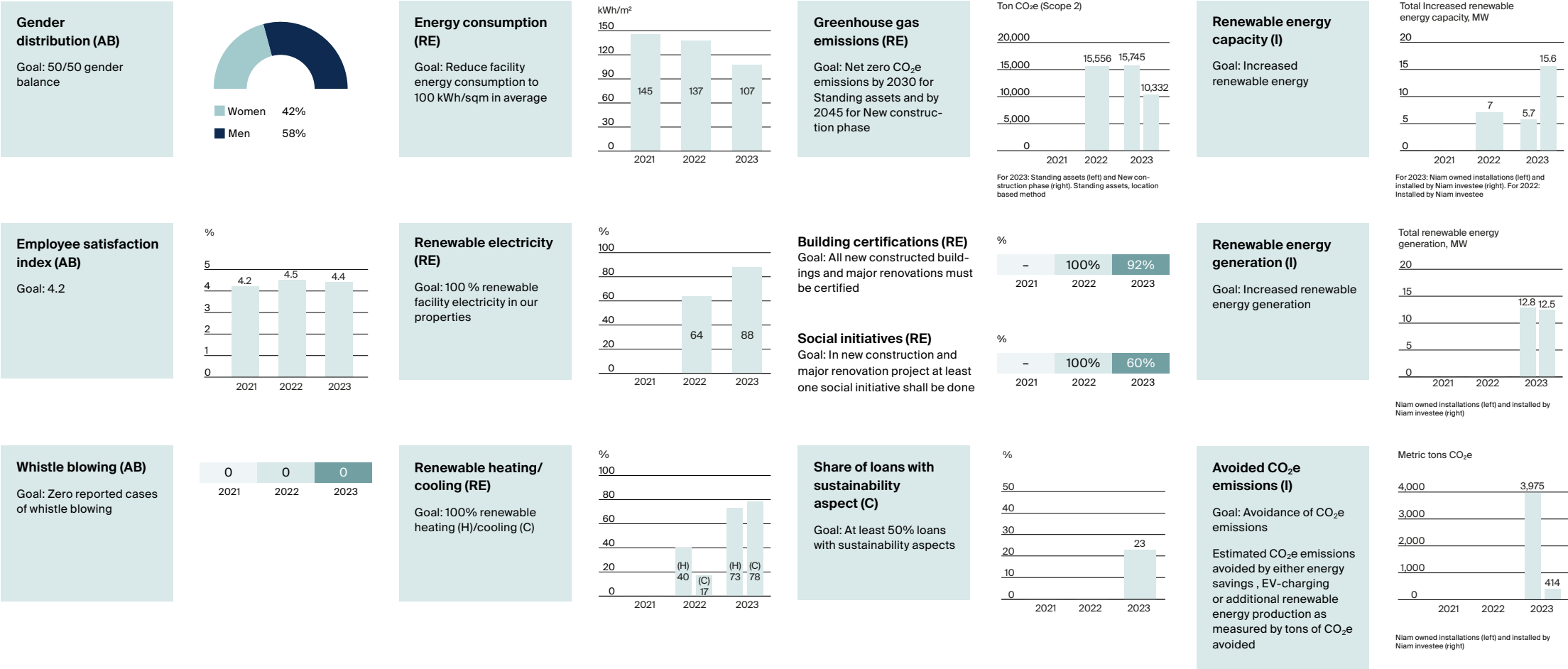
Tenants own waste and energy



Niam Credit's loans to real estates and those property's emissions

Sustainability results

Presented below is a selection of Niam’s most important results connected to the sustainability goals for Niam AB, Real Estate, Infrastructure and Credit.





Governance

Niam works with continuous improvement, compliance with laws and regulations, meeting our stakeholder preferences and following sustainability trends. The framework for governing sustainability matters throughout the organisation covers all critical aspects for our business, operations and impact on society.

Governance ambitions, goals and activities

Ambitions:

- Niam will continuously improve its business processes in compliance with laws and other regulations
- Good data coverage and quality of ESG data

Actions:

Examples

- Annual training about anti-corruption, anti-money laundering and related policies
- Improvements in ESG platform and procedures to manage all Niam ESG data leading to better coverage and quality of data



Goals:

Examples

- Zero reported cases of whistle blowing
- Full data coverage and quality of ESG data in all Niam assets



/INTERVIEW /

Sustainability is never static

Niam is now a multi-strategy fund manager with a strategic focus on Real Estate, Infrastructure and Credit. This gives Niam a unique position to make positive impact within sustainability. During 2023 Niam has put a lot of focus on governance and also to move from policy to action. All to be prepared for the ever-changing sustainability landscape ahead.

Niam's sustainability journey is based on the firm belief that good governance is essential to success. Not least importantly, when facing stakeholder expectations, laws and regulations in constant development, you need to establish secure and good data quality and coverage.

One of Niam's priorities within sustainability has been to collect ESG data that are both correct and cover appropriate areas. Only then can you be sure of your standing and how you should prioritise and proceed in order to have the most positive impact.

"We put a lot of effort in 2023 into establishing good ESG data quality and coverage, as well as on setting up all the necessary documentation for all our assets. In this year's sustainability report we are for the first time including all our three



platforms: Real Estate, Infrastructure and Credit. It fully reflects the width of Niam and our impact," says Gustav Thörnqvist, Sustainability and Quality Manager at Niam.

The results of this years governance efforts is that Niam now has:

- Labeled all relevant facility and tenant energy meters so that GHG emissions will be calculated in the correct scope, in our energy collection system Mestro
- Automatic transfer of energy/water consumption and GHG emissions through an API connection from Mestro to our general ESG platform Position Green

“

In this year's sustainability report we are for the first time including all our three platforms: Real Estate, Infrastructure and Credit. It fully reflects the width of Niam and our impact.

Gustav Thörnqvist,
Sustainability and Quality Manager at Niam

- All relevant ESG data gathered in Position Green and Mestro that gives Niam the ability to analyze, visualize, and report ESG performance and also the ability to make wise decisions on the best ESG actions needed to meet our Sustainability goals

/INTERVIEW /

Read more about Niam data methodology on page 46, About this report.

With the new platforms, an increased number of people are working within sustainability and new competence has been added, as well as a beneficial collaboration and mutual support in the area.

“We have now moved more from policy to action, which is reflected in the cases presented in this report, concerning new EV charging infrastructure, sustainable energy measures in properties, research-based ways to promote social sustainability and Niam as an employer,” he continues.

Within sustainability, new legislation and frameworks are frequently being introduced, along with new or increased demands from stakeholders and employees.

“Our sustainability goals have not changed in 2023, apart from some minor adjustments and clarifications. But sustainability is never static and as a company you need to improve continuously. Niam will continue to focus on our approach of prioritising ESG data quality, coverage and transparency in how we perform,” explains Gustav Thörnqvist.

Niam is aligned with the **SFDR** regulation and plans to consider **PAI** and to do the first report with SFDR PAI indicators for all three platforms during 2024. Niam is reporting on the **TCFD** framework in 2023 and will keep working on continuous improvements in this regard.

“Niam is not formally obligated to report in accordance with **CSRD** and **ESRS** but we are proactively conducting a double materiality assessment that

will be finished in 2024. Additionally, to make it easier to compare us to others, we will align our reporting with parts of ESRS starting from the calendar year 2024. We also plan to do updated assessments of Niam SFDR Article 8 assets’ **Taxonomy** alignment during 2024 to be reported in 2025,” says Gustav Thörnqvist.

He underlines the importance of Niam’s employees for the company’s sustainability efforts. Their collaboration, initiative, knowledge, commitment and patience are crucial to moving forward with continuous improvements. The employees also play a crucial role in spreading the company’s sustainability efforts and progress to the stakeholders, including investors and future employees. From 2023 Niam has actively worked to improve the transparency and accessibility of the sustainability information to ensure broader awareness and understanding within the organisation and beyond.

“I am truly proud of our employees and our joint efforts to reach our goals. We have had several feedback meetings with the different Niam countries and functions in 2023 that have helped us improve and clarify our sustainability process in key areas,” concludes Gustav Thörnqvist.



The Tennis Palace, a historic landmark in the heart of Helsinki, Finland

Guiding the way to sustainability

As both a moral obligation and a strategic priority in order to mitigate risks, meet growing expectations and ensure high yields in the longer term, Niam aims to contribute to the global sustainable development. Our efforts are planned and executed within a clear governance framework.

In our overall sustainability strategy, we define sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. From this, we derive three dimensions of sustainability that we use to frame our efforts: Environmental, Social and Governance, which includes business ethics (ESG). The terms sustainability and ESG are used interchangeably. If not specifically stated, climate change is always an integrated part of sustainability considerations at Niam.

When it comes to governance, Niam has the ambition to continuously improve our business processes in compliance with laws and regulations, thereby enabling us to have a positive impact within sustainability. A prerequisite for this is establishing good data coverage and quality of ESG data.

The development of Helsinki
Waterfront, Helsinki Finland
Illustration: White Arkitekter



Organisation and management

Governance documents

The daily work of all employees and representatives of Niam is guided by our Code of Conduct, which is based on the ten principles of the UN Global Compact (to which we are signatories) concerning human and labour rights, environmental concerns and anti-corruption. As sustainability spans over a vast field of issues, Niam’s sustainability approach and framework include several supporting documents. You can find the most important of them to your right.

Organisation and management

Niam’s board of directors stays up to date on aspects of sustainability such as progress, risks and opportunities through a feedback and information loop. This ensures the board’s ability to

evaluate risks and management of the respective fund. The board also consider aspects of sustainability, such as (but not limited to) health and safety and climate change when reviewing e.g. strategy, performance objectives, business plans, annual budgets and risk management policies.

Similarly, Niam’s management stays up to date with sustainability developments in the organisation through:

- Sustainability manager status reports on progress, impact, risk and opportunities
- Quarterly reports per fund
- Direct reporting line from risk manager and compliance officer

On the following page, you will discover an organisational chart illustrating the sustainability roles and tasks at Niam.

Sustainability governance documents and procedures

- Sustainability Policy and Sustainability Goals
- Sustainability process descriptions
- Environmental Guidelines
- Risk Management Policy
- Risk Management Procedure
- HR Policies, including Non-Discrimination and Anti-Harassment Policy
- Equal Opportunity Policy
- Code of Conduct
- Anti-corruption Policy
- Anti-money laundering Policy
- Conflict of interest Policy
- Remuneration Policy
- Compliance Manual
- Procurement Procedure
- Niam’s Business Plan and Budget

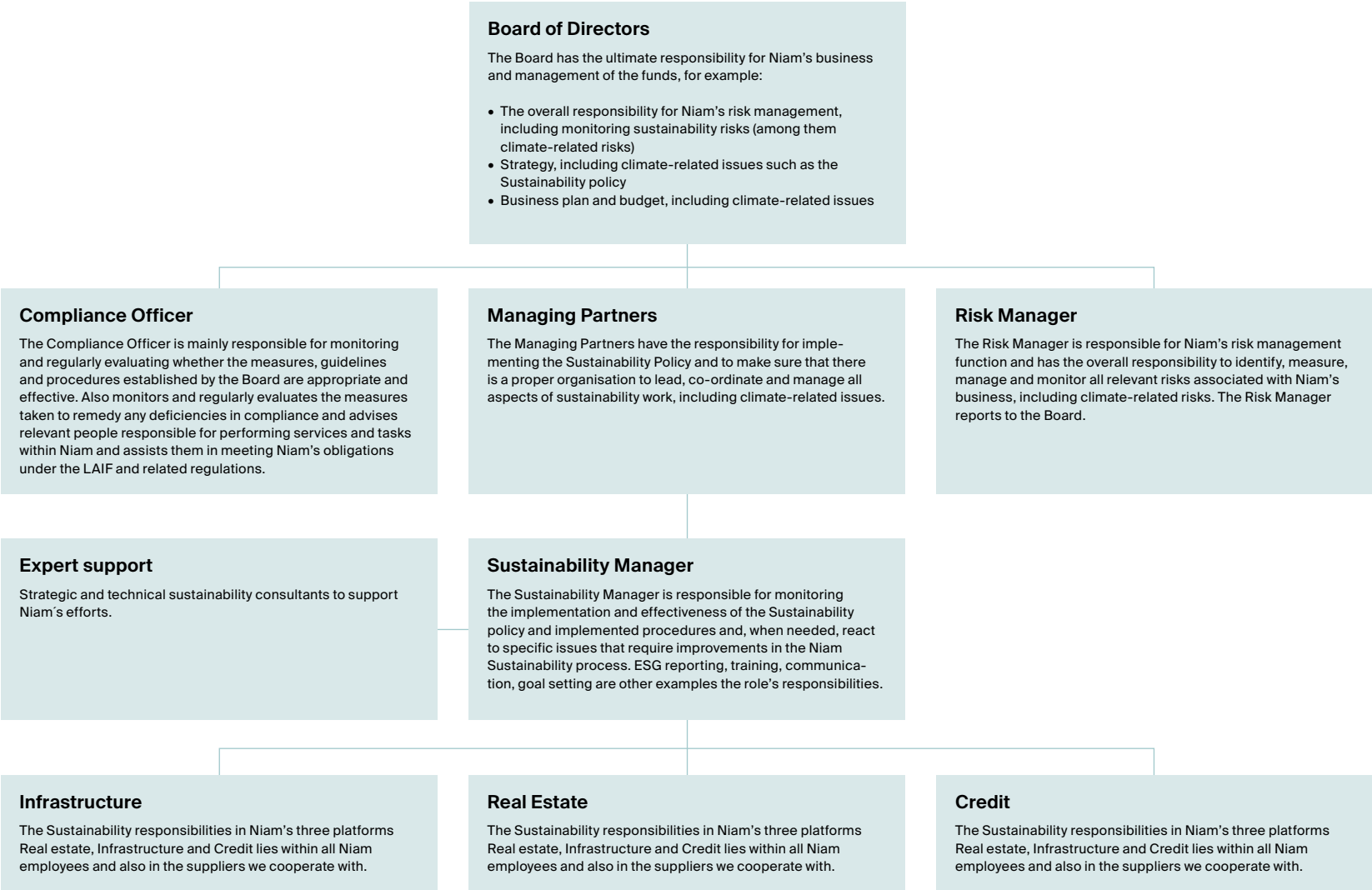
Feedback and information to the board

Who	How often	What
Risk Manager	4 times a year	The risk report is presented to the board on a quarterly basis, updating the board on current risk levels (including sustainability and climate-related risks) incurred by each managed fund.
Compliance Officer	When relevant	Information from internal and external audits, incl sustainability management.
Sustainability Manager	Once a year	A review of Niam’s sustainability work regarding, for example, process, goal fulfilment, reports, legislation, audits and performance results.

Panorama, a high-rise office building situated Eastern fringe of Oslo city center, Norway
Photo: Knut Neerland



Sustainability roles and tasks at Niam



Niam's committees are effectively assuming responsibility for various sustainability topics and report either directly to the board or to a manager:

Transaction Committee of each fund
Makes the investment and divestment decisions of fund assets, and that includes the responsibilities of assessing climate-related issues, for example physical and transitional climate risks.

Risk and Compliance Committee
Discusses the development of the risk management matters and reports to the board, among other things, on climate-related issues, for example physical and transitional climate risks.

Remuneration Committee
Prepares relevant decisions by – and briefings of – the Board of matters related to the Remuneration Policy which includes climate-related issues.

ESG Committee
Facilitates organisational learning and, when necessary, suggests changes to Niam's sustainability strategy, goals or other relevant documents or procedures.

Risk management

Countering all forms of corruption

As a supplement to our Code of Conduct, Niam has Anti-corruption, Anti-money laundering and Conflicts of interest Policies. It is important to work proactively with these issues, especially since Niam operates in sectors facing tangible risks of undue behaviour. All employees undergo annual trainings covering these areas, and we also have a routine for whistleblowing. We are committed to conducting our business with the highest possible standards of transparency, integrity, and accountability. We encourage all our employees and stakeholders to speak up if they suspect serious wrongdoings and to share their concerns. Niam offers an independent, anonymous, and secure whistleblowing service to its employees, suppliers, customers, and business partners. The whistleblowing service is encrypted and password protected and is operated by an unaffiliated third-party supplier located in Sweden. No whistleblowing cases were reported in 2023, nor were there any suspected or confirmed cases of corruption.

Regulatory and financial authority oversight

Niam AB is an Exempt Reporting Adviser under the US Investment Advisers Act of 1940. The initial registration pursuant to the Dodd Frank Act was made in April 2012, and Niam AB is subject to the U.S. Securities and Exchange Commission (SEC). In 2014, Niam AB was authorised as an Alternative

Investment Fund Manager pursuant to the Directive on Alternative Investment Fund Managers (AIFMD) and also became a subject to the Swedish Financial Supervisory Authority.

Niam fulfils the requirements that these registrations, authorisations and frameworks entail, for example within risk management and internal auditing, including sustainability risks and sustainability factors. All Niam employees are trained regularly in compliance and regulatory matters. Niam also fulfils the principles set by the EU Sustainable Finance Disclosure Regulation (SFDR). As a consequence, Niam has formally included sustainability risks in the risk management framework as required by the AIFMD.

Strategy and climate-related risks

Climate-related risks and opportunities are factors in Niam’s investment strategies, business and financial planning.

- Niam Real Estate has a clear strategy to focus on owning and developing assets that are climate resilient
- Niam Infrastructure is focusing on renewable investments such as solar and EV charging
- Niam Credit has sharp targets to increase the share of loans with sustainability aspects, including climate-related aspects

ESG risk management

The assessment of sustainability risks is incorporated in the investment policies and processes of Niam and fully aligned with the relevant requirements of the SFDR. Niam has separate tools for identifying, assessing and managing ESG risks in the three Niam platforms; Real Estate, Infrastructure and Credit. The tools are adopted for the relevant platform’s needs and the type of assets they manage. When it comes to engagement on ESG risks with investees, Niam Real Estate, investing in properties, sets ESG requirements on procured property managers and entrepreneurs. Niam Infrastructure, investing in running companies, engages directly with each investee on relevant ESG issues. Niam Credit, providing loans to properties, regularly discusses ESG considerations with the borrower and may include ESG clauses in the loan agreements.

When identifying the potential climate related implications on business operations, Niam conducts scenario analysis based on the recommendations by the TCFD. The scenario analysis is reviewed annually.

Niam applies the three-lines-of-defence model (see separate box) which means an organisational distinction is made between functions that own and manage risks, functions that oversee risks and functions that provide independent assurance.

The Transaction Committee is responsible for all investment decisions in the funds. When considering an acquisition, relevant ESG risks, opportunities and performance are identified, assessed and mitigated as part of the investment decision process. This includes considerations of relevant

The three lines of defence		
Line 1 Functions that own and manage risks, including the Portfolio Management Function	Line 2 Functions that oversee risks, i.e., the Risk Management Function and the Compliance Function	Line 3 Functions that provide independent assurance, i.e., the independent auditors (both internal and external)
Operating units, including the portfolio management function, is responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis, including sustainability management. The portfolio management function identifies, assesses, controls and mitigates risks, implementing internal policies and ensuring that activities are consistent with the respective fund's goals and restrictions.	The Risk Manager facilitates and monitors the implementation of effective risk management practices. In addition, the Risk Manager performs an independent inventory of the risks that may be material for the funds, including sustainability risks, as well as an assessment of their levels. The implementation and effectiveness of the Risk Management Policy and the risk management processes are also monitored and reviewed by the Compliance Officer.	The auditors review the manner in which the first and second lines of defence achieve risk management and control objectives.

current and future regulatory requirements related to climate change.

The Niam Acquisition/Analysis team and due diligence consultant (technical and legal) support in the risk assessment with the help of predefined questions under each sub-risk relevant for the acquisition. The ESG risk assessment is tailored to the specific investment strategy. The Real Estate platform will also develop a draft Environmental plan, used to describe and manage ESG performance and opportunities.

Risk categories considered in the due diligence process, e.g:

- Energy management
- Water and wastewater management
- Waste and hazardous materials management
- Ecological impacts
- Physical impacts of climate change
- Human rights and community relations
- Customer welfare
- Employee health and safety
- Labor practices
- Anti-corruption and anti-bribery

Through evaluating prospective assets on their contribution to the fulfilment of Niam's ESG goals, we are informed on how to mitigate negative impact and on what needs to be done to transform the individual asset to a more sustainable one. All risks, sustainability related or not, are assessed on the same premises. If climate-related risks, depending on the conditions, are assessed high enough this can stop an acquisition long before it gets to the Transaction committee.

ESG considerations, including risk mitigation actions, are documented and passed on to the Asset management team and made part of the business plan for the operation and improvement of the asset during holding. Regular monitoring of ESG performance and risks is conducted through standardised routines and reporting mechanisms, ensuring accountability and transparency.

At exit, we describe the ESG performance of the asset, as well as the risk mitigation actions done, so that this is available for potential buyers.

We have also introduced routines on evaluating our suppliers' ESG maturity and risk exposure in order

to reduce ESG risks in the supply chain. Before contracts are signed, relevant sustainability risk information is gathered and assessed in our ESG platform and scorecards.

Transparency

To improve transparency, Niam is a member of the European Association for Investors in NonListed Real Estate Vehicles (INREV), supporting their objective to improve transparency, professionalism and best practices across the real estate sector in order to make the asset class more accessible and attractive to investors. Our Core-Plus funds also comply with INREV's reporting guidelines in interim financial reporting.

Furthermore, we report to the Global Real Estate Sustainability Benchmark (GRESB) in order to properly measure and communicate our sustainability efforts in the Niam Nordic Core-Plus funds. All of our financial reporting also follows local GAAP and IFRS financial reporting standards.

Niam's adherence to TCFD further increases transparency and makes it easier for investors and other stakeholders to make informed decisions and a fair assessment of Niam's long-term opportunities for profitable growth.





Environmental

One of Niam's highest priorities is reducing climate and environmental impact of our assets. The built environment has a considerable impact with great improvement potential. With investment in renewable alternatives and energy efficiency schemes, we aim for net zero in new construction phase by 2045.

Environmental ambitions, goals and activities

Ambitions:

- Contribute to a sustainable society and reduce Niam's climate impact



Goals:

Examples

- Energy consumption – Reduce facility energy consumption to 100 kWh/sqm in average (Real Estate)
- Greenhouse Gas emissions – Net zero CO₂e emissions by 2030 for Standing assets and by 2045 for New construction phase (Real Estate)
- Building certifications – All new constructed buildings and major renovations must be certified (Real Estate)
- Increased renewable energy capacity (Infrastructure)
- Increased renewable energy generation (Infrastructure)
- Avoidance of CO₂e emissions (Infrastructure)
- At least 50% loans with sustainability aspects (Credit)



Actions:

Examples

- Energy saving measures
- Better data coverage from metering (necessary for analysis and for prioritisation of energy saving measures)
- Installation of renewable energy solutions (e.g. solar panels)
- New renewable electricity agreements with electricity providers
- Environmental certifications of more buildings
- Green and sustainability linked loans



Niam and Haninge Municipality collaborate to revitalize the city center and its surroundings, aiming to create an attractive urban hub in Haninge, south of Stockholm
Illustration: Equator

Ensuring that we do our share

Today, all companies must do their part to fight climate change, prevent climate risks, safeguard and promote biodiversity, and reduce the excessive use of natural resources. At Niam, we are determined to meet our stakeholders' high expectations on us in this area.

The built environment has a considerable impact on climate change and the environment through construction, operation, maintenance and renovation. There is great potential for reducing climate impact and other negative environmental impact. Safeguarding the natural environment in and around the built environment is furthermore intrinsically linked to social issues relating to safety, sense of home, ecosystem services and more.

Aiming for net zero

Although our business model includes divestment of funds and sales of our assets after our holding period of management, Niam as a real asset fund manager still has the potential to create positive impact and reduce the negative impact of our assets. We are determined to do so, while at the same time improving our bottom line. Some of

Niam's highest priorities are to reduce our climate impact, our use of energy and the environmental impact of our property development. We have set out on a journey to reach net-zero CO₂e emissions and are following the TCFD framework for disclosing climate-related risks and opportunities through our reporting processes. Energy and water consumption in our properties is monitored which enables analysis and the calculation of greenhouse gas data.

Niam is switching entirely to renewable facility electricity in all our properties, supporting our purchases with guarantees of origin to the furthest extent possible. In the longer term, we also aim for 100 percent renewable heating and cooling, but for this we are dependent on the current energy infrastructure and district heating providers in our

countries of operation. We are also reducing our energy consumption and certifying new buildings and major renovations in accordance with sustainability standards. Furthermore, we are contributing to increasing the capacity and generation of renewable energy through infrastructure investments in the markets where we are active, which helps reducing CO₂e emissions.

In this report, you can read about a few examples of Niam's climate initiatives. In Finland, we have successfully worked to increase properties' energy efficiency and installed solar panels. In Sweden, and later on in other parts of the Nordic region, our investments in Nima Energy are helping to establish vital ultra-fast electrical vehicle charging capacity needed for fossil-free transportation between and within cities.

Lowering our impact from property development

Niam is increasing the focus on how we can further lower the environmental and climate impact at the stages of new construction and major renovations, which stand for a big share of modern property's greenhouse gas emissions. Properties that we buy, develop and renovate shall always be safe for people and the environment alike. At acquisition and during project development, we assess all relevant aspects. The great importance of the supply chain and production phase calls for close collaboration with suppliers and contractors. All agreements with contractors come with an environmental plan, dictating aspects such as chemicals management, choices of construction materials and waste, with the purpose of mitigating the negative climate impact of the new construction project. We follow up on performance over time and contractors are held accountable for any deviations. At the time of divestment of a

building we provide the buyer with all applicable information regarding the environmental performance and impact of the building. During 2023, we also started collecting scope 3 greenhouse gas emissions data from project development's new constructions and major renovations.

Policies and certifications

Our environmental actions are guided by our sustainability goals and the comprehensive Sustainability Policy, Environmental Guideline and related documents, which outline how we work with certification of properties, environmental regulations and technical standards. We monitor and stay updated on the evolving field of environmental legislation with the monitoring help of a third party. Niam is ISO14001 and ISO9001 certified and as a complement, some of our properties have various environmental certifications. As part of the implementation of our environmental management system, we have identified and evaluated the environmental aspects relevant to our business. We have an Environmental Plan for use by Niam staff when assessing buildings pre-investment and to work with during the holding period.

Internal environmental efforts

Niam also works to limit the negative environmental and climate impact of our internal business operations that is not directly connected to our real estate assets, infrastructure investments or lending. For instance, at all our country offices we are working to switch to renewable energy and we follow guidelines describing how to sort waste as well as lower the amount of waste. Furthermore, our Travel Policy clearly prioritises low-impact modes of travel such as trains and public transport.



Residential development in Nærheden, 25 km west of Copenhagen city centre in Denmark

Environmental results

Niam AB

CO ₂ e emissions* (metric tons of CO ₂ e)	2023	2022	2021
Niam AB emissions:			
Business travel (scope 3)	220	174	N/A
Company cars (scope 3)**	21	11	8
Niam country offices energy consumption (scope 2)	11	8	5

Emissions for Real Estate, Infrastructure and Credit are shown in respective tables

Energy consumption	2023	2022	2021
All Niam country offices (MWh)	201	160	162

* Greenhouse gas emissions have been calculated using emission factors from AIB 2022 and DEFRA 2023, Energistyrelsen Danmark (2020, Finnish Energy (2024), Norsk Fjernverme (2023), Energiföretagen in Sweden (2022), IFI Dataset for Default grid factors (2021). The changes in scope 2 and 3 between 2022 and 2023 are due to better data coverage and updated emission factors to increase quality and reliability of emission data

** Our GHG emissions from commuting to work are very small and not disclosed separately in this report. Most of these emissions are included in Company cars

Real Estate

CO ₂ e emissions* (metric tons of CO ₂ e)	2023	2022	2021
Scope 1:			
Leakage of refrigerants	480	N/A	N/A
Incineration from own buildings	2	N/A	N/A
Total Scope 1:	482	N/A	N/A
Scope 2:			
Facility electricity	4,807	N/A	N/A
Facility heating	4,410	N/A	N/A
Facility cooling	887	N/A	N/A
Total Scope 2:	10,103	15,548	21,934
Scope 3:			
Tenant electricity	4,467	N/A	N/A
Tenant heating	1,175	N/A	N/A
Tenant cooling	0	N/A	N/A
Tenant waste	495	974	N/A
New construction and major renovations (>1 mEUR)	10,332	N/A	N/A
Category 3 emissions not included in Scope 1 or Scope 2	2,983	N/A	N/A
Total Scope 3:	19,452	6,920	1,470

Real Estate continues on next page

Real Estate, cont.

Energy consumption of all properties (MWh)	2023	2022	2021
Facility electricity	44,691	45,325	46,451
Facility heating	65,913	75,005	81,322
Facility cooling	5,715	7,501	3,531
Total facility energy	116,319	127,831	131,303
Tenant electricity	69,478	43,474	24,179
Tenant heating	20,470	11,323	N/A
Tenant cooling	945	615	N/A
Total tenant energy	90,623	55,412	24,179
Average facility energy per year (kWh/sqm)	2023	2022	2021
	107	137	145
Renewable facility electricity in our properties (%)	2023	2022	2021
	88	64	N/A
Renewable facility heating in our properties (%)	2023	2022	2021
	73	40	N/A
Renewable facility cooling in our properties (%)	2023	2022	2021
	78	17	N/A
Facility and tenant water consumption (megalitres)	2023	2022	2021
	441	692	145
Waste generated by tenants (metric tons)	2023	2022	2021
	24,348	44,815	1,375
Certification status all properties (%)	2023	2022	2021
	52	N/A	N/A

Infrastructure

Renewable energy capacity (MW)	2023	2022	2021
Niam owned installations	5.7	N/A	N/A
Installed by Niam investee	15.6	7	N/A
Renewable energy generation (MWh)	2023	2022	2021
Niam owned installations, scope 3	12.8	N/A	N/A
Installed by Niam investee, scope 3	12.5	N/A	N/A
Avoidance of CO ₂ e emissions, estimated (metric ton)	2023	2022	2021
Niam owned installations, scope 3	3,975	N/A	N/A
Installed by Niam investee, scope 3	414	N/A	N/A

Credit

Energy consumption (MWh)	2023	2022	2021
Energy consumption in all properties (facility energy and some tenant energy)	48,646	N/A	N/A
CO ₂ e emissions* (metric tons of CO ₂ e)	2023	2022	2021
Energy consumption in all properties (facility energy and some tenant energy)	1,274	N/A	N/A

* Greenhouse gas emissions have been calculated using emission factors from AIB 2022 and DEFRA 2023, Energistyrelsen Danmark (2020, Finnish Energy (2024), Norsk Fjernverme (2023), Energiföretagen in Sweden (2022), IFI Dataset for Default grid factors (2021). The changes in scope 2 and 3 between 2022 and 2023 are due to better data coverage and updated emission factors to increase quality and reliability of emission data

/ CASE /

Nima Energy is rolling out ultra-fast EV charging sites

Niam Infrastructure's investment in Nima Energy is helping the roll-out of ultra-fast charging infrastructure for electrical vehicles (EV) around Sweden. In December 2023 Nima opened three sites with 24 charging points and another 150 are under construction.

Nima Energy is based in Malmö. The company was founded in 2020 based on the importance of establishing ultra-fast EV charging infrastructure for the society-wide shift to fossil-free vehicles. Back in 2022 Niam and Nima embarked on a collaboration to realise the company's plans to roll out and operate ultrafast charging stations around Sweden and on to the rest of the Nordic region. As a result, Niam Infra Fund became a minority shareholder in Nima.

In 2023 Niam decided to inject additional capital to speed up the roll-out and thus increased its ownership stake in Nima from 15 to 23 percent. In December 2023, Nima opened three charging sites with a total of 24 charging points along three major highways in southern Sweden. In total

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The transition to electric vehicles is contingent on significant infrastructure investments.

Sverker Åkerblom,
CEO of Niam Infrastructure



/ CASE /

150 charging points were under construction at the start of 2024. In February, two sites with 12 charging points opened in central Stockholm and another 38 charging points will open in the city during the summer.

“Our charging points are fast, easy and reliable. Using the latest technology, with a minimum of 300 kW, it is possible to charge up to 300 km in about 15 minutes. We offer this service at a favourable flat price and this regardless of whether you use your credit card or our app. In addition, we are located in strategic and attractive locations, where you as a driver need us to be,” says Marcus Landelin, CEO of Nima Energy.

To enable the transition to electrical vehicles, more ultrafast charging is needed along the network of highways and major roads. In big cities where there is a great number of commercial vehicles, such as taxis, and a large part of the population lives in flats, it is also a crucial part of the puzzle. Starting in Sweden, Nima’s ambition is to, by the end of 2026, build a total of 1,250 ultrafast charging points in in the Nordic region. Niam infrastructure’s investment in the company helps to accelerate the process, and thereby the transition of the vehicle fleet.

”It is really exciting to follow the rapid expansion of our portfolio company Nima. The transition to electric vehicles is contingent on significant infrastructure investments. Together with Nima we have the opportunity to accelerate this transition by rolling out accessible and ultra-fast EV charging that cater to the needs of drivers, today and tomorrow,” says Sverker Åkerblom, CEO of Niam Infrastructure.



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Our charging points are fast, easy and reliable. Using the latest technology, with a minimum of 300 kWh, it is possible to charge up to 300 km in about 15 minutes.

Marcus Landelin,
CEO of Nima Energy

/ CASE /

Properties made greener in Finland

One important element in Niam's efforts to reduce our climate impact is to find ways of improving the energy performance of properties through investments during our ownership. Two successful recent examples of this concerns properties in Finland.

Kaarinantie 700 is an industrial property on the outskirts of Turku where the original building was constructed in the 1960's and then expanded three different times during the 2000's. Niam bought the property in the summer of 2022. As part of the business case the two major tenants, who together are leasing almost all of the property's space, agreed to prolong their lease agreement by five years. This was done provided that Niam invested in a series of energy efficiency measures.

With the goal of meeting the needs of the tenants and reducing the climate impact from the property, Niam partnered with Enerz, an energy efficiency solution provider. In a turnkey project from Enerz Niam has during 2023 invested in optimizing

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In an old building with old systems an overhaul like this can really make a big difference. The property has become much greener than before, and everybody wins.

Saari shopping centre in Helsinki, Finland. In 2023 Niam installed 300 solar panels providing 15 percent of the property's energy needs



Markku Strömberg,
Director, Portfolio Management at Niam Finland

/ CASE /

building automation, adding sensors and renewing actuators, new ventilation equipment, new circulating water pumps and regulating valves, a hybrid air-water heat pump system, solar panels and low-energy LED lighting. All in all, the increased energy efficiency represents a reduction in greenhouse gas emissions of nearly 3,700 tons CO₂e equivalents during the life cycle.

“In an old building with old systems an overhaul like this can really make a big difference. The property has become much greener than before, and everybody wins. For us the prolonged lease adds value, and both tenants are very happy with their reduced energy costs – and a better indoor climate on top of that,” comments Markku Strömberg, Director, Portfolio Management at Niam Finland.

The Saari shopping centre in Helsinki is a property that Niam bought newly built in 2019. In such a new building there were not that many options for further energy efficiency investments, although considerable efforts had to be put into optimising different systems and getting the building automation right. However, Niam saw the potential for installing solar panels on the roof of the building.

Niam invested in a turnkey project from the local energy company Helen, installing 300 solar panels with a total power production capacity of 111 kWp, providing 15 percent of the property’s energy needs. The system was installed and

up-and-running in November 2023 and the production is living up to what was planned. Displays will also be installed in the centre, to let all visitors see how much energy the solar panels are producing.

“Moreover, all the electricity that we buy comes from renewable sources, so this is truly a green shopping centre. Any cost savings that we realise from producing our own electricity are passed on to the tenants,” explains Markku Strömberg.

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Moreover, all the electricity
that we buy comes from
renewable sources, so this is
truly a green shopping centre.

Markku Strömberg,
Portfolio Management at Niam Finland





Social

Niam recognises the connection between asset value and social sustainability. Trust, well-being and security adds value to society and communities, and increases asset value. Healthy, inclusive and safe workplaces is necessary for attracting the best employees and partners. Thus, social sustainability is a core priority.

Social ambitions, goals and activities

Ambitions:

- To provide employees with a workplace which recognizes the requirements of equal opportunities, obligations and rights between employees
- Satisfied stakeholders
- Safe and social attractive assets and development projects

Goals:

Examples

- At least one social initiative for each new construction and major renovation project
- ESI – 4.2 (Employee Satisfaction Index)
- ISI – 4.2 (Investor Satisfaction Index)



Actions:

Examples

- In 2023, Niam collaborated with a diverse group of employees to craft an Employer Value Proposition (EVP), articulating commitments to existing staff and potential hires, to foster a supportive workplace environment promoting growth and development
- Niam Credit engaged with experts to explore effective strategies for promoting social sustainability within the sector, aiming to foster positive impacts on communities and property values alike
- Community engagement initiatives in residential projects
- Strengthened internal information to increase employee engagement and satisfaction

People make up our business

To realise Niam's vision to be the leading real asset manager and partner of choice, we must attract, develop and bring together the best employees in our industry. This makes our workplace, culture and conditions key social issues for us. To lead also means that we must uphold fair working conditions in our value chain and promote social sustainability through our assets, development projects and credit solutions.

In order to fulfil our very high ambitions in the competitive and ever-changing marketplace where we operate, Niam must attract, develop and bring together the best employees in our industry. To offer a workplace that is healthy, inclusive, safe and attractive not only adds value to our employees, but it is also business-critical for us. For similar reasons, we demand fair working conditions throughout our value chain.

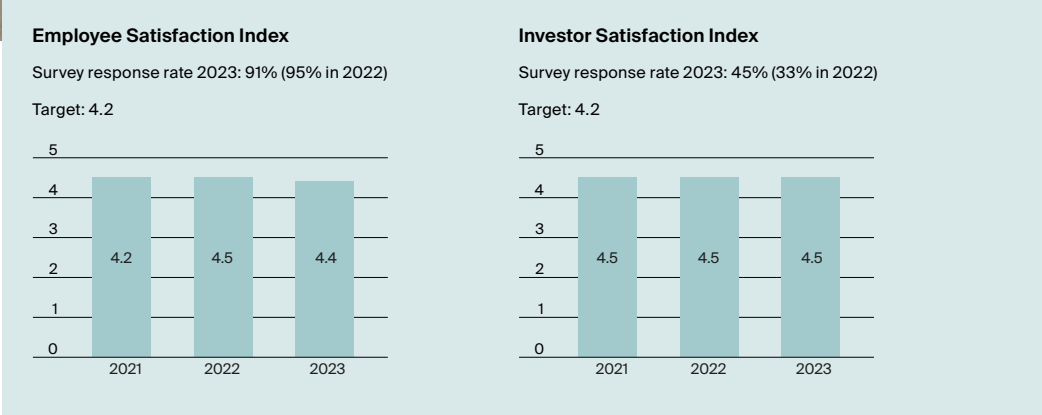
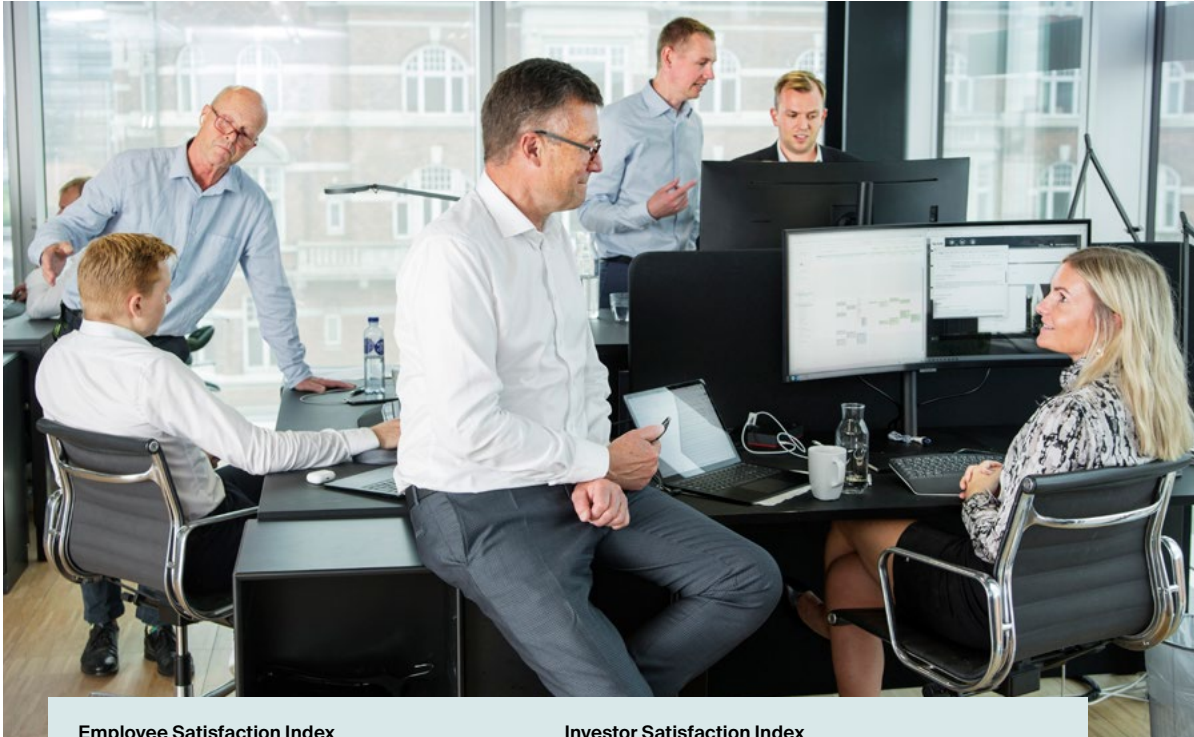
There is a well-documented connection between asset values and social sustainability. If the latter erodes in a city or district, there is a strong probability of adverse effects on the former. As social trust, well-being and security both add value to society at large and increase asset values, Niam

has strong incentives to promote social sustainability through our own investments and development projects, as well as when financing other market operators via our credit solutions.

Ambitions for employee and investor satisfaction

Niam has the ambition to provide our employees with a great workplace where they thrive, evolve and excel. Our employee survey is a highly valued tool for us to ensure that we fulfil our promise to our employees. We measure and follow up on engagement, team efficiency, leadership and work environment for each team, as well as on the Niam group level. Each team meets in workshops to discuss the result and to set actions on identified focus areas. The management teams have separate sessions together with HR to analyse and set actions on group level and for each business area. As a complement to the specific focus areas, we also receive an ESI (Employee Satisfaction Index) score which for 2023 was 4.4 out of 5.0.

We also measure and set targets for investor satisfaction, covering another important group of stakeholders for Niam. For many years, Niam has received high satisfaction ratings from our investors. The feedback and rating of Niam's performance make up an important acknowledgement and provide valuable insights for us to constantly improve our communication over time.



A holistic employee approach

Niam has a holistic approach to supporting and developing our employees. We acknowledge the importance of clear guidelines that act as a guiding light in our day-to-day operations. We strive to provide a good work environment and inclusive work places for all. To aid us in this effort, we utilise frameworks such as our HR strategy, alongside guidelines like our Employee Value Proposition.

The HR strategy, along with supporting documents, establishes the framework for how we uphold human rights and labour rights, nurture our employees, conduct recruitment, promote diversity, manage the physical and psychosocial work environment, facilitate competence development, and determine remuneration.

In 2023, Niam formulated our **Employer Value Proposition** (EVP), a statement and platform describing what Niam can offer our employees. Our EVP is summarized in the phrase Uniting leading expertise – a powerful statement on why existing and future employees would choose Niam as a workplace over our competitors. The core of Niam is built upon four cornerstones and in some ways they act as the guiding principle steering our efforts to remain a great workplace. Binding us all together is our strong dedication to deliver results, our pride in our heritage and strong track record, our ability to recognize and leverage each other's strengths, and the firm belief that our collective knowledge makes us a preferred partner.

Explore further details about Niam's EVP initiatives in an interview featuring Hanna Bedinger, HR Manager at Niam, on page 34.

Niam also works hard to ensure a **good work environment**, actively promoting wellness across all our offices through various health initiatives. Among the highlights of 2024 were monthly health walks, where colleagues came together for a stroll followed by a shared lunch, beneficial for both networking and well-being. Other valued activities included on-site massages and organized training sessions at gyms or with various fitness providers.

At Niam, we recognize the importance of **diversity and inclusion** and are working to further enhance diversity among our employees. To this end, in 2023 we introduced an e-learning training programme for leaders on the subject. We strive for a gender balance with 50/50 distribution, a goal that we are approaching on the overall level including all employees. In 2024, we plan to introduce more precise gender equality objectives. Our hiring is based on job qualifications and merit, regardless of personal characteristics such as race, gender, sexual orientation, age, disability and so on. In our recruitment processes we highlight the importance of diversity and demand that the external recruiter presents a wide variety of candidates.

By the end of 2023, Niam had 102 permanent and 4 temporary employees. When required, Niam engages specialists on a consultancy basis.

Continuous competence development

Niam does not only have a high-performance culture, but we also set up the necessary conditions for people to grow. All employees regularly review their annual goals and development objectives, as well as define individual targets and training needs with their manager. Corporate objectives and individual development goals are regularly reviewed and strongly aligned with and linked to employee compensation incentives.



Performance driven culture

We are a team of specialists with a passion to perform, uniting leading expertise to put capital and ideas to work

Strong heritage and legacy

With a consistent track record since our inception in 1998, we have built a leading position and a strong reputation in the market

Growing people potential

We identify your strengths for you to evolve with Niam

Leading by example

We support and bring out the best in each other, together and as individuals

Part of Niam's EVP – Niam's strengths and a promise to our existing and future employees

Employees also receive regular training and education to support the development of their expertise and ensure that they are informed about all Niam policies. This includes developing their knowledge and competence within the area of sustainability.

Social initiatives in new construction

We have set the goal to include at least one social initiative in each new construction and major renovation project that we undertake.

The social aspect of sustainability is a strong focus for Niam. By designing our assets and their neighborhoods in an attractive way and having safety as a basis for the construction and layout makes people what to live and work in our assets, leading to higher attractiveness and property values.

Some examples of Niam’s social initiatives:

- Niam continuous to create community engagement in our residential homes in Denmark
- Niam has been a partner to the initiative Haninge Entré during 2023 and the initiative Samverkan Huddinge in Flemingsberg, Stockholm

For more information about Niam’s social initiatives and cases, please visit www.niam.com.

When making decisions concerning social investments, we can make use of the insights and recommendations provided in the research report commissioned by Niam Credit and released in 2023. (Read more about the report “Social Investments in the Real Estate Market” on page 36). Likewise, we will use the report’s recommendations in our methodology when Niam Credit is evaluating potential financing opportunities with social targets.

Upholding fair working conditions in the value chain

We strive to ensure a healthy and safe workplace, both physically and psychologically, for the many skilled individuals managing, maintaining and developing our properties on our behalf. Niam has developed a supplier evaluation process as part of the purchasing procedure. This includes ESG assessment of our big suppliers and the assessments are done through our ESG Platform.

A survey is sent to the supplier that includes questions about for example; general company information, overall management, quality, business ethics and anti-corruption, labour standards, human rights, occupational health & safety, environment, supply chain and IT-security. The results of the survey are guiding in selecting suppliers that are following good ESG practice and that are in line with Niam requirements.

Niam requires all counterparties to produce a work environment plan aligned with work environment laws and regulations. The work environment plan must be approved by Niam. All project agreements also include a commitment to Niam’s Code of Conduct. This requires compliance by all counterparties with our standards on ethics and integrity. They must act in accordance with all applicable laws regarding for example anticorruption, anti-money laundering and fair employment practices. Niam receives incident statistics reports from turnkey contractors and property managers on a regular basis.

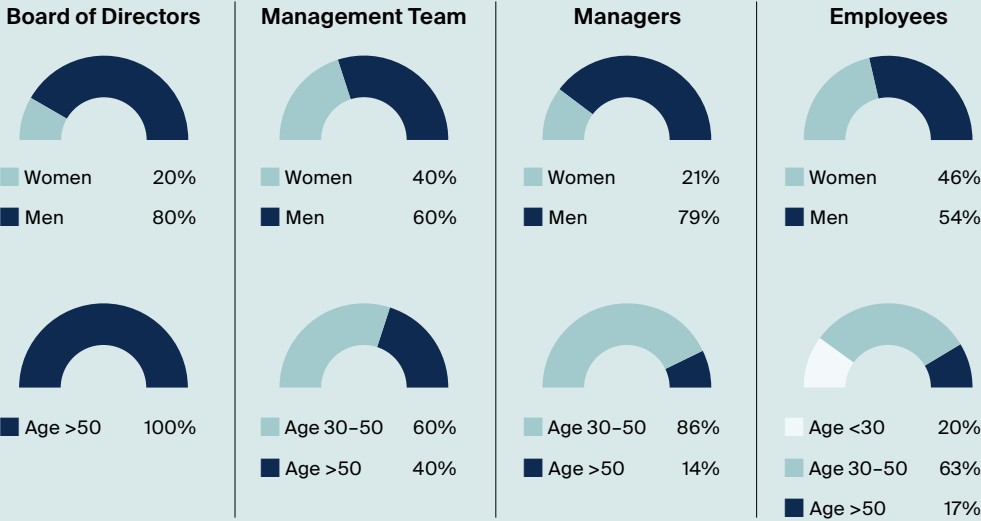
As part of Niam’s ISO certification, annual partner audits of some of our suppliers (for example a contractor or a property manager) are performed to make sure that they work according to the ISO standards or equivalent, which is also regulated in the agreements. To manage incidents and risks, the first step is to become aware.

Employees by employment contract and country

Besides the employees making the Niam business a reality in our offices, we are also dependent on the skilled capacity of numerous individuals who manage our properties on behalf of us, such as our property managers.

	Permanent	Temporary	Total
Real Estate – Denmark	11	1	12
Real Estate – Finland	9	2	11
Real Estate – Norway	4	0	4
Real Estate – Sweden	38	0	38
Infrastructure	6	0	6
Credit	12	1	13
Central functions incl. Luxembourg	22	0	22
Total	102	4	106

Employees broken down by gender and age



/ INTERVIEW /

Expertise is Niam's greatest strength



A crucial factor for the success of Niam's business is our ability to attract, develop and bring together the best employees in our industry. In 2023 we formulated an Employer Value Proposition that will guide us in our efforts to be a great workplace where people thrive.

For Niam, it has always been central to listen to our employees, create dialogue, and take in input for continuous improvement and company development. In order to work even more proactively with this, Niam took the step in 2023 to formulate an Employer Value Proposition capturing the promise to our existing employees as well as what we can offer our potential new employees.

"To achieve this objective, we set up a group representing all parts of the organisation. Using what has transpired in employee surveys as a starting point, we worked together to find the core of Niam and what makes our people appreciate working here. We identified what is important in our

industry, our own strengths and what existing qualities we should nurture, as well as where there is room for improvement," explains Hanna Bedinger, Head of Human Resources at Niam.

This process involved looking into all aspects of Niam's offering as an employer such as career development, culture, social activities and compensation and benefits. One of the most significant strengths that was identified was the chance of teaming up with industry-leading expertise in real asset management. Niam's employees value to work in a performance-driven culture where the support from colleagues is high and the unity is strong.

"Our ability to grow people's potential is also very important and something that we can improve even more. In 2023 we have been working intensely with creating a clearer, more conscious and well-considered process for individual long-term career planning," says Hanna Bedinger.

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In 2023 we have been working intensely with creating a clearer, more conscious and well-considered process for individual long-term career planning.

Hanna Bedinger,
Head of Human Resources at Niam

/ INTERVIEW /

“In addition to these initiatives, Niam has also made improvements in promoting inclusion and diversity. For instance, the company has introduced an e-learning training programme about this topic tailored to leaders. As we move forward into 2024, Niam will develop our social sustainability goals further and set forth new, precise targets with a spotlight on gender equality objectives,” says Hanna Bedinger.

Niam's employee satisfaction index remained at a stable and high level 2023. The employee Net Promotor Score (eNPS), measuring the likelihood of employees recommending Niam as an employer, saw a slight decrease compared to the previous year. The decline in the eNPS can be partly ascribed to challenging market conditions and organisational restructuring undertaken in 2023, as Niam expanded its operations to include three business areas: Niam Real Estate, Infrastructure and Credit. Consequently, there has been an increased emphasis on providing support to the organization to improve in this area.

“Looking ahead to 2024, we will continue working with implementing our Employer Value Proposition in the organisation. We are also intensifying our work within employer branding, especially targeting university students and young professionals. Among other things, we are starting up an internship programme for students and a graduate program that offers young professionals the chance to gain experience across different departments within the company,” concludes Hanna Bedinger.



/ CASE /

Finding the best methods for promoting social sustainability

Social sustainability is an important issue for the entire real estate sector and there is a growing focus on the role of property owners and financiers in promoting it. Niam Credit has commissioned a report to get a deeper understanding of the issues and help find the best methods to make a real difference.

As two important pillars of society, companies and financial institutions are in a strong position to have a positive impact on society. This is certainly the case in the real estate sector, given that properties play such a central role in their surrounding communities and can contribute to advancing the economic and social well-being of people.

“Segregation, poor security and inequality are important challenges facing society today, and we would like to have a positive impact on these issues. Beyond the value for people there is a connection between social sustainability and property values. That is why investments contributing to



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Segregation, poor security and inequality are important challenges facing society today, and we would like to have a positive impact on these issues.

Ulrika Lööf,
Head of Sustainability at Niam Credit

/ CASE /

social trust, well-being and security not only add value to society at large but, in the long run, also to property owners,” comments Ulrika Lööf, Head of Sustainability at Niam Credit.

The challenge is that promoting social sustainability can be complex. Establishing the root causes of social problems and doing something about them is not as straight-forward as, say, making a building more energy efficient. In a social context, it can also be challenging to establish the real impact of efforts and causality between various initiatives and actual outcomes.

“As a real estate credit fund, Niam Credit is committed to drive positive impact through our lending activities, but we also recognise that our role goes beyond simply providing capital. We want to find out how we can best support and enable social sustainability projects within the sector,” continues Ulrika Lööf.

To improve the understanding of the area and identify solid, proven methods for promoting social sustainability, Niam Credit turned to experts and commissioned a report on the subject written by economist Ingvar Nilsson and behavioural scientist Eva Nilsson Lundmark. They have over 40 years of experience of working within investments in social sustainability and have been involved in several successful initiatives to this end in Sweden.

“We will use the report’s findings in our own methodology when evaluating potential financing opportunities with social targets. But we also hope to provide insights and guidance for real estate lenders and investors on how they can approach the work with social sustainability,” says Ulrika Lööf.

The report, which was also the subject of a seminar organised by Niam in May 2023, points out how real estate owners can take a wider role in collaboration with other actors and how financiers can approach social investments.

“An important point, however, is that there are no quick-fixes, and the appropriate actions differ between individual cases. A deeper understanding of the challenges and the right scope of action are very important factors for positive long-term impact,” concludes Ulrika Lööf.

The full report is available at: www.niam.com



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We will use the report’s findings in our own methodology when evaluating potential financing opportunities with social targets.

Ulrika Lööf,
Head of Sustainability at Niam Credit

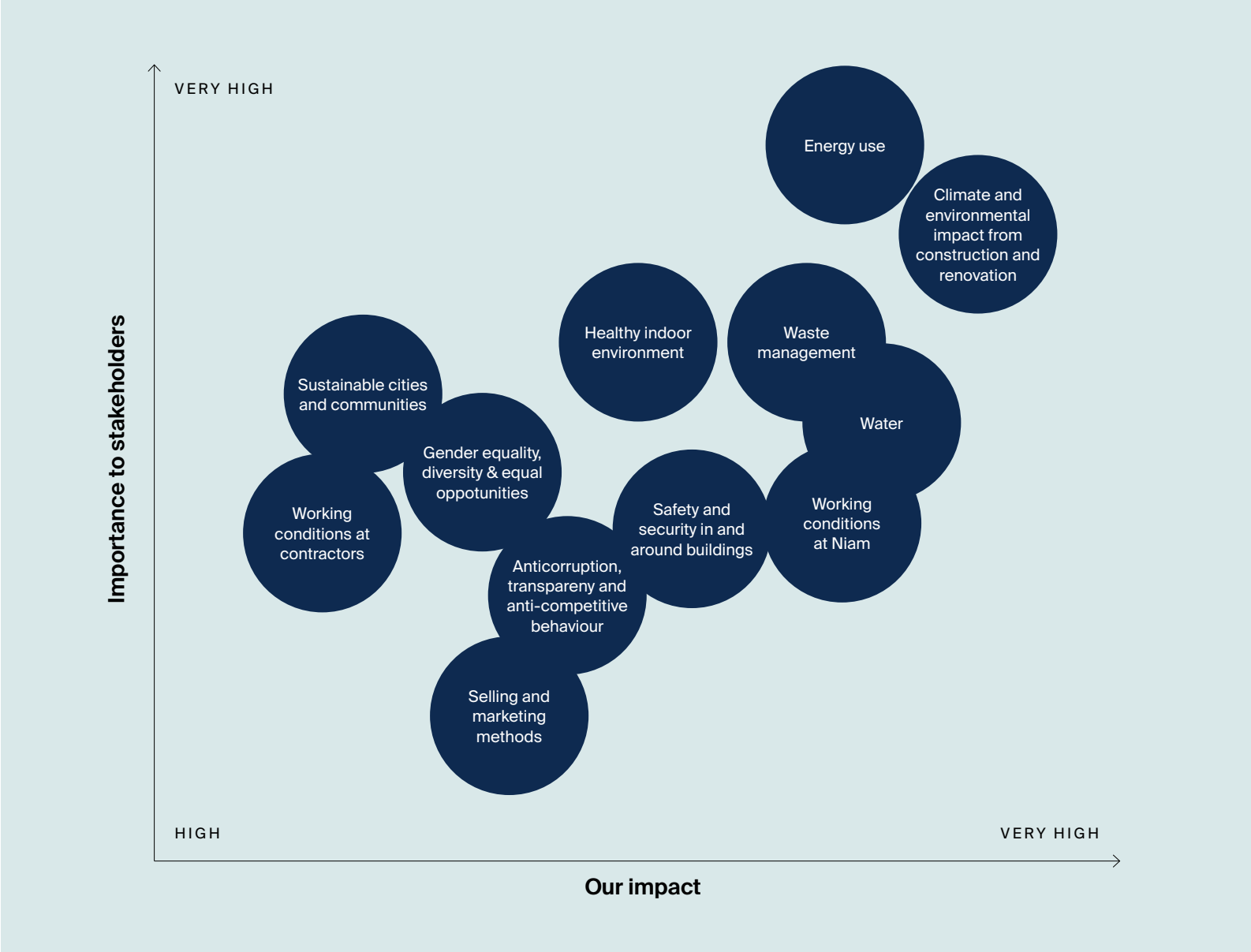


Additional information

Materiality analysis

Niam's materiality analysis, conducted in 2020, serves as a foundation for our sustainability work and has been instrumental when setting goals and developing internal processes. The materiality analysis has identified 12 sustainability topics as our most material. The analysis was based on a thorough stakeholder dialogue with tenants, investors, debt providers, regulatory authorities and Niam employees. It also considered our company's impact, risks and opportunities, and external frameworks such as the UN Sustainable Development Goals, Global Compact and UNPRI.

During 2023 and 2024 a double materiality analysis in accordance with CSRD is carried out. The results of the double materiality analysis will be presented in the Sustainability Report 2024. Sustainability reporting for the year 2024 will be guided by the double materiality analysis.



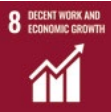
Advancing our contribution to the 2030 agenda

Niam has identified six UN Sustainable Development Goals (SDG), to which we see that we can contribute in a credible way.



Sustainable cities and communities

Real Estate and Infrastructure
Being a real asset fund manager, SDG 11 encompasses most of what we work with and stand for. To realise current and future value of our assets, these need to play their part in ensuring cities are inclusive, safe, resilient and sustainable



Decent work and economic growth

Real Estate
We may not be that many that work at Niam, but there are many more people working in and around our properties not directly employed by us. Property development and maintenance are sectors known to have issues with unlawful and unfair labour practices, making it all the more important that we engage with contractors and suppliers to ensure all employees are safe and treated properly.



Responsible consumption and production

Real Estate
Developing and managing properties still requires large amounts of energy and materials. Our day-to-day work with environmental management aims to ensure this consumption is as responsible and efficient as possible. Among other things this means reducing waste, improving energy efficiency and using natural resources such as water and resources used as construction material more wisely.



Affordable and clean energy

Infrastructure
The assets managed by Niam Infra Fund are contributing to ensure access to affordable, reliable, sustainable and modern energy for all. This is done by ensuring universal access to affordable, reliable and modern energy services and also increasing substantially the share of renewable energy in the global energy mix.



Industry, innovation and infrastructure

Infrastructure and Credit
One important part of the Niam Infrastructure investments are to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. The investments will develop quality, reliable, sustainable and resilient infrastructure, including regional transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. Niam Credit's sustainability strategy is to finance the decarbonisation and sustainable transition of the real estate sector and as such has the potential to contribute substantially to sustainable innovation.



Climate action

Real Estate, Infrastructure and Credit
All Niam platforms take action to combat climate change and its impacts. Niam is connected to international cooperations aimed at accelerating the reduction of global greenhouse gas emissions and addressing adaption to the adverse impacts of climate change.

Climate-related scenario analysis

The Task force on Climate-related Financial Disclosures (TCFD) is a voluntary initiative where companies can report on how climate risks and opportunities may affect their operations and finances. To further improve the basis for our strategic considerations, Niam started to report on this framework in 2023.

Climate change is an integrated part of sustainability considerations at Niam and managed through the organisation and processes described under the subheading Organisation and management above. Climate is a subject of high priority for us, both from the perspective of how we as a company have an impact on it and from the perspective of how the climate affects us in terms of risks and opportunities.

Scenarios help us understand the risk landscape Niam is operating in. In identifying the potential climate-related implications on business operations, Niam has undertaken a scenario analysis based on the TCFD recommendations. The analysis involved

two different emission scenarios indicating the cumulative effects of climate change by 2100, as projected by the Intergovernmental Panel on Climate Change (IPCC).

Many risks and/or opportunities may materialise in both scenarios, but to different magnitudes, and are evaluated based on their likelihood and anticipated impact over the short (~5 years), medium (~5-25 years), and long term (~25-75 years), extending to the year 2100. The analysis covers both physical and transitional risks and opportunities that could shape Niam’s business trajectory.

Overall, Niam considers that the business model and established internal process make it well positioned to mitigate risks and seize opportunities.

In the following climate scenario tables each risk and opportunity has a label of which platform it belongs to, as well as the expected time horizon.

Climate scenarios

Assessing physical and transitional risks for our business, the scenario analysis we conducted involved two radically different scenarios developed by the UN International Panel on Climate Change (IPCC).

RCP 8.5 A worst-case scenario

A high-emissions scenario presuming no additional efforts to combat climate change. Characterised by increasing greenhouse gas emissions throughout the century in a “business-as-usual” approach, this trajectory leads towards significant global warming.

- Very high GHG emissions
- Average temperature increases 4–6°C in the Nordics
- Increased temperatures during all seasons with wetter winters
- High dependency on fossil fuels
- High energy intensity
- Rising sea levels of 0.6–1 meters
- Frequent extreme weather events
- Increased number of climate refugees
- The world’s population increases to 12 billion
- Frequent supply chain disruptions
- Customer and investor demand for sustainable business practices is largely unchanged

RCP 2.6 A scenario with a more favourable future

Effective and rapid climate mitigation strategies are implemented. The trajectory requires that emissions have already peaked or are peaking right now, limiting global temperature increases to the Paris Agreement target of 1.5°C. It requires a much more stringent climate policy and offers a future with more favourable conditions.

- Average temperature increases 1.5–3°C in the Nordics
- Seasonal shifts due to temperature increase
- Changes in precipitation patterns
- Emissions will be negative in 2100
- Low energy intensity
- Reduced use of oil
- Fast increase in renewable energy
- The world’s population increases to 9 billion
- High customer and investor demand for sustainable business practices
- Increased emissions reporting and carbon tax

Assessment of physical and transitional risks to climate related scenarios on next page

Assessment of physical and transitional risks to climate related scenarios

RCP 8.5 – A worst-case scenario

Physical risks

- Increased severity of extreme weather events such as heavy rainfall, floods and wildfires leading to direct damage to assets and indirect impact from supply chain disruption. May result in stranded assets. (R, I, C) (Short term and rising)
 - **Risk management:** Evaluation of extreme weather event risks in investment decision-making process and during holding. Needed risk mitigation actions set to be done during holding and flowed up. Own and develop climate-resilient assets
- Acute heat waves leading to operational issues and increased costs. (R) (Short term and rising)
 - **Risk management:** Evaluation of heat wave risks in investment decision-making process and during holding. Needed risk mitigation actions set to be done during holding and flowed up. Own and develop climate-resilient assets
- Progressive shifts in climate patterns, such as rising sea levels and erosion, causing physical damage to buildings and infrastructure, over time resulting in stranded assets. (C) (Medium term and rising)
 - **Risk management:** Evaluation of risks connected to climate patterns, such as rising sea levels and erosion, in investment decision-making process and during holding. Needed risk mitigation actions set to be done during holding and flowed up. Own and develop climate-resilient assets
- Higher temperatures leading to additional cooling requirements, raising energy costs and impacting asset performance. (R) (Short term and rising)
 - **Risk management:** Making assets energy-efficient and consuming renewable energy

Physical opportunities

- Increasingly frequent and severe weather events, as well as rising temperatures and sea levels, providing opportunities to generate revenue from climate-resilient assets. (R, C) (Short-term and rising)
- Higher demand for emergency infrastructure and disaster responses, such as resilient communication, distribution of emergency supplies or improved sea defenses. (I) (Short term and rising)
- Less reliability on traditional energy resources and infrastructure increasing demand for off-the-grid solutions, like solar panels and energy storage. (I) (Medium term and rising)
- Due to climate change more people may migrate to the Nordic countries, raising the demand for properties. (R, C) (Medium term)

RCP 2.6 – A scenario with a more favourable future

Physical risks

- Many identified risks and opportunities in the RCP 8.5 scenario may still occur in the RCP 2.6 scenario, but are expected to have milder consequences

Physical opportunities

- Many identified risks and opportunities in the RCP 8.5 scenario may still occur in the RCP 2.6 scenario, but are expected to have milder consequences

RCP 8.5 – A worst-case scenario

Transitional risks

- Severe climate change leads to new regulations on climate adaptation, resulting in costlier project development. (R) (Short – Medium term)
 - **Risk management:** Use cost efficient building methods and solutions to adapt to climate change. Increase the level of renewable building materials, methods and energy used during project development
- Reduced climate ambitions leading to reverted green policies or subsidies affecting the profitability of green technology investments. (I) (Short-Medium term)
 - **Risk management:** Constantly keeping track of the development within legislation and adopting our investment strategy accordingly
- Lower demand and thereby value for properties not adapted to withstand potential climate changes. (C) (Medium term and rising)
 - **Risk management:** Evaluation of climate change risks in investment decision-making process and during holding. Needed risk mitigation actions set to be done during holding and flowed up. Own and develop climate-resilient assets
- Insurance companies restricting terms and conditions for weather events and/or raising insurance policy costs. (I,R,C) (Short term and rising)
 - **Risk management:** Own and develop climate-resilient assets

Transitional opportunities

- Green infrastructure complying with environmental standards and regulations can take advantage of government incentives such as subsidies, tax breaks or favourable loan conditions. (I) (Short-Medium term)
- Even though the world is heading towards a high temperature scenario, a reputation for climate responsible investing may attract capital from investors who prefer sustainability as well as creating opportunities with other innovative, sustainability-focused companies and organisations. (I, R, C) (Short-Medium term)

RCP 2.6 – A scenario with a more favourable future

Transitional risks

- Increased regulatory requirements relating to climate change mitigation and adaptation leading to higher operational or investment costs. (I, R) (Short-Medium term)
 - **Risk management:** Constantly keeping track of the development within legislation and adapting our investment strategy accordingly. Evaluation of climate change risks in investment decision-making process and during holding. Needed risk mitigation actions set to be done during holding and flowed up. Own and develop climate-resilient assets
- Higher taxation on and less demand for properties with low energy performance. (R) (Short-Medium term)
 - **Risk management:** Making assets energy-efficient and consuming renewable energy
- Unsuccessful investments in green technologies. (I, C) (Short-Medium term)
 - **Risk management:** Investment strategy focusing on new green technologies that are mature enough
- Increased stakeholder expectations on Niam to shift investment strategies to further reducing our CO₂e footprint, leading to suboptimal asset exits and less interest in future capital raises. (I, R, C) (Short term and rising)
 - **Risk management:** Having a close dialogue with stakeholders and being proactive when it comes to changes in assets owned

Transitional opportunities

- Investments in green infrastructure and real estate projects are in a position to take advantage of e.g. government incentives, subsidies, tax breaks or favourable loan conditions. (I, R, C) (Short-Medium term)
- Investing in green properties and infrastructure like 5G, electric vehicle chargers and solar panels results in a better competitive position to reflect shifting consumer preferences, resulting in increased revenues. (I, R) (Short-Medium term)
- Available and affordable clean technologies can be utilised in real estate/infrastructure projects to reduce cost or increase revenue. (I, R) (Short-Medium term)
- A reputation for climate responsible investing attracts capital from investors who prefer sustainability as well as creating opportunities with other innovative, sustainability-focused companies and organisations. (I, R, C) (Short-Medium term)

TCFD-index

Niam has reported climate-related risks and opportunities according to the TCFD framework. The table below shows where disclosures related to the TCFD framework can be found throughout the report.



Recommended disclosures

Governance	Strategy	Risk management	Metrics and targets
A. Describe the Board’s oversight of climate-related risks and opportunities	A. Describe climate-related risks and opportunities the organization has identified over the short, medium and long term	A. Describe the organisation’s processes for identifying and assessing climate-related risks	A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
Pages 15–16	Pages 41–43	Pages 17–18	Pages 23–24
B. Describe management’s role in assessing and managing climate-related risks and opportunities	B. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning	B. Describe the organisation’s processes for managing climate related risks	B. Disclose Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions
Pages 16–18	Pages 17–18	Pages 17–18	Pages 8, 23–24
	C. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios	C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
	Pages 41–43	Pages 15–18	Pages 7, 20

Abbreviations and explanations

SFDR – The Sustainable Finance Disclosure Regulation (EU)

SFDR is a European regulation introduced to improve transparency in the market for sustainable investment products. The purpose is to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants.

The SFDR imposes environmental, social, and corporate governance (“ESG”) disclosure and reporting requirements for a wide range of “financial market participants”, including investment firms and fund managers. This helps those investors who seek to put their money into companies and projects supporting sustainability objectives to make informed choices.

The SFDR is also designed to allow investors to properly assess how sustainability risks are integrated in the investment decision process. In this way, the SFDR contributes to one of the EU’s big political objectives: attracting private funding to help Europe make the shift to a net-zero economy.

PAI – Principal Adverse Impact, part of SFDR

The SFDR makes it mandatory for all financial market participants (FMPs) such as banks, investment firms, and pension funds, to disclose the negative impact their financial products have on the people and planet in a standardized format.

One of its requirements is for FMPs to report on a set of principal adverse impact indicators, also known as the PAIs.

Principal Adverse Impacts (or PAI) is a concept developed to better display negative impacts investments have on various sustainability factors. This way, the market will better understand how a potential investment, portfolio, or financial product impacts the planet and people.

To report on the principal adverse impacts, companies must score the sustainability of their investments based on a set of adverse impact indicators called the PAI indicators. These indicators consist of some mandatory and some voluntary indicators focusing on for example environmental and employee matters, respect for human rights, and anti-corruption and anti-bribery matters.

Niam plan to do the first report with PAI indicators for all three platforms during 2024.

TCFD – Task Force on Climate-Related Financial Disclosures

The TCFD has developed a framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities through their existing reporting processes.

Niam is required to publicly disclose our climate-related governance, strategy, risk management and metrics and targets in line with the recommendations of the Task Force on Climate Related Financial Disclosures. Niam will do this even though TCFD, following their status report release for 2023, has fulfilled its remit and disbanded.

CSRD – The Corporate Sustainability Reporting Directive (EU)

On 5 January 2023, the CSRD entered into force. This new directive modernises and strengthens the rules concerning the social and environmental information that companies have to report.

The new rules will ensure that investors and other stakeholders have access to the information they need to assess the impact of companies on people and the environment and for investors to assess financial risks and opportunities arising from climate change and other sustainability issues.

The first companies will have to apply the new rules for the first time in the 2024 financial year, for reports published in 2025.

Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS).

The CSRD also requires assurance on the sustainability information that companies report and will provide for the digital taxonomy of sustainability information.

Niam AB and its funds are not currently required to follow CSRD but we are proactively conducting double materiality analysis that will be finished in 2024. Additionally, to make it easier to compare us to others, we will align our reporting with parts of ESRS starting from the calendar year 2024.

Taxonomy (EU)

The Taxonomy Regulation constitutes a joint classification system to determine which economic activities should be viewed as being environmentally sustainable with the aim of helping investors identify and compare environmentally sustainable investments.

In order for a certain economic activity to be classified as environmentally sustainable, it must make a substantial contribution to one or several of six established environmental objectives, not cause significant harm to any of the other objectives and meet certain minimum sustainability requirements.

The taxonomy includes the following environmental objectives:

1. climate change mitigation
2. climate change adaptation
3. the sustainable use and protection of water and marine resources
4. the transition to a circular economy
5. pollution prevention and control
6. the protection and restoration of biodiversity and ecosystems.

Niam plans to update the assessment of all Niam SFDR Article 8 assets Taxonomy alignment during 2024 to be reported in 2025.

About this report

This is Niam AB's (organization number 556339- 0789) ninth sustainability report, covering the financial year of 2023 (2023.01.01–2023.12.31) and includes data for our funds Niam Nordic VI, Niam Nordic VII, Niam Nordic VIII, Niam Nordic Core-Plus II, Niam Nordic Core-Plus III, Niam Infra Fund I, Niam Credit II and Niam Credit III.

The real estate performance measurements and associated definitions are in accordance with GRESB unless otherwise stated. HR data has been extracted from our HR system and all figures are given as FTEs, Full Time Equivalents. Energy consumption data for our offices have been collected from our landlords and have been estimated based on leased square meters and the total area and energy consumption of the building. Energy consumption data of our properties has been extracted from our performance management system Mestro. Energy and water consumption have been compiled using a combination of mostly actual consumption data, but also in some cases assumptions regarding average energy and water consumptions per year or per sqm.

At the end of 2023, we had 98 properties in our funds, with energy consumption figures from all of them. 2020 is our baseline year, however, as we proceed with improving the data coverage and quality of data, this might be updated in the coming years. We have initiated measures to further improve our energy consumption monitoring and data collection, addressing the importance of calculating and disclosing more accurate scope 2 and scope 3 emissions. Greenhouse gas emissions have been calculated in accordance with the GHG Protocol using the location based approach. We plan to also include the market based approach in the coming years sustainability report. Operational control has been used in Niam AB internal business and financial control has been used in Real Estate, Infrastructure and Credit platforms. Emission factors are from AIB 2022 and DEFRA 2023, Energistyrelsen Danmark (2020, Finnish Energy (2024), Norsk Fjernverme (2023), Energiföretagen in Sweden (2022), IFI Dataset for Default grid factors (2021). The changes in scope 2 and 3 between 2022 and 2023 are due to better data coverage and updated emission factors to increase quality and reliability of emission data.

Värtahamnen is undergoing a transformation to become one of Stockholm's most sustainable inner-city areas. Niam is building Harbor House – a new modern office building covering almost 6,000 square metres
Illustration: Walk the Room



NIAM

Sustainability Report 2023

About Niam

At Niam, we are committed to equity in action – as a leading real asset manager in northern Europe, we make a meaningful difference by putting capital to work. Building on more than 25 years of trusted experience and outstanding track record, we unite leading expertise to unlock smarter investments in real estate, infrastructure and credit strategies.

We are a team of specialists with a passion to perform. While delivering better solutions for our stakeholders, we also thrive in creating sustainable value in our surrounding local communities. Niam has offices in Stockholm, Helsinki, Oslo, Copenhagen and Luxembourg.

For more information, please visit www.niam.com

