



Sustainability *Report 2019*

NIAM



HighFive, Poland

Founded in 1998.

Offices in Stockholm, Helsinki, Oslo and Copenhagen.

69 employees (approx. 63% real estate professionals).

Assets under management of approx. €3.6 billion.

Creating value through active asset management including NOI increasing activities, tenant improvements, technical upgrades, redevelopments and developments.

Currently managing five close-ended private equity real estate funds.

Niam Nordic V (2011)

Niam Nordic VI (2015)

Niam Nordic VII (2018)

Niam Nordic Core-Plus (2012)

Niam Nordic Core-Plus II (2016)



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Continued focus *on value creating* sustainability practices

Last year, we closed the fundraise of our latest fund, Niam Nordic VII with a total of €1,019 million raised, making it the largest opportunistic real estate fund in the Nordics. We take this as a receipt of a continued strong belief in our way of doing business and creating value. As sound sustainability practices are cornerstones to our approach, we are pleased to note that not only we, but also our investors, see the link between high environmental and social standards and high net operating income.

With the new fund Niam Nordic VII, we now have three opportunistic real estate funds. Together with our two Core-Plus funds, this makes five active funds, with a total asset value of around €3.6 billion. That figure makes us proud, but also humble. It is a serious responsibility our clients have entrusted to us, to manage and generate competitive returns on their investments. Therefore, I see it as one of my most important tasks to ensure all our employees can thrive and excel at work. Because by the end of the day, it is the passion our employees put into their work and our properties that will generate those long-term returns our clients expect.

Looking forward we see that the potential effects of a changing global climate means all of us need to step up. First of all, in order to reduce our carbon footprint so that global warming can stay as low as possible. To further sharpen our actions in this area, we are increasingly making use of software, not only to track energy consumption but to identify deficiencies and



prioritize the most effective measures to further reduce our carbon footprint. Such an assessment is also an important aspect in the due diligence process when acquiring new properties.

But we also need to understand that climate change is already happening, and that not all effects can be avoided. As a property owner and developer, this means we need to adjust and adapt to the inherent risks. Rising sea levels, higher temperatures and

more extreme weather events like storms, floods and droughts may have real, physical impact on our buildings and ultimately affect the value of our properties. That is why we will continue to put emphasis on long-term analysis in both management and development processes.

There are also other aspects of sustainability getting increased attention. A trend that we can see clearly, is the increased focus on wellness aspects of today's workplaces. We have since many years worked with building certifications, which already include aspects related to the quality of the indoor environments, but new certification schemes are coming with increased

focus on health and wellbeing of tenants. We welcome this development and have started to look into which certification schemes to use in the future in order to offer the most relevant information about our properties and create best value for us and our tenants.

To combine continued value growth with sustainability performance is what our sustainability strategy is all about. As a foundation for our work, lies the principles of the UN Global Compact, to which we are signatories. In the following pages you can follow our sustainability progress over the last year.

Fredrik Jonsson, CEO

NIAM is *experience and* local presence

Niam AB, founded in 1998, is a leading private equity real estate firm in Northern Europe with real estate assets under management of approximately €3.6 billion as of December 31, 2019. We are also one of the largest private owners of real estate in the Nordic region.

Our head office is located in Stockholm, Sweden, and we have local offices in the Nordic capital cities of Helsinki, Oslo and Copenhagen. As of end of 2019, Niam employs 63 people and has one of the largest real estate teams specifically focused on the Nordic region with 35 acquisition and asset management professionals.

It is our employees' competence and passion for real estate that is behind our success. A key competitive

advantage for Niam is our local presence and hands-on real estate competence where the top 20 real estate professionals average over 25 years of direct real estate experience.

We follow an active asset management strategy, including in-house project development, which involves regular interaction with property managers, tenants, city planners, politicians and authorities to understand their interests and perspectives.

NIAM is *making progress*

● **2003**
Niam became a member of INREV.

● **2010**
Niam became a member of Sweden Green Building Council.

2009 ●
Niam's internal Management System for quality and environmental assurance was certified in accordance with ISO 9001:2008 and ISO 14001:2004.

2011 ●
Niam launched Niam Green, outlining internal sustainability guidelines.

2012

- Niam began reporting to GRESB.
- LEED Gold® certification awarded to Niam-owned property Stockholm Waterfront Building, a 25,000 sqm office building in central Stockholm.
- BASTA criteria became required for larger developments, avoiding hazardous materials.

2017

- Niam completed its first sustainability report as a Communication on Progress to the UN Global compact.
- Niam starts to collect and measure its properties' energy consumption through the software system Mestro.

2014

In January 2014, the property Kremmertorget, a 13,700 sqm shopping center in Norway, became the first BREEAM classified shopping center in Norway.

2019

At the end of 2019, 25 out of 49 properties were certified according to Bream, LEED or Miljöbyggnad.

Niam acquired Copenhagen Towers, including a Crown Plaza hotel which has been awarded “The World’s Greenest Hotel” and “Most Cutting-Edge Green Hotel” numerous times.

Sustainability at NIAM

Niam always aims to optimize operational efficiency in all of our properties. Our approach to sustainability is no different. Our goal is to proactively manage and respond to the growing range of environmental and social issues that can affect property values directly or indirectly. We see that the benefits of incorporating sustainable investments and initiatives into our properties provides cost savings, value to our customers and capital partners as well as benefits to the wider society. The approach is summarized in the process below.

Sustainability efforts

Reducing cost / Reducing risk /
Increasing tenant satisfaction

Maximizing long term value

SUSTAINABLE DUE DILIGENCE

To integrate the environmental performance of a property, technical and environmental due diligence are mandatory parts of the acquisition process and by that we can reduce risk and help protect long-term returns. We also ensure that we have resilience in times of changes in regulation, as well as physical and societal changes.

OPTIMIZING OPERATIONAL PERFORMANCE

By driving improvements in the environmental performance of the assets we acquire, Niam reduces operating costs, carbon emissions and the use of natural resources. Additionally, it helps to attract and retain tenants, as well as ensuring that we appropriately manage environmental risks.

WORKING WITH TENANTS

Our goal is to create value by offering workplaces that foster innovation and productivity while reducing costs. To be able to offer our tenants attractive premises, we work with them to understand their current and future needs. This includes an evaluation of the qualities of the building, the indoor work

environment, floor plans and capacity. We sometimes acquire buildings that may be considered old or obsolete, with the intention to convert and improve them to raise the financial performance. For example, a major maintenance program may require an uplift of technical standards and installations. In such situations, we always engage closely with the tenants to assure them that the property will meet their future needs.

AIMING FOR CERTIFICATION

One way to assure current and potential tenants of the quality and sustainability of a property is through environmental certifications. Our ambition is therefore always to certify a property if the completed inventory shows that, with reasonable investment requirements, the relevant certification would result in a favorable financial position in negotiations with tenants, future buyers, NOI improvement, etc. When developing our properties, Niam often complies with the BREEAM certification criteria since we usually acquire existing buildings, but we are familiar with all certification systems on the market.



FOCUS ON PEOPLE

All of our efforts are guided by the conviction that the success of Niam is not properties but people: Our employees who reach and exceed expectations every day; our tenants that appreciate the premises

they rent; and the society at large where our tenants and investors operate which need to function and thrive in order to enable our business model. Hence, assessing which implications our actions have on people is at heart of everything we do.

The key to NIAM's success *is its people*

Niam recognizes that we operate in a competitive and ever-changing marketplace where employees should have the courage to be entrepreneurial and where minor mistakes form part of the natural learning process. Our employees are encouraged to use their expertise and experience to take action and responsibility.

The management encourages a holistic approach to develop its people by using coaching and feedback to guide and support employees. Niam is highly focused on attracting and developing the best people to move the organization forward because, simply put, the key to Niam's success is its people. All employees have permanent employment with us and when required, Niam engages specialists on a consultancy basis.

PLAYING IT FAIR

A cornerstone of our Code of Conduct is Fair Employment Practice, in which rules for employment, employee conduct and remuneration are outlined. When hiring new people, management base employment decisions on job qualifications and merit. They make all employment-related decisions and actions without regard to a person's race, gender, sexual orientation, age, disability or other characteristics protected by law. Niam has had no incidences of reported discrimination or sexual harassment.

EMPLOYEES STAY, AND THEY STAY ENGAGED

Satisfied employees are a prerequisite for satisfied clients and investors since it is our employees who interact with the real estate community to deliver the performance expected from a full-service institutional

fund manager. Niam maintains a strong, consistent employee satisfaction over the years and we continue to grow our team. In 2019, nine new people joined the Niam team and the employee turnover was 11%.

**”Employee satisfaction rate
at Niam 2019 is 4.6 out of 5.0”**

Employee satisfaction survey results

2015	2016	2017	2018	2019
4.8	4.6	4.5	4.5	4.6

Employee satisfaction is measured through an annual survey which engages all employees in the process of evaluating the work environment and identifying areas for improvement. The survey is conducted in cooperation with the Great Place to Work Institute and it covers areas such as credibility, respect, fairness, pride, camaraderie and values. In 2019, the response rate to the employee satisfaction survey was 97% compared to 93% in 2018, which is well above the average for any size of organization. The consistently high response rate is a clear indication of high employee engagement as well as satisfaction.

INDIVIDUAL EFFORTS – SHARED SUCCESS

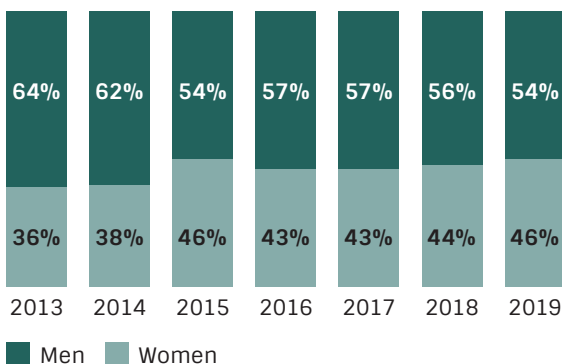
Niam has fully embraced a plan-do-check-act approach across all strategic aspects of the business including company goals, fund specific objectives, property performance and, most importantly, employee development. We utilize a Performance Management system to strengthen our entrepreneurial culture and clearly communicate company goals as well as individual development expectations. All employees review their annual goals and development objectives three times per year with their manager where individual targets and training needs are established. In the Performance Management system, two feed-forward discussions are included each year where the employees identify potential opportunity for personal development together with a co-worker who gives them input and feedback on the chosen areas.

The corporate objectives and individual development goals are strongly aligned and linked to employee compensation incentives and they are reviewed regularly.

EQUAL OPPORTUNITIES

In the Nordics, the real estate sector and private equity sector have a history of an uneven gender composition. This has started to change, and we are happy to see an increase of women in these two sectors, at all levels. At Niam, we continue to aim for a 50/50 distribution, a goal which we are approaching when it comes to all staff. However, due to a 0% turnover, we still have a distribution of 80% men and 20% women in our management team.

Gender distribution



CARING ABOUT PEOPLE

Niam endeavors to provide a secure workplace, both physically and psychologically, for our employees and those who work on behalf of us in our properties

and projects. Compliance with applicable laws and other work environment regulations are required and ensured through active efforts to maintain a healthy work atmosphere.

In all contractual agreements we restrict the use of undeclared labor by requiring ID06 which requires everyone at a construction site to carry ID cards to ensure that only legal workforce is present. In all development project contractual agreements, Niam also require our counterparties to produce a work environment plan, which complies with the Swedish work environment laws and regulations. The work environmental plan must be approved by Niam. Since 2013, Niam receives incident statistics reports from turnkey contractors and property managers on a regularly basis.

As part of Niam's ISO certification, annual partner audits of our turnkey contractors and property managers are performed to make sure that they work according to the ISO standards or equivalent, which is also regulated in the agreements.

”All counterparties commit to complying with Niam’s Code of Conduct”

The signed agreements in our projects also include a commitment to Niam's Code of Conduct to ensure that all counterparties comply with the highest standards of ethics and integrity and are in accordance with all applicable laws regarding for example anti-corruption, anti-money laundering and fair employment practices.

SOCIAL ENGAGEMENT

In our role as real estate fund manager, we are also social developers and we take that responsibility in full earnestness, in all ways we can. In addition to our daily work, Niam supports BRIS (Children's Right in Society) and ECPAT, both with the goal to protect and strengthen the rights of children. Niam also support Stockholm's Stadsmission (Stockholm's City Mission), a non-profit association caring for people caught in homelessness and addiction. The organizations are chosen annually by a voting in the management team, which have resulted in a reoccurring devotion to the organizations for children in need.

NIAM is *transparency and responsibility*

”Niam is a signatory to the UN Global Compact and the UN Principles of Responsible Investment and we report annually to the Global Real Estate Sustainability Benchmark”

We understand the importance of being a responsible and transparent property manager, therefore, we work with several global and local stakeholders and regulatory authorities to continuously improve our transparency. With this report we communicate our progress as signatory to the UN Global Compact. In 2016, we also became a signatory to the UN Principles of Responsible Investment and take part of their annual assessment in which we once again received grade A in the Property module for 2019. We also 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.

HOW WE MANAGE RISK

To improve transparency, Niam has also been a member of the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) since 2003, 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. With the INREV goals and our investors' interests in mind, we are working to integrate INREV's recommended reporting initiatives. Our Core-Plus funds also comply with INREV's reporting guidelines in interim financial reporting.

All of our financial reporting also follows local GAAP and IFRS financial reporting standards. Our commitment to rigorous internal controls and risk

management is reflected in our Management System where our operating processes are documented and reviewed regularly. The Management System was certified in 2009 according to the ISO standard of quality, 9001:2004, and environment, 14001:2008. In 2017 our Management System was updated according to the new standards, ISO 9001:2015 and 14001:2015.

Through that, we adopt a process-driven approach when developing, implementing and improving the effectiveness of a quality- and environmental management system, including risk management, to enhance customer satisfaction and performance.

Niam annually conducts a PESTLE analysis in order to monitor macro-environmental (Political, Economic, Social, Technological, Legal and Environmental)



factors that may be a potential risk to our business. The PESTLE analysis is then reviewed, and relevant issues are incorporated in the business plan as actions.

CODE OF CONDUCT, RESPECT FOR PEOPLE AND BUSINESS

Niam has adopted a Code of Conduct which incorporates the Niam values to ensure that all company activities comply with the highest standards of ethics and integrity and are fully in accordance with all applicable laws. The Code of Conduct establishes standards to govern the actions of all company employees, officers and directors and all Niam personnel are responsible for understanding its content. Key aspects of the Code of Conduct include fair treatment and privacy policies, conflict of interest, anti-corruption, anti-money laundering policies and the sustainability statement. All employees have been trained on issues related to the Code of Conduct. Niam fully complies with GDPR.

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 registered 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. The AIFMD controls our organization, functions and processes and requires, for example, that we have an independent function for risk and compliance, valuations of our assets and an independent internal audit function. It also requires us to provide quarterly reports to the Swedish Financial Supervisory Authority. Niam was the first real estate private equity firm to complete this registration in Sweden. Risk Management is one of the primary purposes of the AIFMD and by being registered as an AIFM, Niam has a structured way of identifying and managing risks, which benefits all of our stakeholders but most importantly our investors. All Niam employees are trained regularly in risk management and compliance.

NIAM is getting *better and greener*

”Niam constantly strives to reduce its impact on the environment and sets targets on each individual fund”

Since 2009, Niam has had an ISO 14001 certified environmental management system and proactively focused on managing our environmental impact to further enhance our financial performance. Our first step was to establish the proper criteria for regularly measuring our environmental impact and when the appropriate measurements were identified, we introduced energy targets. In 2017 our Management System was updated according to the new standard ISO 14001:2015. Niam constantly strives to reduce its impact on the environment and sets targets on each individual fund in order to do so. The target for 2019 was e.g. to perform environmental and energy assessments for all properties within the Core Plus II fund. In fund VI the target was to design the two development projects; Stockholm Harbor Front Development and Näsby Castle Residential Development, in order to reach Breeam Very Good at a later stage. These targets are included in each fund’s business plan which is followed up on a quarterly basis.

AN ALL-ENCOMPASSING ENVIRONMENTAL POLICY

Niam Green is Niam’s corporate initiative to reduce its environmental impact. The policy guides Niam’s employees as well as its business partners to develop more sustainable properties. The policy involves property certifications, energy saving measures and other initiatives such as preventing the usage of hazardous materials.

ONLINE PERFORMANCE MONITORING

In order to monitor our properties’ performance in terms of energy consumption, Niam uses the software system Mestro. Mestro electronically reads the meters in our properties and collects the data into an online portal. The system enables us to store, analyze, diagnose and better report all consumption data.

Additionally, the system helps us identify and prioritize the most effective measures to reduce our carbon footprint.

ESG BENCHMARK THROUGH GRESB

Niam annually report the Core-Plus II fund to GRESB (Green Real Estate Sustainability Benchmark) in order to benchmark our ESG performance against our peers. GRESB Real Estate Assessment is the global standard for ESG benchmarking and reporting for listed property owners, private property funds, developers and investors that invest directly in real estates around the world. The result gives us guidance and tools how we can improve performance and manage ESG risks and opportunities. In recent years, the report has also included increased focus on health and well-being among tenants and employees within the company.



Aviabulevardi Office Property II, Finland

Stockholm Harbor Front Development

Stockholm Harbour Front project is located in the harbor Värtahamnen which is a part of Stockholm Royal Seaport, the largest urban development area in Sweden with at least 12,000 new homes and 35,000 workplaces. Planning work started in the early 2000s and the new city district will be fully developed around 2030. The area runs along the waterline of the Baltic Sea, lies next door to the Royal National City Park and is just ten minutes away from central Stockholm by bicycle. The old harbour area with industry and storage is being transformed to an attractive neighbourhood with residential and office buildings as well as new service, shopping, schools, parks, roads and public transportation.

Stockholm Harbor Front Development is a development project consisting of one existing hotel and office building to be refurbished and two new office buildings to be constructed. The size of the project is approximately 60,000 sqm of lettable area.

”The area has been pointed out as a profile area for social and environmental sustainability”

Stockholm municipality is planning to approve a new detailed zoning plan for Stockholm Harbor Front Development by the end of 2020. The construction is planned to be ready in 2023/2024.

We will develop Stockholm Harbor Front Development to a property that will have and promote:

- Climate-friendly and green outdoor environment
- Sustainable energy system
- Sustainable recycling system
- Sustainable water and sewage system
- Sustainable transport
- Environmentally friendly buildings
- Sustainable lifestyles
- Sustainable activities
- Digital infrastructure



Stockholm Harbor Front Development, Sweden



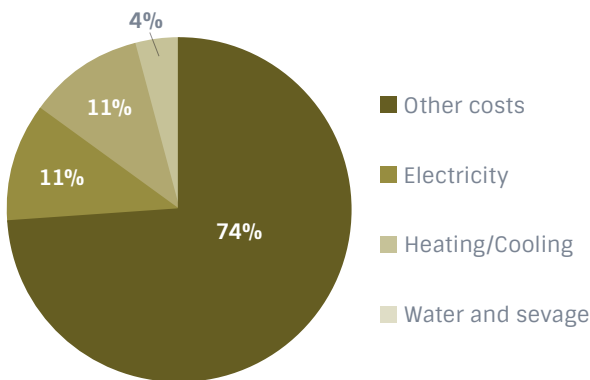
Stavanger HQ Property, Norway

NIAM is measuring performance

Through Niam’s environmental management system, we monitor and evaluate energy and water consumption each year. By keeping track of our buildings’ energy consumption, we can clearly target our actions to reduce the impact on the environment.

NIAM’S ENERGY AND WATER COSTS

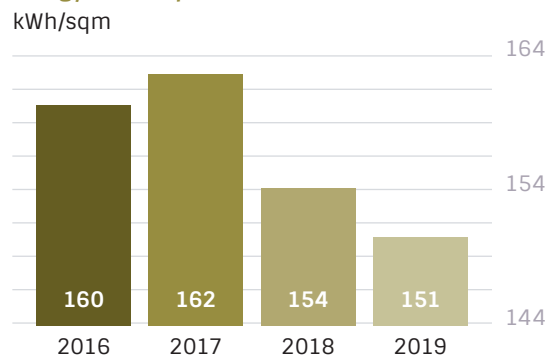
During 2019, energy and water consumption represented 26% of total operating expenditures.



ENERGY CONSUMPTION

The total energy consumption of Niam’s properties in 2019 was approximately 80 GWh¹.

Energy consumption in all Niam funds



¹ In a few cases, when the tenant owns the contract, we still have no access to the data. Those cases are excluded in the diagram to the right. We have also excluded residential properties and properties located in Poland.

“Building certifications should be pursued when they are financially sound for *new construction and major renovations*”

During this year we have been able to receive historical data for some of those buildings where the tenant owns their own electricity and heating contracts. This gives more substance when analyzing our consumption.

Many of the properties we buy in the Core-Plus funds are newly built, hence adjusting the consumption to an optimal level takes at least a year. We expect the energy consumption to stabilize and decrease once it has been adjusted to optimal levels for the buildings.

A comparison of the same group of individual properties over several years is not feasible since Niam is a transaction intensive company where many acquisitions and divestments take place each year.

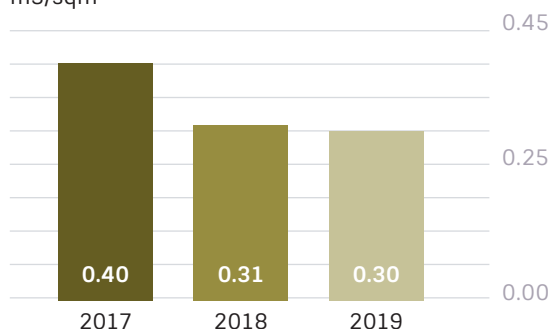
The total consumption corresponded to approximately 12,100 tons of carbon emissions². In order to decrease consumption, objectives are set in those properties where we can identify a saving potential. When we succeed in decreasing our energy consumption by making small adjustments in our properties it is not only a financial gain, it has also an impact on our environmental performance. Energy consumption by sqm has decreased compared to previous years for our opportunistic funds and increased for our Core Plus funds.

² Carbon emissions are calculated using a standard method from Energimarknadsinspektionen (250,76g/kWh)

WATER USAGE

In 2019, Niam’s properties have in total consumed 85,000 m³ compared to 58,000 m³ in 2018. The consumption increase is a result of last year’s expanded property portfolio, our water consumption per square meter continues to decrease.

Water consumption in all funds
m³/sqm



All water used in our properties is from the municipal water supply and consumption is measured at least annually. Water readers are often read manually instead of electronically as is the case for the electricity and heating meters. In those cases, we request the property managers to report the consumption data.

WASTE MANAGEMENT

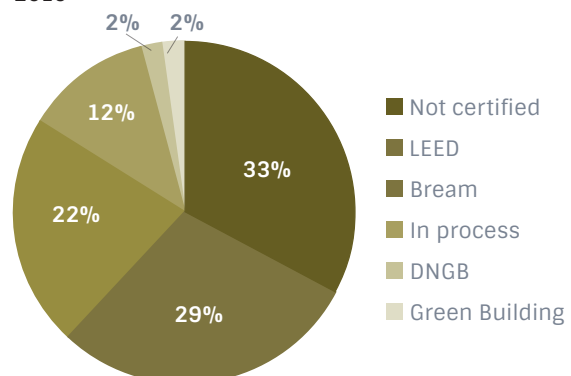
Monitoring waste consumption and weighing waste is not possible in all locations where Niam is operating. However, property managers are requested to have waste management policies in place and to regularly follow up and improve where applicable. Waste is mainly generated by our tenants’ operations and therefore it is important that our tenants have the facilities required to sort their waste. In cases where Niam is involved in construction work, waste management is agreed with the construction firm.

BUILDING CERTIFICATIONS IN PLACE

As part of our internal guidelines, Niam Green, building certifications should be pursued when they are financially sound for new construction and major renovations. A sustainability target in our Core-Plus funds is to perform and evaluate energy and environmental inventories on all newly acquired assets. The result is a good foundation when deciding to perform energy saving project or enter a certification process. Niam has not committed itself to any specific certification but uses the type of certification that is most suitable in each individual case. As of December 2019, Niam had 27 buildings that represent 54% of total possessions³.

³ Residential properties excluded

Building certifications
2019





Widening the *certification scope*

“Work environment is being integrated in *environmental building certifications*”

During the past couple of years, we have seen a noticeable increase in demand for environmental actions in our properties, both from our tenants and investors. Sustainability efforts also often contribute to added value in the property. One trend in sustainable real estate is the increased focus on wellness aspects of today’s workplaces, for example light, space for health and wellbeing activities and indoor air quality. These are included in some environmental certifications, like the DGNB certification by the German Green Building Council. The DGNB System provides an objective description and assessment of the sustainability of the buildings’ entire life cycle. There are up to 50 criteria from the quality section that can be certified, such as local environmental impact, indoor air quality and emissions controls.

During 2019, Niam proceeded, together with a consultant, with an inventory to explore the DGNB certification potential in a selection of our properties. It was found that several existing properties match the high requirements, and by taking some extra, finetuning measures they could obtain one of the top gradings. The positive outcome has resulted in an initiated certification of five separate buildings, Kolding Office Property, according to the DGNB

System, fitted to the Danish building regulations and traditions. Three of the buildings will receive the certification DGNB Silver and two will receive DGNB Gold.

Kolding Office Property is a business park located in Kolding, a 2.5-hour drive to Copenhagen, Denmark. It consists of five separate buildings where 12% of the total lettable area is storage and 88% is office space. One of the buildings are built as a green building with top energy classification and indoor climate. The business park has 12 tenants of which several have been in the buildings since completion with high satisfaction.

Location: Kolding, Denmark

Property Type: Office

Freehold/Leasehold: Freehold

Number of Properties / Size: 2 (5 buildings) / 24,529 sqm

Certification under evaluation: Three properties for DGNB Silver and two for DGNB Gold

Main tenant: Velux, Vattenfall and LM Wind Power

From global principles to local stakeholder expectations

OUR COMMUNICATION ON PROGRESS

Since May 2017, Niam AB are signatories to the UN Global Compact (UNGC) and we are engaged on a signatory level. We thereby commit ourselves to make progress in our sustainability efforts, in line with the UN Global Compact's 10 principles. This report constitutes our third Communication on Progress (COP) and in our UNGC reference table we explain the linkages between the principles and our reporting. The report is accessible to the public on our website and in the UN Global Compact participant portal.

In our reporting to Global Compact we also report on the linkages between our business and the Sustainable Development Goals (SDG). In 2018, we made an overall analysis of those linkages. In the analysis we found there are 10 SDGs with related targets that link to our business in a significant way. This includes issues related to the workplace we offer to our employees, where the targets related to the working environment and gender equality are the most relevant. In relation to our business idea, which is to develop and manage properties in funds, targets related to resource efficiency are those of highest relevance. We also see that as we develop our properties we can positively contribute to the diffusion of new smart technologies. With our ethical standards, our systematic approach to managing risks and being transparent, we address the target related to anti-corruption.

Our Code of Conduct covers fair treatment and privacy policies, conflict of interest, anti-corruption, anti-money laundering, anti-bribery policies and a sustainability statement, and is aligned with the principles of Global Compact.

STAKEHOLDERS AND OUR USE OF REPORTING GUIDELINES

Our key stakeholders are Niam employees, subcontractors, municipal politicians and officers, tenants, debt providers, investors and regulatory authorities. Our debt and equity providers, some of which are signatories of the UN Principles for Responsible Investment (PRI), show an increasing focus on responsible investment and our sustainability report is a tool for communicating our focus on sustainability initiatives and responsible investments.

A task group, consisting of representatives from fund management, project development, investor relations and external experts (TomorrowToday), were involved in defining the scope and content of our sustainability report. We keep an ongoing dialogue with experts, to follow any changes in what can be seen as material issues, as well as to continuously improve our reporting.

Niam has been reporting to GRESB since 2012. We find the GRESB framework to be highly relevant when defining the content of this report, as it has been developed to meet investor expectations regarding their assessment of environmental, social and governance performance.

When determining the relevant sustainability objectives for Niam, we focus on aspects related to Niam as a company, Niam’s employees and the impact on our properties and their tenants. For determining significant environmental aspects, Niam has used the Swedish government’s 16 environmental quality objectives as a framework. In 2018, the management system was re-certified by LR according to the latest standard, ISO 14001:2015. As we made the transition, we made a thorough review of our environmental aspects.

SCOPE OF DATA

This is our fifth sustainability report. All data reported is for the fiscal year 2019 unless otherwise stated. There have been no significant changes regarding the size, structure or ownership of Niam, nor have there been significant changes from the previous reporting period regarding scope and measurement methods or any re-statements of information stated in the earlier report. The real estate performance measurements and

associated definitions are in accordance with GRESB unless otherwise stated.

The report covers real estate performance measurements for Niam Funds with the exception of our residential properties, Poland properties and Hyllinge Retail Property. Hyllinge Retail Property and Residential Properties are excluded since Niam has a limited opportunity to influence utility performance and purchasing policies. The Polish properties are excluded since Mestro does not support gathering of data from the Polish suppliers of energy.

Data concerning employees covers all operations of Niam AB. For joint ventures and co-owned properties, data is presented pro rata to the respective fund’s ownership. LEED®, and its related logo, is a trademark owned by the U.S. Green Building Council® and is used with permission. The same applies to any other logos used in this report.

REFERENCE TABLE

PRINCIPLES	PAGE REFERENCE AND COMMENTS
<p>Human Rights</p> <p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>All major contracts include a commitment to Niam’s Code of Conduct. Fair employment practice is a cornerstone of our Code of Conduct. p. 10–13.</p>
<p>Labour</p> <p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>All major contracts include a commitment to Niam’s Code of Conduct. Fair employment practice is a cornerstone of our Code of Conduct. p. 10–13.</p>
<p>Environment</p> <p>Principle 7: Business should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Niam has an environmental policy covering these principles. p. 14, p. 19–20.</p>
<p>Anti-corruption</p> <p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Niam has a zero-tolerance to bribery and corruption. We uphold all laws relevant to countering bribery and corruption in all the jurisdictions we operate, including but not limited to the UK Bribery Act 2010 as well as Swedish and US law. p. 12–13.</p>

**For further questions regarding
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