



Sustainability Report 2021

NIAM

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Cover photo: Copenhagen Towers, Copenhagen

Seizing sustainability opportunities

● Despite an ongoing pandemic, 2021 has been another successful year for Niam. Not the least because we have raised the bar when it comes to our sustainability work, which our stakeholders are appreciating. Thanks to our new sustainability policy and comprehensive internal trainings for all employees, sustainability has been integrated throughout the organization and our processes. Sustainability risks are considered prior to all investment decisions and improvement plans are developed and regularly followed-up on during the holding period.

We have also committed to new short- and long-term sustainability goals, based on the UN Sustainable Development Goals and the 10 principles of the UN Global Compact, to which we are signatories. Among these are net zero goals in standing assets as well as new constructions. These will guide future decisions and strategy. Please see Niam Sustainability Approach.

2021 was a year of new sustainability regulation, with the EU Sustainable Finance Disclosure Regulation (SFDR) coming into force. Apart from ensuring full alignment with the regulation, Niam has also decided to classify our new Core Plus III fund as an Article 8 fund according to this regulation. In addition to financial targets, this fund promotes environmental characteristics related to climate change mitigation.

Seeing the opportunities that the sustainable transition of our society provides we have also decided to move beyond real estate and into infrastructure with our new fund Niam Infra. This fund is classified as an Article 8 fund under the SFDR, with an investment focus on renewable energy, energy efficiency and sustainable transition through new technology. It has already raised more than 500 mSEK (The Niam Infra fund will be included with figures in Niam Sustainability report for 2022).



“ As we enter the new year of 2022, Niam will be accelerating our sustainability efforts, further ingraining it into the very core of our business model.

As mentioned, the Covid-19 pandemic continued during the year, and so did our efforts to minimize the spread of the virus, among our employees as well as at our tenants. I want to thank all my colleagues and our partners for their ability to continuously adapt to changed regulations and recommendations and at the same time keeping up a great job. Moving into 2022, we look forward to more opportunities to meet and socialise in person, while preserving the advantages of e.g. flexible working arrangements and digital solutions.

As we enter the new year of 2022, Niam will be accelerating our sustainability efforts, further ingraining it into the very core of our business model. One important step is that we will move from having a function with multiple responsibilities working with ESG, to the formulation of a dedicated ESG function. We are certain that this will greatly support us in

our work, and will enable the implementation and streamlining of sustainability across all of our countries of operations. Working with sustainability in a structured and goal-focused manner is challenging, it requires knowledge and capacity-building, interaction and change, and it is time that we put more resources to that end.

The pilot project (please see page 13), putting the ESG assessment to the test during the acquisition phase, will be evaluated, adjusted where necessary, and then scale it up. Only when we are applying sustainability principles in all aspects of our business will we be able to fully contribute to the 2030 Agenda, as well as capitalizing on the opportunities that sustainability brings.

Rikard Henriksson
Managing Partner

Office buildings Aviabulevardi I & II in Vanta, Finland



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ABOUT NIAM

Niam in brief

Niam is a real estate private equity firm that was founded in 1998 in Stockholm, where our head office is located. We have since grown to become a credible actor with local presence in Sweden, Finland, Norway, Denmark and in Luxembourg.

Three of our funds are opportunistic investment funds that invests in all asset classes: Niam Nordic V, Niam Nordic VI and Niam Nordic VII. Niam Nordic Core-Plus II and Niam Nordic Core-Plus III follow an investment strategy focused on stable income generation.

Our property portfolio includes various categories, such as: offices, residential, retail, industrial buildings and warehouses. Properties are located in Sweden, Denmark, Finland, Norway and Poland. At the end of 2021 our funds owned 54 properties in total.

2.5

Assets under management:
approx. €2.5 billion (€3.9 billion in 2020)




Offices in Denmark, Finland, Luxembourg, Norway and Sweden



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

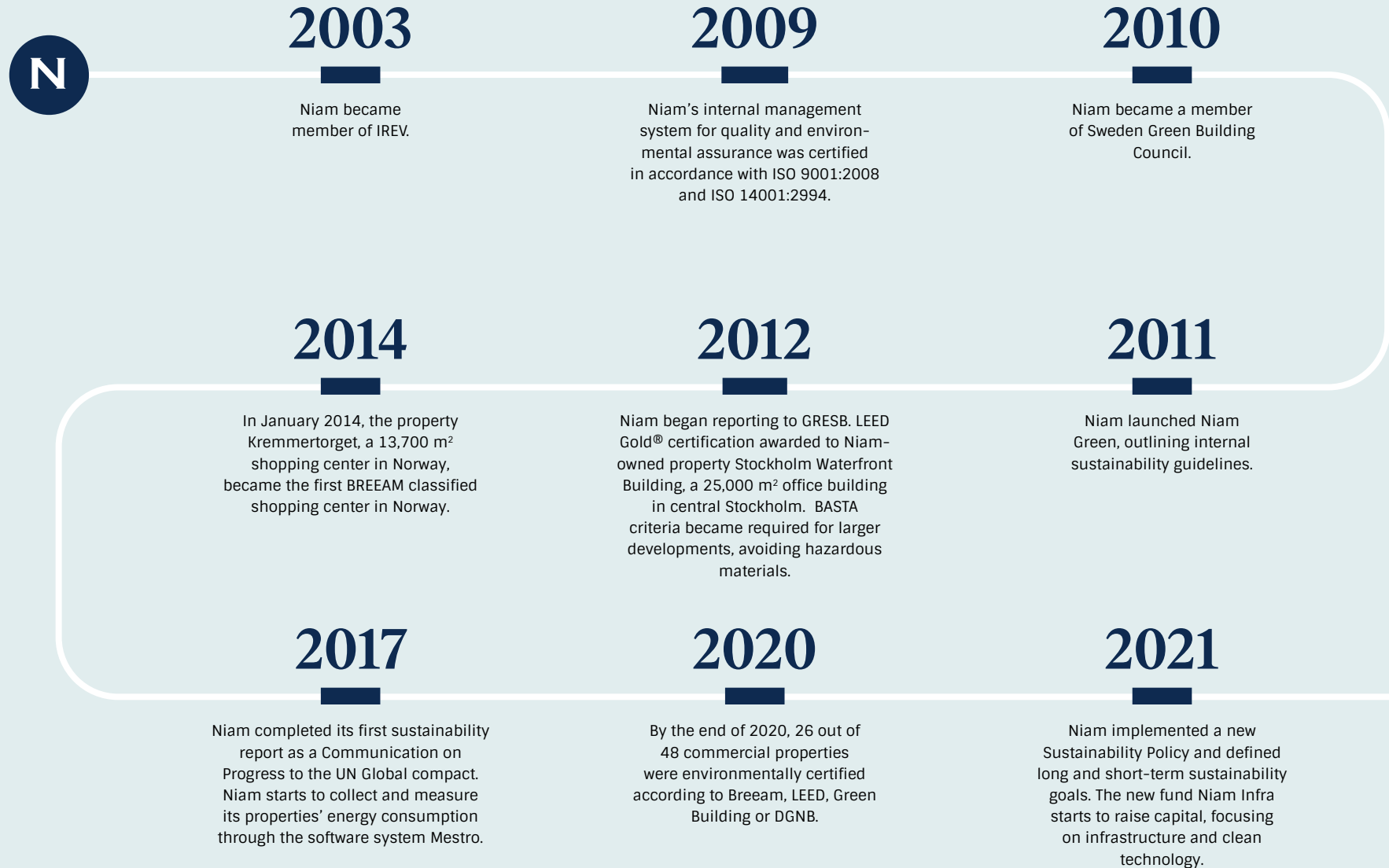
91

91 employees (including our management team with four members)



Currently managing five close-ended private equity real estate funds and fundraising for our eight opportunistic fund, Niam Nordic VIII, and our fund Niam Infra, both of which will be included with figures in next year's sustainability report

Niam timeline



Strengthened ESG ambitions

● During 2021, Niam's sustainability agenda has progressed considerably. A sustainability policy was developed and implemented, several key documents such as the Code of Conduct, the environmental policy and plan, the equal opportunity plan, the ESG risk assessment tool (also known as our ESG risk checklist) and supplier evaluation routines, have been revised. We have defined corporate short- and long-term sustainability goals, including commitments to reach net zero in standing assets and in new constructions. Examples include:

Short-term goals

- 100% renewable electricity by 2023 in all properties owned by Niam
- Social initiatives in new constructions and major renovations
- Plan for increased green financing

Long-term goals

- Reduce energy consumption to an average of 100 kWh/m²
- 100% renewable heat and cooling
- Net zero CO₂ emissions by 2030 in standing assets, and by 2045 in new constructions
- Systematic cooperation with Niam Infrastructure to identify and implement sustainable solutions within portfolios

PROGRESS IN 2021

In addition, each fund is setting their own ESG targets, aligned with the overall goals of Niam. We have decided to classify our three latest

funds that currently are being fundraised, Niam Core Plus III, Niam Infra and Niam VIII (vintage year 2022), as Article 8 funds according to the EU Sustainable Finance Disclosure Regulation (SFDR). These funds promote, in addition to financial targets, environmental characteristics related to climate change mitigation.

As part of the roll-out of the new sustainability policy and the implementation of our new ESG risk checklist, the second half of 2021 saw numerous sustainability trainings. The purpose was to build capacity and create a shared knowledge base about sustainability and how Niam work with it. We conducted targeted trainings about the sustainability policy, fund classification under the SFDR, sustainability goals and targets, environmental certifications for buildings, and sustainable finance. On average, Niam employees have conducted 5 hours of training on sustainability matters per person during 2021. To Niam this is a fundamental part to advancing our sustainability agenda, and we are constantly building and strengthening the skillset of our employees. The sustainability regulatory landscape is changing fast, at the same time as market-driven initiatives are pushing stakeholder requirements on sustainability matters, and we will continue with sustainability trainings in 2022.

2022 will be a year of implementation. Decisions, policies, and skills are to be turned into action in all parts of the organization. One example is a pilot project in Sweden, where we will test our updated ESG risk checklist and



property ESG performance assessment during the acquisition phase. To read more about this, please see the case on page 13. The purpose is to thoroughly integrate ESG risks and a property's ESG performance into the due diligence prior to an acquisition, enabling Niam to make well-founded investment decisions.

The results of our efforts should be measurable by our improved routines to follow-up and report on progress. To further improve our ESG data collection and monitoring capabilities, Niam will for this purpose procure a dedicated software tool.

“ One of our long term goals: Net zero CO₂ emissions by 2030 in standing assets, and by 2045 in new constructions.

Näsby Castle Residential Development in Täby, Stockholm



02

GUIDING OUR SUSTAINABILITY EFFORTS

Guiding our sustainability efforts

● Our dynamic and competent team is working diligently to proactively manage our portfolios at the same time as we respond to the growing spectrum of sustainability risks and opportunities facing our business. As signatories to the PRI (Principles for Responsible Investments, an investor initiative in partnership with UNEP Finance Initiative and the UN Global Compact), we are committed to responsible investments, and we see the benefits of incorporating sustainability considerations and initiatives into our management model. It provides cost savings, value to our customers and capital partners as well as benefits to the wider society. This is the foundation of how we create value for our stakeholders.

GOVERNANCE

The Niam management team consists of our two Managing Partners, our Head of Acquisitions Sweden, our Chief Financial Officer. In 2022, the new Head of Human Resources will join the management team, which we believe will be an excellent addition. The management team is

complemented by our fund managers and senior real estate team consisting of our Head of Project Development, and Country Managers in Norway, Denmark and in Finland. Responsibility for coordinating and monitoring our sustainability efforts is delegated to our Sustainability Manager, who regularly reports to the management team. The Sustainability Manager is supported by Local Sustainability Coordinators on each market Niam is present, as well as an ESG committee with representatives from each internal function. The ESG committee meets to keep track of the effectiveness of Niam's sustainability efforts, facilitate organizational learning and, when necessary, suggest changes to Niam's sustainability strategy and steering documents.

Our day-to-day sustainability work is governed by the Sustainability Policy and carried out according to our Management System (certified according to the ISO standard of quality, 9001:2015, and environment, 14001:2015). Outcomes are followed up and regularly reported to the management team and the Board of Directors.



OUR CODE OF CONDUCT

Our daily work is guided by our Code of Conduct, which is based on the ten principles of the UN Global Compact, to which we are signatories. The Code of Conduct applies to all employees and representatives of Niam, and outlines our standards on fair employment practices, human rights, environmental considerations, communication and marketing, conflict of interest, anti-corruption, and anti-money laundering. Our work is further guided by our Sustainability policy and supplemental steering documents such as the HR policy, Environmental policy, anti-corruption policy and purchasing policy. All employees commit to the Code of Conduct upon commencing employment with Niam. The Code was last updated in May 2021.

COUNTERING ALL FORMS OF CORRUPTION

Our Code of Conduct is supplemented by our anti-corruption policy, anti-money laundering policy, and conflicts of interest policy. We acknowledge the importance of working proactively with these questions, especially since we operate in two sectors that face tangible risks of unduly behaviour. Our employees undergo annual trainings about anti-corruption, anti-money laundering and the related policies. Niam also has a routine for whistleblowing. In 2021, we had zero cases reported through this function, nor any other 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 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.

An amendment proposal for the AIFMD directive was published by the European Commission late 2021 and is expected to come into force during 2022. Niam is working to adapt our internal processes to the new proposal. Already last year, some amendments were made to the existing regulation due to the Sustainable Finance Disclosure Regulation (SFDR). As a consequence, Niam has extended our ESG disclosure and further strengthened our ESG risk management, see below.

UNDERSTANDING THE SUSTAINABILITY RISK LANDSCAPE

Sustainability risk is incorporated in the investment policies and processes of Niam and fully aligned with the relevant requirements of the Sustainable Finance Disclosure Regulation. Niam includes evaluation of sustainability risk



Sweden Residential Portfolio
in Östersund, Sweden

in its investment decision-making process in accordance with its policies on management of sustainability risks. This includes an ESG risk checklist that is mandatory to use during the due diligence process before an acquisition, and the result is an integral part of the decision material. The ESG risks assessed include, but are not limited to, 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, labour practices, anti-corruption and anti-bribery.

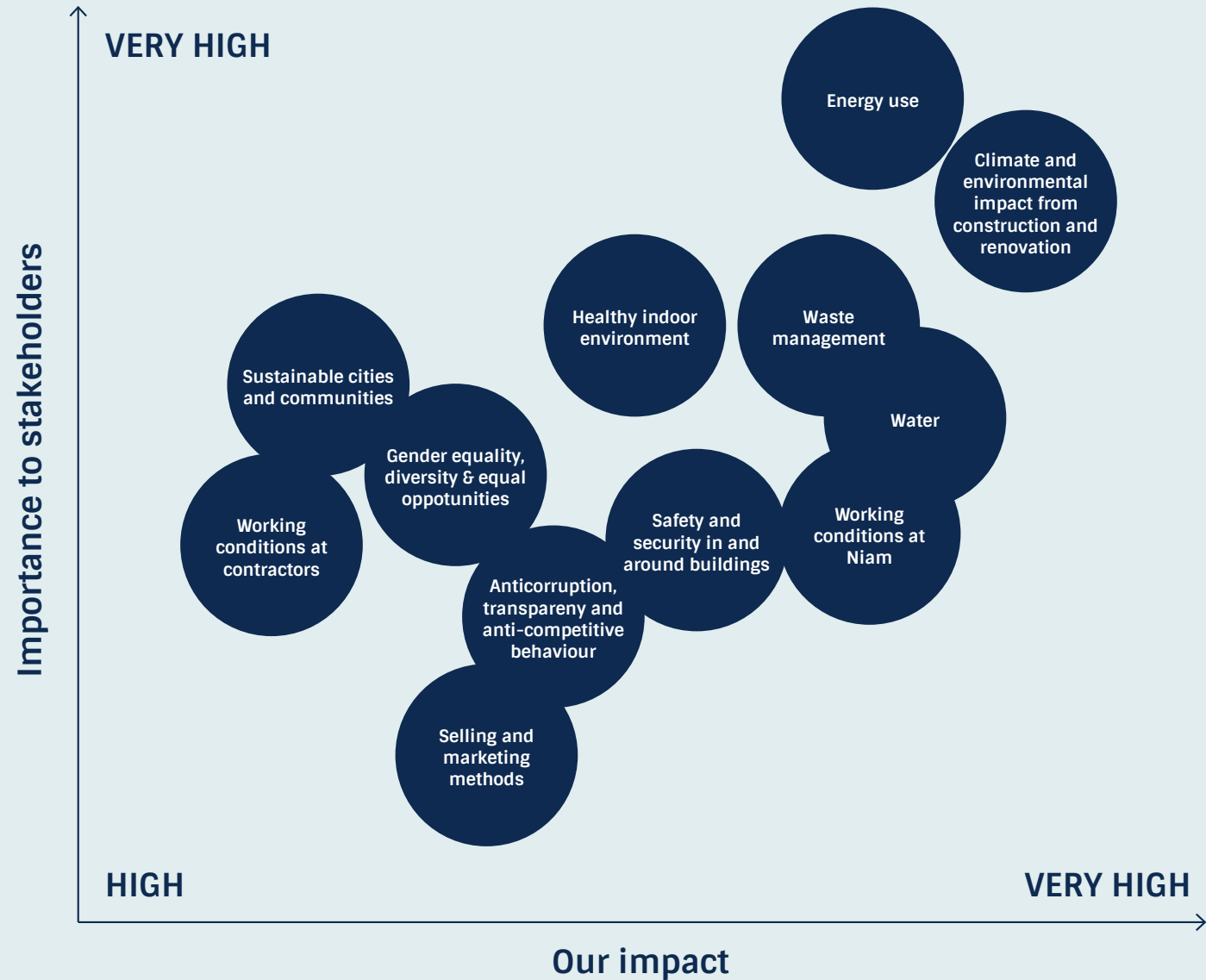
During the holding phase, Niam is regularly monitoring the assets' identified ESG risks and taking appropriate actions. To reduce our ESG risks in the supply chain, we have introduced new routines on evaluating suppliers' ESG maturity and risk exposure. Before contracts are

signed, relevant sustainability information is gathered and assessed, and our main suppliers are also required to provide yearly self-assessments on ESG topics.

To improve transparency, Niam is a member of the European Association for Investors in Non-Listed 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. 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. All of our financial reporting also follows local GAAP and IFRS financial reporting standards.

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.



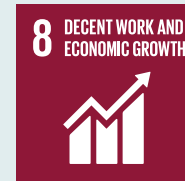
Advancing our contribution to the 2030 Agenda

Niam has identified three Sustainable Development Goals, to which we see that we can contribute in a credible way.

Being a real estate company, SDG 11 encompasses most of what we work with and stand for. To realise current and future value of our properties, these need to play their part in ensuring cities in the countries we operate in are inclusive, safe, resilient and sustainable. Engaging with tenants, neighbours, communities and municipalities on how we and our properties can contribute to this development is one important way of working. Concrete actions to reducing the environmental impact of our properties as well as our tenants is another.



We may not be that many that work at Niam, but there are many more people working in and around our properties, but who are not directly employed by us. We do our best to ensure that all these people have decent working conditions, and that their labour rights are safeguarded. 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. That way, we contribute to pushing for higher standards in the industry. Last but not least, it is also up to us to ensure all our commercial properties provide a safe and secure working environment for our tenants.



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 materials more wisely. Together with our suppliers and our tenants we believe we can gain traction and induce further change beyond our own properties in the markets where we operate.



CASE

Making ESG requirements an acquisition reality

● Susanne Erasmie has worked at Niam for over 20 years, having seen the company grow and develop, and in the past year, accelerate the sustainability work. Today, Susanne is part of the acquisition team and is therefore one of the first who will get a first shot at applying Niam's updated sustainability toolkit, which includes an ESG risk checklist and an Environmental Plan that is to be completed prior to any acquisition. Niam has defined ESG goals and targets, and acquisitions should be supportive of those goals and targets.

Susanne and the rest of the acquisition team partook in the ESG trainings, which were conducted during Q3 and Q4 of 2021, as part of implementation of Niam's new Sustainability Policy from 2021. The ESG requirements are increasing fast, be they regulatory, legislative or voluntary, and consequently ESG trainings will be key to us as fund managers and in our ambitions to fulfil our ESG goals and targets. During 2022, Susanne and her team will be involved in a pilot project where the ESG risk checklist, that was implemented in the beginning of 2021, will be used in combination with the Environmental Plan as part of the acquisition process. The ESG

risk checklists includes assessment parameters within all three pillars: environment, social, governance.

The pilot project will be carried out with the support of experienced due diligence, technical and environmental consultants, who bring valuable skills and resources to the Niam acquisition team. The idea is to evaluate a prospective property and see to what degree an acquisition would contribute to the fulfilment of our ESG goals and targets, and what needs to be done during ownership phase to transform a property to a more sustainable one, and to mitigate ESG risks.

The pilot project will be evaluated and assessed for improvements, and scaled-up within Niam after that. It will be key to find an efficient way of applying the ESG lens to every part of the Niam business, understanding and mitigating ESG risks, keeping the workload at a reasonable level. Whether it is about physical impacts of climate change or insecurity in the built environment, we need to manage and mitigate these risks, in order to meet the expectations of our stakeholders and ensure the resilience of the Niam business.



“ We are constantly building inhouse sustainability knowledge and capacity at Niam, and through collaboration with external experts we are able to pool a wide diversity of skillsets during the acquisition process, creating added value for the business. The workload of the acquisition team is by no surprise considerable, so we are glad to see that a tangible sustainability toolkit is at our disposal, supporting us and allowing us to supplement the work of external experts. I am looking forward to the pilot project in 2022.

Susanne Erasmie,
Associate Director at Niam



“ The establishment of the Niam sustainability toolkit and its subsequent integration into our acquisition phase is critical to the advancement of our sustainability agenda. Thanks to this we will be better equipped to transform and transition the properties during the time of holding, since at the time of acquisition, we will know which sustainability challenges that we must solve. Over time this will mean that we will increase the sustainability performance of Niam as a whole, and of the properties in particular. I am glad that this is being rolled-out during 2022, and it will be carefully evaluated to ensure successful scale-up.

Gustav Thörnqvist,
Sustainability Manager
& Business Developer at Niam



Stockholm Harbor Front Development, Stockholm

03

**PEOPLE MAKE UP
OUR BUSINESS**

People make up our business

● It is our vision to be Northern Europe’s leading real estate fund manager and partner of choice. To do that and to thrive in the competitive and ever-changing marketplace where we operate, we must attract the brightest talents in our field. We must ensure that they stay on with Niam as valued employees and contribute to the growth and development of our business. The key to Niam’s success is its people.

PLAYING IT FAIR

On a daily basis our work is guided by the Code of Conduct, the HR policy and the Equal Opportunity Plan. These documents set the framework for how we work to uphold human rights and labour rights, how we care for our employees, recruitment, diversity, the physical and psychosocial work environment, competence development and remuneration. To further strengthen our human resources work, Niam welcomed a new HR manager in 2021. As a natural next step, all HR-related policies and processes will be assessed in the coming year to ensure continued alignment with Niam’s HR-strategy and business values.

The management encourages a holistic approach to develop its people by using coaching and feedback to guide and support employees. We want our employees to have the courage to be entrepreneurial and we believe that minor mistakes form part of the natural learning process. Our employees are encouraged to use their expertise and experience to take action and responsibility. All our 91 (73 in 2020) employees have permanent employment with us and when required, Niam engages specialists on a consultancy basis.

EQUAL OPPORTUNITIES

We acknowledge the importance of directing more resources to the topics of equality and diversity, and in the upcoming years we will assess how we can continue to strengthen diversity among our employees at Niam. In the Nordics, both the real estate sector and the 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

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 the 27 property managers.

	Permanent	Temporary	Total
Denmark	13	0	13
Finland	8	1	9
Luxembourg	5	0	5
Norway	2	0	2
Sweden	57	5	62
Total	85	6	91

Employees broken down by gender and age

Board of Directors



Women 14%
Men 86%



Age 30-50 14%
Age >50 86%

Management Team



Women 25%
Men 75%



Age 30-50 25%
Age >50 75%

Employees



Women 43%
Men 57%



Age <30 23%
Age 30-50 57%
Age >50 20%

which we are approaching when it comes to all staff. When hiring new people, management base employment decisions on job qualifications and merit. All employment-related decisions and actions are made without regard to a person's race, gender, sexual orientation, age, disability or other personal characteristics. Looking forward, Niam is seeking to increase its efforts to ensure clear and transparent communication regarding its recruitment process, employee retention strategies, and company values and focus areas, both internally and externally.

THE KEY TO NIAM'S SUCCESS

Satisfied employees are a prerequisite for satisfied clients and investors. Since it is our employees who interact with the real estate community, they are the ones who deliver the performance expected from a full-service institutional fund manager. 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. In 2021, Niam changed suppliers of the employee satisfaction survey to Brilliant. Since the Brilliant-survey measures different parameters compared to previous years, the results of the 2021 survey will constitute the baseline for coming years. We will continue to build on the accelerated efforts from previous years, which includes identifying clear goals and implementing action plans within each team, to follow up on the surveys. The survey is conducted in cooperation with Brilliant and it covers areas such as leadership, team efficiency, organizational and social work environment and engagement. In 2021, the response rate to the employee satisfaction survey was 94%, and the ESI (Employee Satisfaction Index) score was 4.2 out of 5.0.

CONTINUOUS COMPETENCE DEVELOPMENT

Niam has 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 utilise 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 and define individual targets and training needs. In the Performance Management system, two feedforward 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.

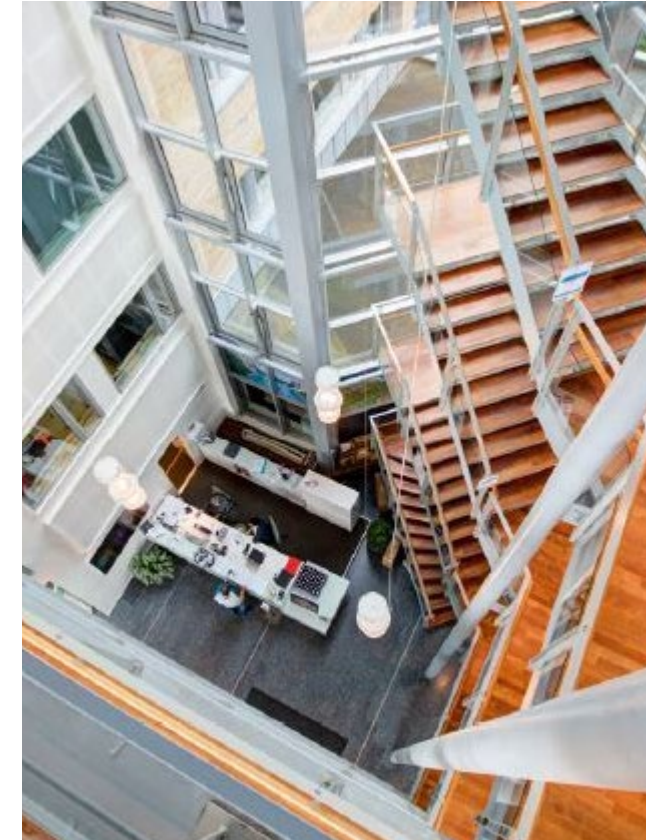
UPHOLDING FAIR WORKING CONDITIONS

We endeavour to work for a secure workplace, both physically and psychologically, also for the many skilled individuals who work on behalf of us managing, maintaining, and developing our properties. Niam distributes a work environment survey biannually to collect information on how employees experience their work environment.

Protecting human rights and labour rights is a fundamental priority for us at Niam, and this includes workplaces that we do not control ourselves. Niam requires all 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. The signed

agreements in our projects also include a commitment to Niam's Code of Conduct to ensure that all counterparties comply with our standards on ethics and integrity and are in accordance with all applicable laws regarding for example anti-corruption, 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 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. To manage incidents and risks, the first step is to become aware. During 2022, Niam will be updating our whistle-blowing channel, which will align with the requirements in forthcoming legislation.

During the pandemic Niam has updated the organization regarding the company recommendations on a regular basis. Information around general recommendations and what to do when testing positive has also been available on intranet for all employees. Company recommendations have been based on each country's specific restrictions and recommendations from time to time. Rather than cancelling conferences we have decided to do them in a digital format and we have also found that some of our meetings will continue to be held digitally even after the pandemic since it has been a good way to share information between all countries and offices in the everyday work life.





Denmark Residential Portfolio, Denmark

04

MANAGING OUR ENVIRONMENTAL IMPACT

Managing our environmental impact

● As the world is coming to terms with drastic consequences of human-induced climate change, biodiversity loss and excessive natural resource use, it is crucial that all companies do their part. We see that the expectations of our stakeholders are increasing and we are determined to meet those, both today and in the future.

SUSTAINABILITY IN THE BUILT ENVIRONMENT

In the built environment, the potential for reducing the environmental impact and increasing the contribution to sustainable development is considerable. Indeed, safeguarding the natural environment that exists in and around the built environment, is intrinsically linked to social questions relating to safety, sense of home, ecosystem services and more. Regardless if one lives in an urban or a rural area, a home is a source of shelter and warmth, yet it could cause negative impact on

the surroundings if it has not been developed in a sustainable manner. As a real estate fund manager, Niam has the potential to create positive impact and reduce the negative impact of buildings. Since our business model includes divestment of funds and sales of our buildings after a few years of management, we have a slightly smaller window of opportunity than other, long-term real estate companies. This is a challenge that we acknowledge and will continue to address, determined to create positive changes as well as improving our bottom line.

Our environmental objectives are set out in our Sustainability Goals and the comprehensive Sustainability policy, including related documents, which outlines how we work with certification of properties, environmental regulations and technical standards. Environmental legislation is an evolving field and with the help of a third-party that monitors any updates to regulation and legislation, we



“ A home is a source of shelter and warmth, yet it could cause negative impact on the surroundings if it has not been developed in a sustainable manner.

make sure to stay updated. Niam is ISO14001 and ISO9001 certified, complemented by various certifications awarded to specific properties. As part of the implementation of our environmental management system, we have identified and evaluated the environmental aspects relevant to our business. During 2021, we developed an Environmental Plan for use by Niam staff when assessing buildings pre-investment and also to work with during the holding period (see the case on page 13).

The highest responsibility for sustainability questions lies with our Sustainability manager and Management team, whilst the daily work is led by the Sustainability manager, team and local Sustainability Coordinators. Our Travel Policy sets out clear guidelines for our employees, acknowledging the importance of in-person meetings whilst prioritizing low-impact modes of travel such as trains and public transport. We consider the possibilities to conduct a meeting via video and telephone. When high-impact travel by plane take place, employees are encouraged to schedule as many things as possible in order to reduce the need for additional travels.

In order to monitor our properties' energy and water 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, and better report all consumption data. For 36 of our properties, we have access to water consumption figures, which in 2021 accounted to 83,5 megaliters of water (97,5 in 2020). Going into 2021, it was our ambition to attain a 100% coverage of water consumption by the end of the year, a goal we have yet to reach. To achieve this ambitious goal, we piloted an initiative with a third-party water efficiency service supplier, which included the installation of water meters and monitors in one property per country in Sweden, Norway, Finland and Denmark. The initiative will be evaluated in 2022, and possibly scaled-up to all of our countries of operation. We know that we need to have smart solutions in place, that will supplement the data that we receive from municipal water suppliers. Another KPI that we are working on is the monitoring and reporting of waste generation. In 2021, 1375 metric tons of waste were generated by tenants in 11 properties in Finland and in Norway. Moving forward, we will focus on increasing the data coverage to include all countries of operation, and attain more detailed data such as the waste fractions and management methods.

In 2021, with the help of specialist energy

“ Our goal is to reach 100% renewable electricity in all Niam properties by 2023.

Energy consumption within the organization (Niam's properties and offices, in MWh)

	2021	2020
Electricity (MWh)	46 522	40 435
Heating (MWh)	81 413	55 789
Cooling (MWh)	3 531	2 393
Total	131 465	98 617
Average energy consumption/m ²	145 kWh	125 kWh

Energy consumption figures have been collected from Niam's offices in Denmark, Finland, Norway and Sweden, and account for 162 MWh of the total sum (177 MWh in 2020). Energy consumption from properties refers to the energy used for the maintenance of a property. For energy consumption by tenants please refer to the table about energy consumption outside the organization.

Energy consumption outside the organization (Niam's tenants, in MWh)

	2021	2020
Electricity (MWh)	24 179	n/a
Total	24 179	n/a

For information on how tenant electricity use figures have been calculated, please refer to the "About this report" section.

consultants, we conducted a comprehensive review of all of our properties, assessing them for energy efficiency and performance overall. We own a diverse set of buildings where there are varied opportunities and challenges with regards to energy efficiency, climate resilience and environmental impact. The review contributed to the formulation of our sustainability goals, and will support us in monitoring and follow-up moving forward..

To the furthest extent possible, the purchase of renewable electricity shall be supported with Guarantees of Origin. In the longer term, we aim for 100% renewable heating and cooling. However, here we are dependent on current energy infrastructure and district heating providers in our countries of operation, and therefore need more time. Looking at our energy figures, one can see an increase in the average energy consumption per m². This is partly dependent on the changes in our property portfolio, since 2021 we have many properties with energy intensive processes in our ownership.

ENVIRONMENTAL IMPACT FROM PROPERTY DEVELOPMENT

In the upcoming years we will investigate how we can further lower our environmental impact at the stages of development, maintenance and property management. The lion’s share of a modern property’s environmental and climate impact lies in the supply chain and production phase, which means that collaboration with suppliers and contractors can make a difference over time. We apply the precautionary principle at acquisition and during project development, where we assess aspects such as technical standards, environmental performance status,

contribution to climate change, handling of hazardous materials and more. The properties that we buy, develop and renovate shall always be safe for humans and the environment alike. All agreements with contractors come with an environmental plan, dictating aspects such as chemicals management, materials, and waste. With the support of a specialist Stormwater Management firm, we ensure that water management at development sites and of the property is of the highest standards and in line with environmental legislation. We follow up on performance over time and contractors are held accountable for any deviations. In 2021, we implemented new waste and recycling requirements at our development sites, as part of our updated Environmental Plan. At the time of divestment of a building we aim to provide the buyer with all applicable information regarding the environmental performance and impact of the building.

ESG BENCHMARK THROUGH GRESB

Niam annually reports 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 on 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. In the 2021 results we received a score of 81 (72 in 2020), compared to GRESB average at 70.

Greenhouse gas emissions (metric tons of CO₂e)

	2021	2020
Scope 1 (direct emissions)	0	0
Scope 2 (energy indirect emissions)**	21 938	22 443
Scope 3 (other energy indirect)***	1 478	n/a
<i>Of which downstream leased assets</i>	1 470	n/a
<i>Of which leased cars</i>	8	n/a
Total	23 416	22 443

Greenhouse gas emissions have been calculated using emission factors from AIB 2020 and DEFRA 2021.
 **Emissions from energy consumption of Niam’s offices (excluding Luxembourg) and properties
 ***Emissions from Niam’s tenants and leased cars.

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About this report

This is Niam AB's (organization number 56339-0789) seventh sustainability report for the financial year of 2021 (2021.01.01–2021.12.31) and includes data for our funds Niam Nordic V, Niam Nordic VI, Niam Nordic VII, Niam Nordic Core-Plus II and Niam Nordic Core-Plus III. The sustainability report is also submitted as our CoP, Communication on Progress to the UN Global Compact.

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, and with the help of an energy consultancy we have collected energy data for properties not included in

Mestro. Energy consumption has been calculated using a combination of actual data, assumptions regarding annual average energy consumptions and estimations of average energy consumption per m². The energy consumption by tenants have been estimated using default values of kWh/m². At the end of 2021, we had 54 properties in our funds, with energy consumption figures from 43 of them. The properties for which we lack energy consumption data, were acquired at the end of 2021, have triple net lease agreements, or are under construction.

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 disclosures. Greenhouse gas emissions have been calculated in accordance with the GHG Protocol, using emission factors from AIB 2020 and DEFRA 2021.