

NIP Website Disclosure – Sustainable Finance Disclosure Regulation

23 December 2022.

The following regards the setup, oversight and operations of all funds managed by NREP AB, referred to collectively as the "Funds", and individually as the "Fund", at the date of this disclosure NREP Income+ Fund SCSp (company no. B246661) as managed by NREP AB (company no. 556706-4885) as the AIFM.

Sustainability-related disclosures

Summary

The Fund incorporates environmental and social elements into its investment decisions but does not have a sustainable investment as the objective of this investment fund.

The Fund has identified the following environmental and social characteristics: climate mitigation, climate risk, waste and resources, ecosystems and biodiversity as well as quality of life, health and safety, respect for human rights, anti-bribery and corruption practices, and compliance to relevant laws and regulations.

The Fund's investment strategy is built on focused strategy in the real estate market, where the Fund aims to build a well-balanced portfolio that is diversified by investment type, risk profile, geography and sector. Expected investments can be categorized as platform enabled investments and opportunity driven investments.

The Fund aims at an ultimate fund composition of 120-150 individual real estate investments, including both standing assets and development projects. The focus will be on prime logistics, multi-family residential as well as student housing, senior housing or other serviced living letting concepts. Geographically the focus will be on the Nordics, but also some investments outside the Nordics. All investments will be subject to the binding elements of the investment strategy to achieve the environmental and social characteristics required by the Fund.

The following indicators are used to measure the attainment of its environmental and social characteristics:

- Life Cycle Assessments (LCAs), hereunder
 - Embodied CO2 emissions (kgCO2/m2/y)
 - Operational CO2 emissions (kgCO2/m2/y)
- Energy efficiency (EPC rating)
- Energy intensity (CRREM)
- New Build Sustainability certification (DGNB, LEED, BREEAM, other)
- In-use Sustainability certification (DGNB, LEED, BREEAM, other)

The Fund works with different methodologies related to its environmental and social characteristics. For Life Cycle Assessments (LCA) the Fund provides sufficient training for development managers, consultants and contractors enabling them to align with the Fund's Net Zero LCA targets. The Fund also tracks EPC ratings on asset level continuously and require asset managers to review and update asset level data. Implementing initiatives on energy inefficient assets, to move towards energy efficiency, are also an integral part of the Fund's methodology. The Fund's has policies in place to ensure assets are kept up to its own produced standards and requirements. For example, development projects are required to achieve a New Build Certification of either DGNB Gold, LEED Gold or BREEAM Very Good.

The Fund collects data from asset managers, facility managers and other relevant parties of both quantitative and qualitative nature. The Fund also engage with external service providers to obtain metering data for energy consumption on its properties. The Fund has launched a Carbon Management Project, investing in an ESG-platform better suited for capturing, storing and reporting. The Fund seeks to limit the use of data estimations, but the use of such estimations will be assessed on a case-by-case level.

The Fund is exposed to data and methodological limitations connected with the Fund's operation and ESG agenda. The limitations represent common challenges for the real estate industry for measuring, interpreting, and reporting ESG relevant information. The Fund expects an ongoing process to increase data coverage and data quality.

The Fund performs an extensive due diligence process, covering lead stage and initial screenings, investment analysis, investment decisions and eventually Investment Committee.

The Fund does not have a formal engagement policy, however, does have engagement activities. The Fund engages with tenants and assets are monitored on ESG performance on an ongoing basis.

A specific index is not designated.

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Fund incorporates environmental and social elements into its investment decisions but does not have a sustainable investment as the objective of this investment fund.

The Fund strives to leap-frog and transform existing practices and processes for better environmental and social outcomes through its investments in real estate.

The Fund's policies, investment, asset development and management principles include characteristics as climate mitigation, climate risk, waste and resources, ecosystems and biodiversity as well as quality of life, health and safety, respect for human rights, anti-bribery and corruption practices, and compliance to relevant laws and regulations.

Investment strategy

The Fund is built on focused strategies in the real estate market. The Fund aims to build a well-balanced portfolio that is diversified by investment type, risk profile, geography, and sector.

The expected investments can be categorized across two themes; platform enabled investments and opportunity driven investments.

Platform Investments

The majority of the expected investments, include living (multi-family residential, serviced apartments, student housing and multi-generational community-based living), prime modern logistics, care and offices. These investment segments are based on identification of operationally attractive and resilient segments with long-term supply/demand imbalances driven by structural tailwind where existing offerings and current supply does not meet users' needs.

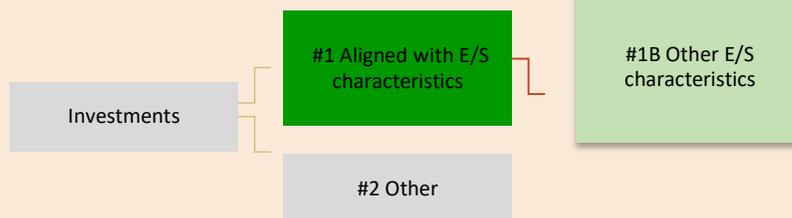
Opportunity driven investments

The Fund will leverage its local presence in the Nordics to evaluate opportunity driven investments within and beyond the platform-enabled primary strategy segments to drive attractive risk-adjusted returns. The Fund sees a substantial number of investments across asset classes where the Fund's capabilities and local presence enables the team to identify and execute on both smaller opportunities and large complex situations. Examples of segments where the Fund has pursued opportunity driven investments include necessity-anchored retail, hotels, land leases, public-to-private transactions and flex spaces.

Proportion of investments

The Fund envisages an ultimate fund composition of 120-150 individual investments, which are all real estate assets both standing and developments. The Fund will invest in assets with a focus on prime logistics, multi-family residential as well as student housing, senior housing or other serviced letting concepts. Geographically the Fund will focus on the Nordics, but also aim to make some investments outside of the Nordics, with an initial focus on Poland. All investments will be subject to the binding elements of the investments strategy to achieve the environmental and social characteristics required by the Fund. There are no minimum proportion of sustainable investments required in the asset allocation for the Fund

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

[include the note below where the financial product commits to making sustainable investments]

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Monitoring of environmental or social characteristics

The fund monitors its environmental and social characteristics on an ongoing basis.

Specifically, the following indicators are used to measure the above-described environmental and social characteristics:

- Climate mitigation:
 - o Life Cycle Assessments (LCAs), hereunder
 - Embodied CO2 emissions (kgCO2/m2/y)
 - Operational CO2 emissions (kgCO2/m2/y)
 - o Energy efficiency (EPC rating)
 - o Energy intensity (CRREM)
- New Build Sustainability certification (DGNB, LEED, BREEAM, other)
- In-use Sustainability certification (DGNB, LEED, BREEAM, other)

The fund works with its asset managers, facility managers and other parties to ensure the Fund's attainment of its environmental and social characteristics. The Fund obtains its data related to monitoring through direct engagement with these parties, ensuring the Fund is capable of reporting to its required external frameworks or to be in line with international best practice.

Methodologies for environmental or social characteristics

The Fund works with LCAs as a vital part of our Net Zero strategy, to reduce embodied – and operational carbon emissions. LCAs enable holistic, carbon-conscious design choices for the development team. Development managers play a critical role in reducing embodied carbon – as well as designing buildings that have lower operational energy needs. The fund provides sufficient training for the development managers in order to ensure consultants and contractors understand and are aligned to the Fund's Net Zero LCA targets.

The Fund tracks the assets' EPC ratings continuously and each quarter requires asset managers to review and update asset level data, ensuring EPC ratings are kept up to date. The fund also requires asset managers with energy inefficient assets to implement initiatives towards energy efficiency.

The Fund has launched policies with requirements to its standing assets and own development projects. Standing assets are required to comply with the Fund's own produced framework. Development projects are required to achieve a New Build certification of either DGNB Gold, LEED Gold or BREEAM Very Good. This methodical work with the assets is made to ensure attainment of the environmental and social characteristics.

Data sources and processing

The Fund collects regular information from asset managers, facility managers and other parties on asset level of both quantitative and qualitative nature.

Besides these sources, the Fund has also engaged with external service providers, which are able to access metering data to cover consumption data from its properties. The Fund has launched a Carbon Management Project, with the ambition of increasing its use of metering data and thus providing greater data quality and coverage across the portfolio. Work has been initiated to ensure metering data is accessed either directly on the property, from the utility company, through data hubs or through other providers. The Fund has for this purpose enrolled a new ESG-platform better suited for capturing, storing and reporting of these data sources. Metering data will be processed through various API solutions into the ESG-platform. The new ESG-platform will integrate with our current system landscape, which supports a streamlined approach to common data reporting and management.

Data providers are responsible for data quality and are required to review and update the data on a quarterly basis. Internal controls are setup to identify any outliers or obvious mistakes.

The Fund seeks to limit data estimations but will assess the usage of estimations on a case-by-case approach. On external reporting frameworks we adhere to the rules of the individual framework and follow their guidelines for use of estimations.

Limitations to methodologies and data

Data and methodological limitations relevant to the Fund's operation and ESG agenda are not unique to the Fund, but represents common challenges for measuring, interpreting, and reporting ESG relevant information.

The Fund expects an ongoing process to increase data coverage and data quality, in line with how the general ESG reporting area evolves with new international best practices and accounting standards going forward.

These limitations do not affect the attainment of the environmental and social characteristics.

Due diligence

The Fund performs an extensive due diligence process, covering from lead stage and initial screenings through to DD and eventually Investment Committee.

Investment analysis:

Sustainability due diligence is mandatory for all acquisitions in addition to technical, legal, commercial and environmental due diligence. The analysis is presented to the Investment Committee. In our sustainability due diligence, there are concrete targets to be met, e.g., certification target of DGNB gold, LEED gold or BREEAM Very Good for developments, compliance with CRREM pathway, screening of existing animal species and plants, and the adaptability of the of the building without significant changes to the loadbearing structures. Identified risks are in subsequent steps investigated in more detail to understand if they can be managed/mitigated creating both a pre- and post-mitigation assessment. The criteria revolve around topics of physical climate risk, decarbonization and transition risk, energy efficiency, eco-system and biodiversity, health and community, data & analytics, governance & ESG framework compliance.

Investment decision:

A sustainability analysis which includes detailed assessment of risk and value creation opportunities is mandatory part of all investment decisions

Engagement policies

The Fund does not have a formal engagement policy, the Fund however, does have engagement activities. The Fund takes a collaborative approach with its tenants to jointly agree on measures to improve the ESG profile of relevant assets. All assets are continuously monitored on their ESG performance by asset managers in collaboration with its central sustainability team to uphold and increase the value of its assets.

Designated reference benchmark

A specific index is not designated.