

NREP Impact 2022



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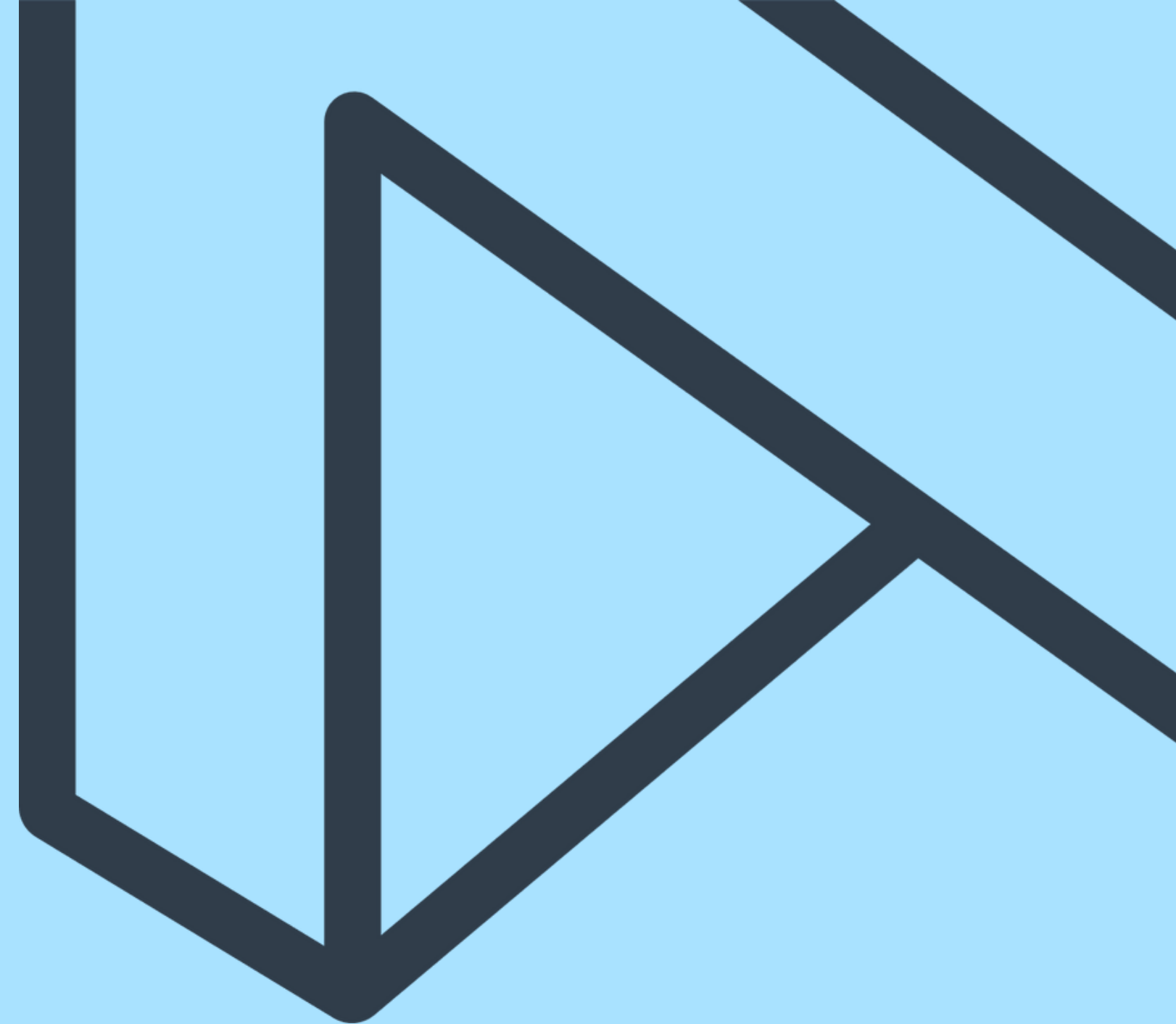
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Message from the CEO

Humanity is facing a code red, and we need action now. The latest scientific reports leave no doubt that we are in a climate emergency, and urgent action is needed to avoid the worst impacts of climate change. At NREP, we recognize the severity of the situation and are committed to playing our part in reducing our climate impact.

Targets set for 2050 won't lead to meaningful reductions fast enough. We need to act boldly and take immediate steps to reduce our negative climate footprint. The good news is that reducing emissions often adds up to a positive business case for construction and operations, as we have proven at NREP. We have embraced sustainability as a driver for innovation and efficiency, and it has become a key part of our strategy.

Our deep learning curve and scaling solutions have enabled us to identify areas where we can make the most significant impact. We are constantly seeking new ways to minimize the possible negative impacts of real estate. In 2022, we took our innovation capacity to a new level by announcing the first Earth Shot project in Logistics. At the same time, the other two projects, residential new development and office retro fit, started a new phase in investigating how we could decarbonize different real estate assets. We recognize that improving sustainability is an ongoing journey, and we remain committed to doing our part in changing the industry.



NREP is focusing more and more on how we can create better life also between the building and how we can support the local communities around our real estate. In 2022, we increased our collaboration with municipalities to create vibrant, safe and thriving neighbourhoods. Our work with Oslo City is a great example of how the public and private sectors can join forces to create more housing opportunities in a city where housing prices have gone so high that it is limiting the possibilities for people living in the city.

We understand that we cannot achieve our goals alone, and we are committed to working with our stakeholders, partners, and communities to drive positive change. Together, we can create a better future for all.

In 2022, Rune Kock was promoted to CEO of NREP as Claus Mathisen took on the role as co-CEO of Urban Partners together with Jens Stender.

- Rune Kock, CEO of NREP

Investing to reimagine - and decarbonize - real estate

NREP is the largest Nordic real estate investment manager

Deep team

By the end of 2022, NREP had a highly diverse team of more than 350 professionals and a long-standing strong local presence in our key target markets.

Experience

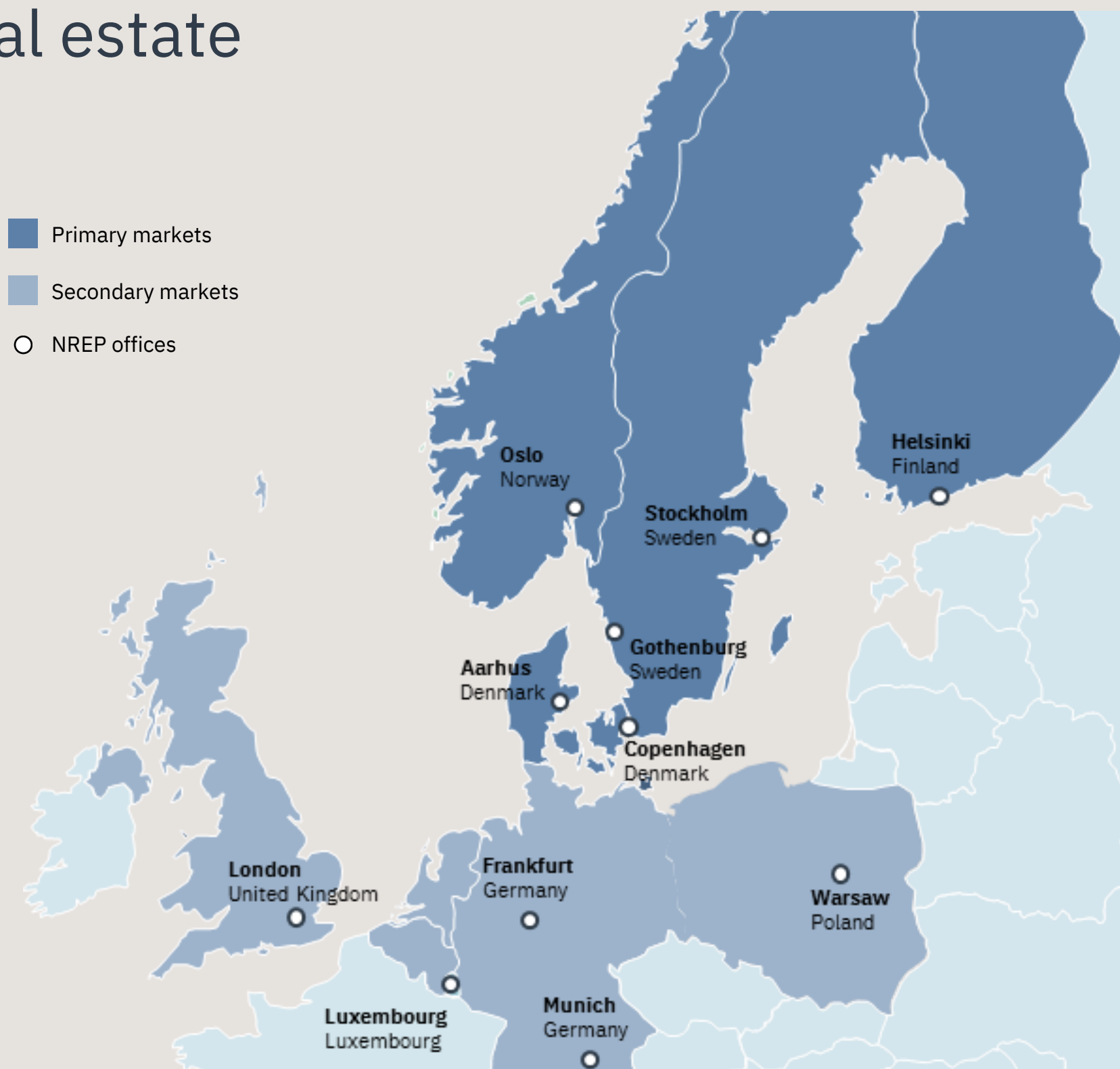
In total, NREP has made more than 480 real estate investments, of which approximately half have been exited. By end of 2022, NREP had approximately €18.5bn in Assets under Management.

Preparing for future growth

Since inception, NREP has methodically grown its team's capabilities and cultivated a collaborative network of external partners, while expanding and strengthening sectoral and geographical footprint.

*All numbers are based on NREP Private Equity Real Estate business as of December 31st 2022

- Primary markets
- Secondary markets
- NREP offices



18.5bn

AUM

350+

Team

+480

Real estate
investments

7

million sqm
of real estate



01

Scaling our Impact



Urban Vision

A global thought leader of urban ecosystems, investing in positive planetary impact

In 2022, Urban Partners, then NREP, launched its Urban Vision to the world. Urban Partners is driven by a need to understand what defines future urban areas, what an urban system is made of and its interdependencies. The intent is to leverage this knowledge to invest and contribute further to more sustainable, livable, equal, efficient, healthy, and enjoyable cities.

At Urban Partners, making the urban vision come to life is an opportunity and an obligation. In 2022 NREP began the journey to organize its business accordingly so that it is mobilized properly to invest in solving urban challenges by leveraging the real estate experience. The need for sustainable, affordable, equitable and resilient urban areas is unequivocal and the opportunity unprecedented. During 2022, Urban Partners was formed to serve the urban ecosystem; to achieve our urban vision, we expand from being the leading Nordic real estate investor to a leading global investor in the urban value chain.

Partnership with C40

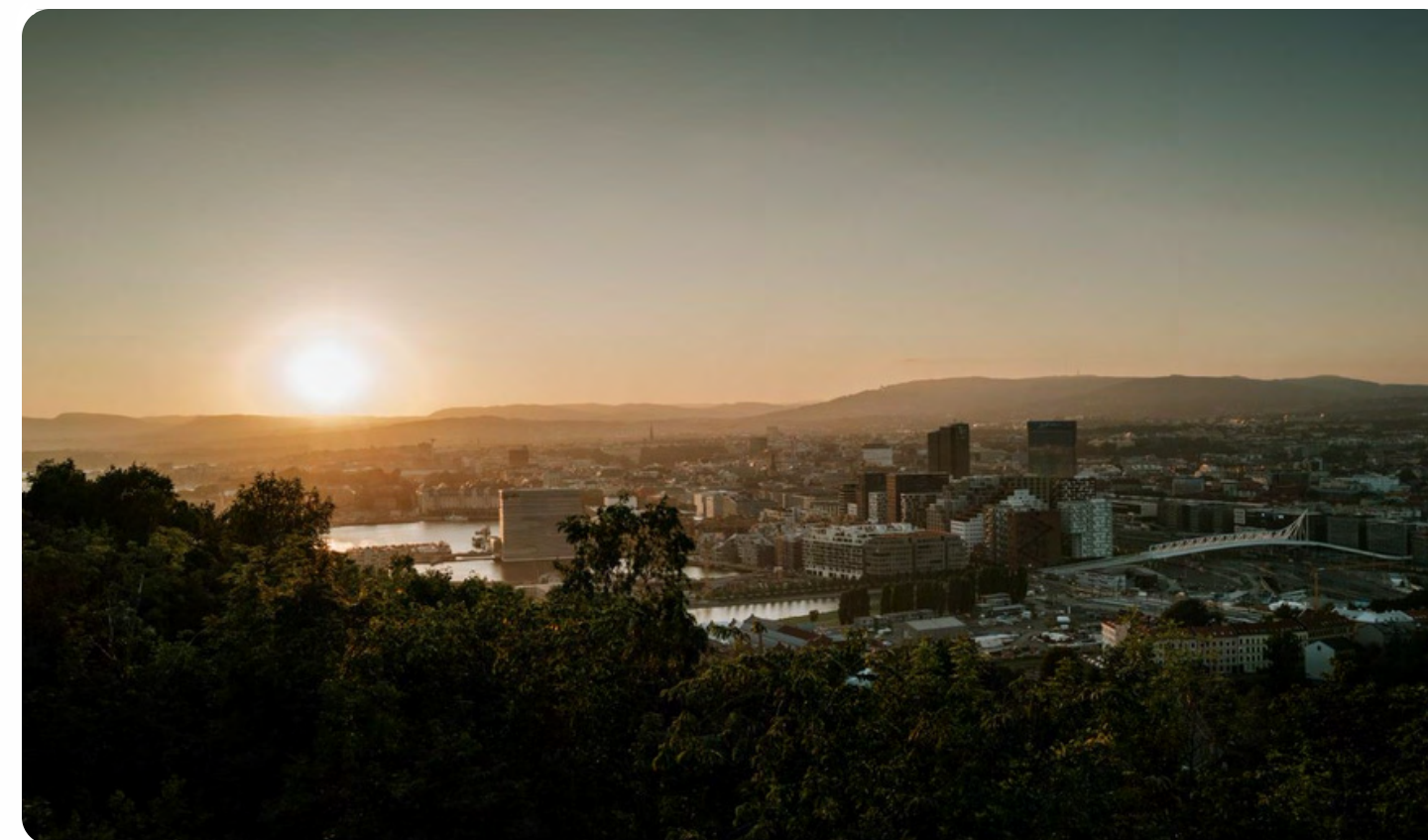
C40 is a global network of mayors representing 97 cities, 800m people and 27% of the global economy, taking urgent action to confront the climate crisis. In 2022, NREP partnered with C40 to deliver proof-of-concept for the '15-minute city' and on the implementation of net zero policies. Urban Partners is the only global investment company that is a member of C40.

Leading change in green councils

NREP works closely together with local green building councils and cities to help drive sustainability in the industry. Mikkel Bülow-Lehnsby is the Chairman of the Green Building Council in Denmark and Petri Valkama, Urban Partners Partner, is a member of the board of the Green Building Council in Finland.

Leading 'real impact initiative'

Urban Partners works on bringing together leading market participants to accelerate the transition to a CO2-neutral real estate sector. Urban Partners believes the industry must jointly identify the products and services required to accelerate the transition of the sector and apply a collaborative model to secure a successful scale-up of the ecosystem.



“Our Urban Vision takes our approach to a new level by deploying constructive capital and applying holistic, long-term thinking to create more sustainable, efficient, healthy and affordable cities. We aim to become the cities’ best friend and trusted ally of city officials. To become a global thought leader in urban ecosystems and to deliver the solutions that will improve our cities globally. Creating the cities of tomorrow that solve the systemic urban problems is to me the world’s largest unmet demand and an incredible business opportunity. But I fundamentally also see it as an obligation as the climate battle will be won or lost in our cities, and NREP has all the prerequisites to deliver on this vision with our strong track record of delivering sustainable developments, superior returns to investors, customer-centric solutions and innovative approaches to problem-solving. We’re aiming to lead the charge for sustainable urban development for people and planet.”

Mikkel Bülow-Lehnsby, Founder NREP

CASE - C40 and NREP to collaborate on 15-minute city pilots

In September 2022 during New York Climate Week, NREP announced a partnership with C40, a global climate-focused network, to fund a new Green and Thriving Neighbourhoods programme and support interdisciplinary approaches to make urban areas more liveable, equitable and sustainable.

The programme focuses on urban development on a local level, so-called '15 minute cities', which implies that everyone can meet most, if not all, of their needs within a short walk or bike ride from their home. Compact and resource-efficient cities, with co-location of residences and jobs, mixed land use and good access to public transportation, can help cut urban emissions by around 25%, according to the Intergovernmental Panel on Climate Change (IPCC).

C40
CITIES



Strategic partners in C40's new Green and Thriving Neighbourhoods programme include UN-Habitat and the Sorbonne University's Carlos Moreno, recognised for his work on a framework for 15-minute cities that expand access to a variety of jobs, housing types, goods and services, including green spaces and clean air, to residents

As cities become increasingly populated, it is essential to ensure that urban development remains within the limits of what is sustainable for our planet. At the heart of the city lies an opportunity, as urban density presents a promising opportunity for a greener and higher quality of life through the implementation of efficient infrastructure and enhanced urban planning.

The past two years have witnessed a surge of interest in the idea of the 15-minute city. The COVID-19 pandemic has spurred discussions about the city as a system that enables citizens to live more locally and sustainably. It increases the opportunity for multiple "complete neighbourhoods" that cut emissions and improve quality of life in an integrated way.

In this context, neighbourhoods provide a new opportunity to respond to the urgency of the global climate agenda. The neighbourhood provides an ideal scale for equitable and sustainable recovery and an opportunity to develop replicable and people-centred approaches that can be deployed city-wide and beyond.

"The 15-minute city helps to realize an 'ecological society' that urban residents and their leaders strive for. By promoting polycentric urban development and a thriving local lifestyle in every neighbourhood, it can help cities to reduce emissions and pollution from cars while improving quality of life. This new programme will empower cities to implement the concept on the ground and to deliver 'green and thriving neighbourhoods pilot projects.'"

Mark Watts , C40 Executive Director

[Read more about the project](#)

NREP's approach to sustainability

NREP was founded in 2005 with the aim of providing sustainable real estate solutions that create positive social and environmental impacts while generating strong economic returns. We believe in continually leaving a positive impact on our surroundings through our employees, activities, and the communities in which we invest.

NREP is committed to achieving sustainable development and managing the environmental, social, and governance (ESG) aspects of our business. We strive to be a responsible investor and operator, and to promote sustainable practices throughout our value chain. We integrate ESG into all aspects of investment decision-making and ongoing portfolio management, including due diligence, investment approval and ongoing portfolio management.

NREP considers and balances a broad set of sustainability dimensions. We have identified our carbon footprint, and our ability to influence the industry's path to decarbonisation, as our most material and prioritised environmental impact.

When we pledged to decarbonise our real estate portfolio by 2028, we knew it would send us on a steep learning curve and that delivering on this goal would require new capabilities. We are engaged in an array of projects, some of which are showcased in this report, which pilot new, more advanced and scalable solutions and approaches to delivering commercially viable, sustainable real estate.

NREP further focuses on social impact by addressing the shortage of housing across all generations. Our portfolio is providing more affordable and fulfilling ways of living such as student and mixed-generation community living, flexible serviced living and care homes. Through creating communities, we support the well-being of the users.

To achieve our ESG goals, we collaborate with a range of stakeholders, and engage with leading sustainability organisations and frameworks.





Sustainability in review

The reasons to undertake radical action to cut carbon emissions from real estate and work with sustainability across the urban ecosystem are overwhelmingly clear. And today, it is no longer a matter of simply increasing value; we are now also moving towards preserving the value of our buildings and avoiding the risk of stranded assets.

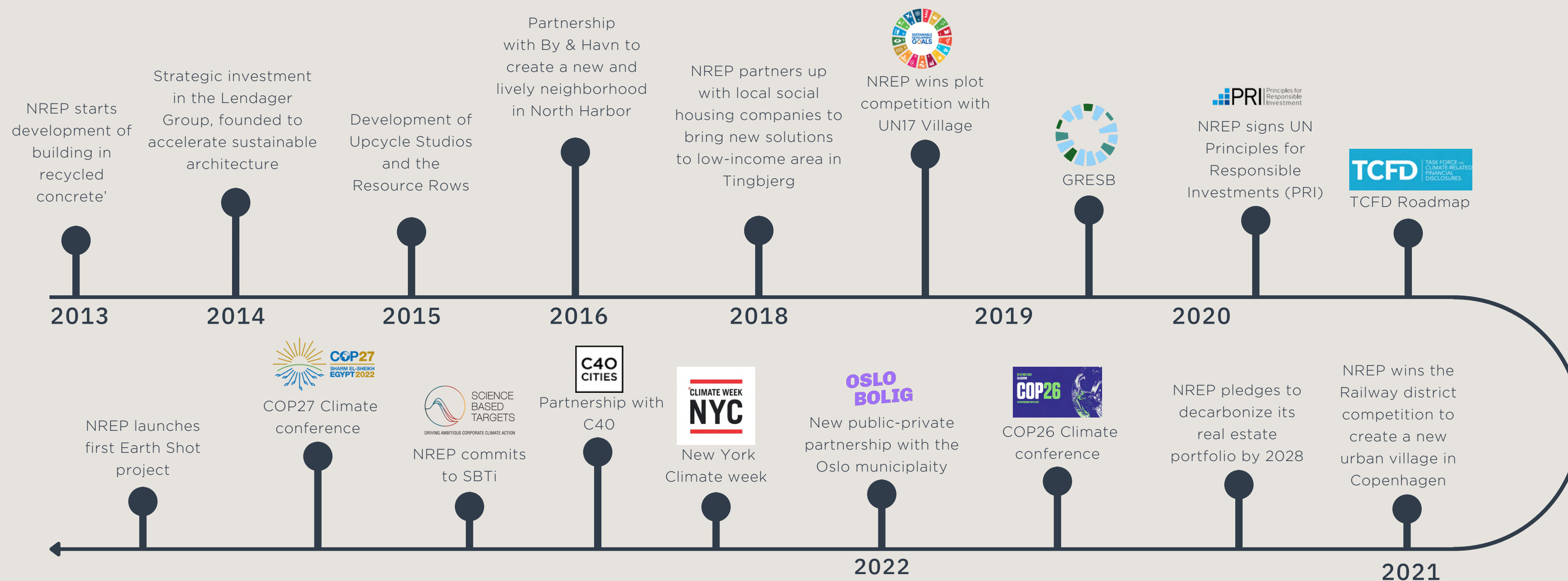
During 2022, we have undertaken a variety of projects that test out new, more innovative, and scalable strategies and methods for delivering commercially feasible and sustainable real estate. We have invested significantly in building a more systematic and efficient approach to incorporating sustainability criteria into the decision-making process across our value chain, from investment to exit. We have started designing three Earth Shots, which we will use as innovation labs to test innovative solutions to bring down not only operational emissions, but also reap important learnings in bringing down embodied emissions. Our internal team has widened, and now consists of diverse professional and personal qualities from energy experts to ESG data professionals to support the extensive topic of sustainability.

We are proud of the results, we delivered in 2022. More than 90% of our new developments now have a target EPC rating B or higher, and our portfolio is on average aligned with the CRREM 1.5 degrees pathway. We have installed or are in the process of installing more than 32 MW of on-site renewables, and our first Earth Shot within Logistics has paved the way for bringing down embodied emissions significantly. And we have now built more than 20,000 units of housing that address underserved segments, including care home spots and student housing units.

2022 was another year with valuable lessons and insights. We are grateful for the continued support and partnerships across the entire industry. Our shared goal is to achieve a wide-ranging sustainable impact in our industry.

- Elisabeth Hermann Frederiksen, Head of Sustainability

Last decade of our sustainability journey



On track to make real change

CRREM compliance

During 2022, NREP's portfolio was on average aligned with the Paris Agreement scenario of a maximum global temperature increase of 1.5 degrees; ~70% of our assets were aligned with their specific CRREM 1.5 degrees pathway.

Carbon Risk Real Estate Monitor (CRREM) is a framework funded by the European Union. The goal is to improve energy efficiency and decarbonize the building sector by 2050. The project aims to support the industry by providing a tool to reduce the carbon-risk factors of these investments, assessing the premature obsolescence and potential depreciation due to changing market expectations and legal regulations. The tool provides national pathways towards compliance with the Paris Agreement for different building types. It helps to reduce stranded investments and guide energy-efficiency decisions in real estate. It shows the decarbonization pathway based on scientific data for different building types.

NREP uses CRREM as strategic guidance for the transition of assets. To ensure NREP continuously stays aligned on average and brings all assets to CRREM compliance, NREP works systematically to decarbonize its portfolio by designing and retrofitting to reduce in-use energy intensity; increase on-site renewables and procure energy from renewable sources.

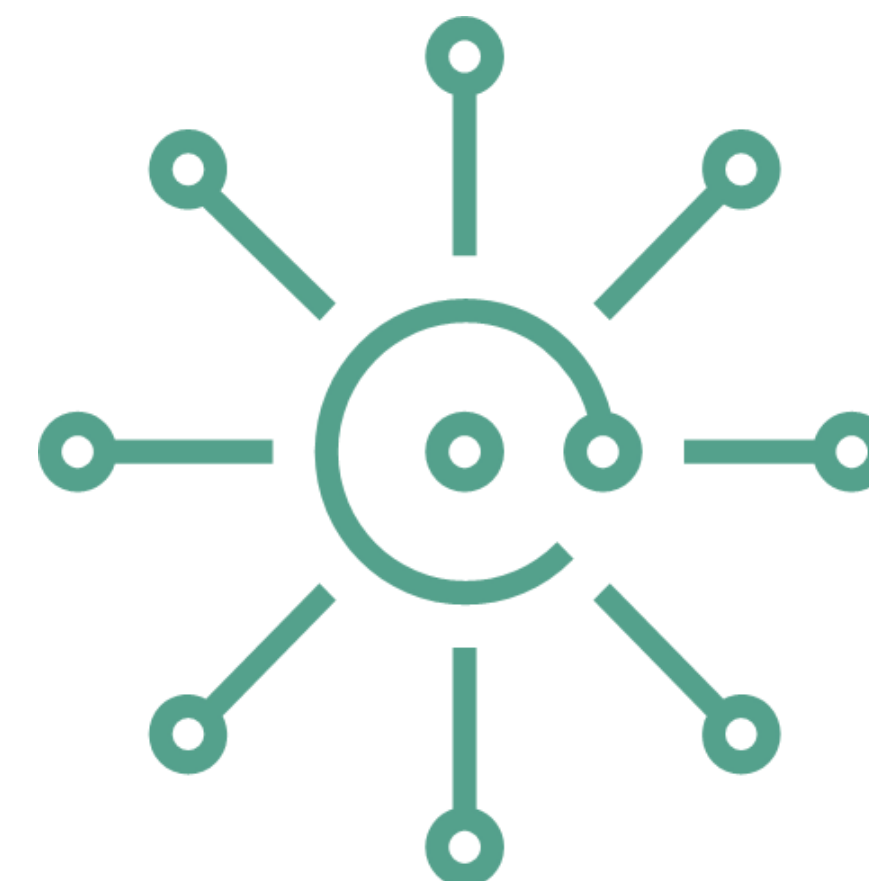
Science Based Targets initiative (SBTi)

In 2022, NREP committed to setting science-based targets and having them validated by the SBTi, to help guide our path towards our Net Zero goal. Next up, an emission reduction target in line with the SBTi's criteria will be developed and submitted for official validation.

The Science Based Targets commitment is a pathway for companies to reduce their greenhouse gas emissions by setting their targets in line with climate science goals. SBTi is aligned with the goals of the Paris Agreement, pursuing efforts to limit global warming to 1.5°C above pre-industrial levels.

In 2023 NREP will establish a full baseline GHG inventory and NREP will track GHG emissions including all NREP's scope 1, 2 and 3 emissions as defined in the GHG protocol with operational control as organizational boundary. During the coming year, NREP expects to define Science Based Targets for NREP and submit SBTs and the decarbonization roadmap for validation with SBTi.

For more information, please refer to our [decarbonization policy](#).



NREP works with different frameworks to ensure that our actions are measurable, comparable and reliable. We have been working with CRREM from 2019, and with SBTi from 2022.

Impact is intentional and at the core of NREP

CLASSIC INVESTING FOR PROFIT ONLY	TITHING	RESPONSIBLE	ESG INTEGRATION	STRATEGIC & INTENTIONAL	IMPACT FIRST	CHARITY ENTERPRISE	PHILANTROPY
CLASSIC INVESTING				PHILANTROPY			
			NREP				

ESG integration

All NREP's investments benefit from the integration of ESG factors. This is done via our 'Delivery Model', which incorporates ESG factors from investment (sustainable due diligence), through development and asset management.

Strategic and intentional

The majority of NREP’s main strategies can be described as ‘strategic and intentional’ by nature. Many of our residential strategies, which are a large part of our investment program, are addressing structural challenges.

Impact first

NREP invests in several so called Light House projects, where we truly push the sustainability agenda forward. These include Upcycled Studios and the upcoming Earth Shot projects.

02

Decarbonization strategy

There is an urgent need to tackle the climate crisis

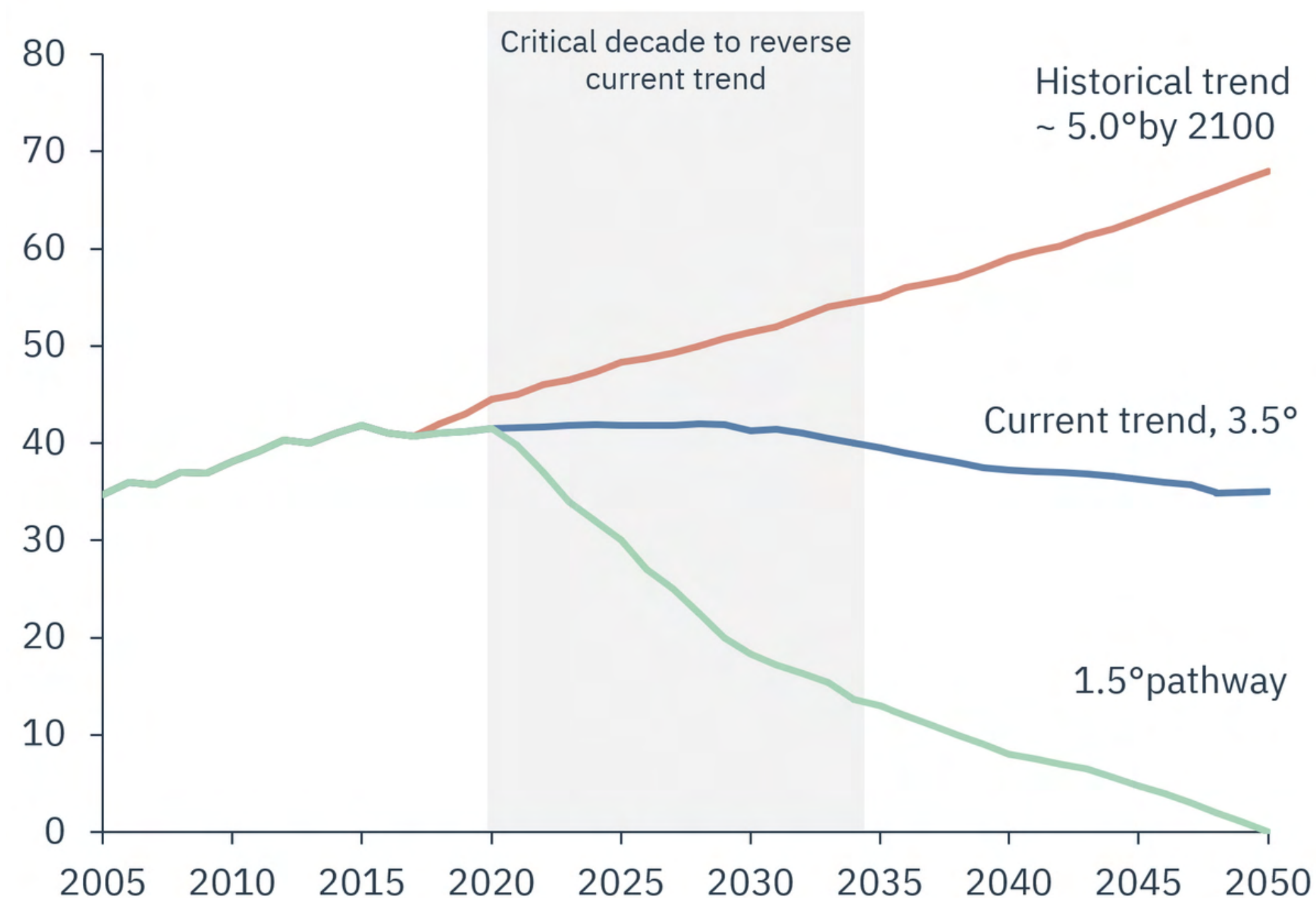
~40%

of global emissions come from the real estate sector

~70%

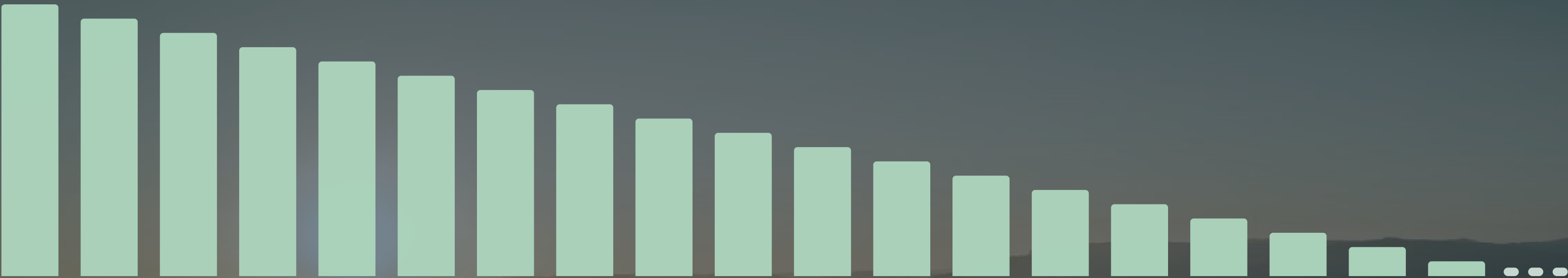
of the world's emissions in 2020 came from cities

Projected global emissions (bn metric tonnes CO₂ per year)*



*Source: MCKinsey 2020

Our decarbonization journey



Embodied emissions

On the pathway to net zero, NREP has integrated tools and processes to empower and guide the NREP investment and construction teams to bring embodied emissions down already in the design stage.

Operational emissions

Making buildings more energy efficient is the most impactful way to decarbonize real estate operations, prioritizing emission reductions within our product and value chain.

Earth Shots

With our Earth Shot project, we are going above and beyond to find decarbonizing solutions, and we want to share our findings with the world.

Abatement levers

Bringing down operational emissions

The decarbonization of our operation builds on two main topics; energy efficiency and renewable energy supply. Making buildings more energy efficient is the most impactful way to decarbonize real estate operations, prioritizing emission reductions within our product and value chain. NREP is working with the outlined levers to decarbonize operations in new construction projects and as a retrofit in standing assets. The levers are mapped in asset level decarbonization roadmaps. To ensure standing assets fulfill NREP's requirements for emission thresholds and to assess mitigation potential, NREP has simulated the entire portfolio for energy system retrofit using Energy Machines.



Bringing down embodied emissions

NREP uses Life cycle assessments (LCA) as design tool at the very initial design stages to improve the way we build. Doing LCA scenario analysis already at the initial stages of strategic and concept design is crucial for sustainable construction, as majority of the footprint is created during the first 10% of the development process, and retroactively changing designs after that given time can be challenging from an economic and process-related perspective. LCA is used as a tool to achieve GHG reductions throughout the building design process. NREP sets clearly defined thresholds to ensure new developments meet the requirements.



Energy Efficiency levers

- High efficiency building envelope
- High efficiency installations

Integrated energy systems, incl.

- Energy storage
- Heat recovery system
- Electrified heating and cooling systems, e.g. heat pump technology
- Intelligent energy management systems

Renewable energy supply

- On-site production of renewable energy
- Procurement of off site renewable electricity
- Procurement of low GHG emitting district heating/cooling

Building design levers

- Maximize space utilization
- Use low carbon building materials
- Optimize building design
- Use biogenic building materials
- Design for disassembly and reuse of materials

Construction site levers

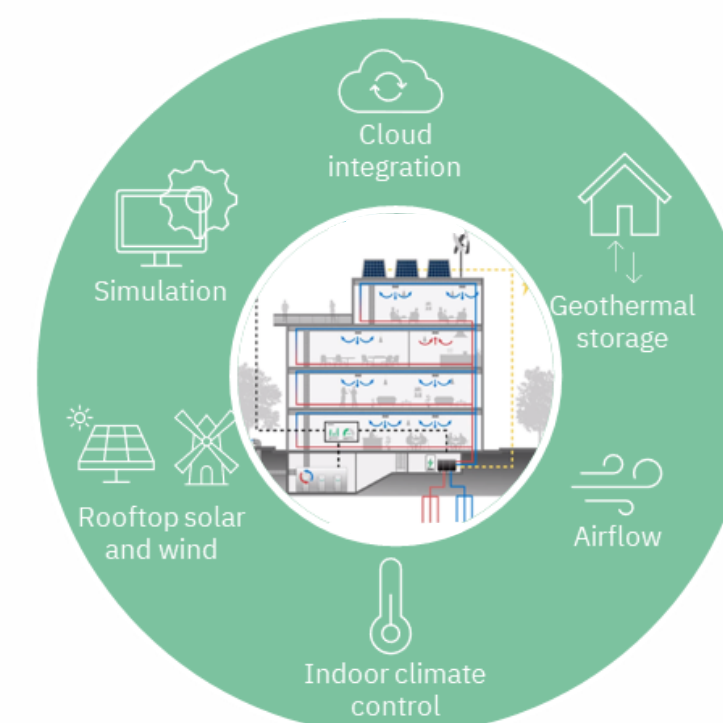
- Electrified construction sites
- Waste reduction

Portfolio Simulation

During 2022 we implemented a portfolio simulation tool in cooperation with Energy Machines. The tool assess the asset level improvement potential in terms energy efficiency and GHG emissions from retrofitting an integrated energy system.

The assessment outlines:

- Optimal energy solution including heating source, solar PV capacity and ventilation system configuration
- Energy efficiency improvement potential
- GHG reduction potential
- Potential improvement of EPC level and CRREM compliance
- Business case including CAPEX, OPEX and ROI



Focus: Investment carbon tax - driving emissions down early stage

In January 2022, NREP publicly committed to adding a carbon "tax" to its investments. By implementing a carbon "tax" to the underwriting model, NREP strengthens the incentive to make sustainable choices.

The new investment carbon "tax" will help drive innovation by putting a monetary figure on the cost of Green House Gases (GHG) to the business. The "tax" is a factor within the investment decision-making process and serves as a means for NREP to accelerate its decarbonization journey.

All NREP's investments presented to the IC are subject to a carbon "tax". It was first introduced as a shadow price for investment decisions, thus a financial incentive to decarbonize our real estate portfolio. As such, the investment teams are motivated to make more sustainable and innovative choices during the initial design and planning phase, whereby they will automatically minimize the carbon "tax".

Effectively, the carbon "tax" incentive works as a GHG reduction reserve. According to Science Based Targets, the new financial incentive accounts for all residual GHG emissions subject to specific boundary conditions. Please read more in our [decarbonization policy](#).



The investment carbon "tax" level is currently set to 90 EUR/t CO₂e using the EU Emissions Trading System as our primary benchmark. NREP intends to review the price on an ongoing basis reflecting our abatement cost.

According to a recent carbon pricing report from McKinsey, 23% of approximately 2,600 companies surveyed indicated that they are using an internal carbon charge. Within the real estate sector, just 4% of companies have adopted the mechanism, trailing far behind the energy sector (40%) and the financial services sector (28%).

The carbon "tax" brings NREP one step closer in moving the real estate sector towards a greener future. With regulations tightening yearly, it reduces risks and drives business value, as NREP expects demand for sustainable real estate to grow among banks, customers and investors.

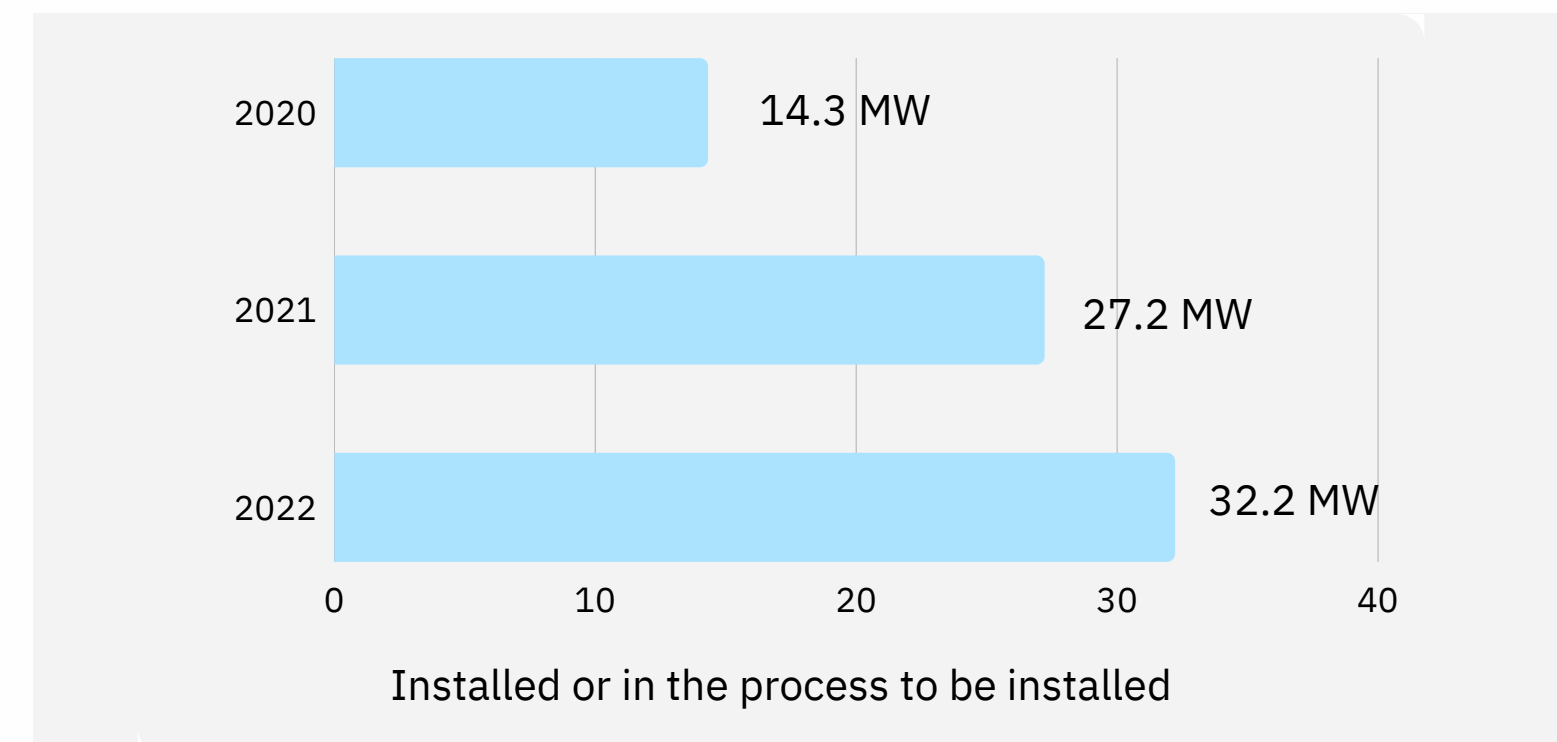
“NREP’s decision to incorporate emissions as a cost directly into investment and operational decision-making through an asset-level carbon "tax" demonstrates leadership at the highest level. It shows how the cost of carbon can be integrated in a clear, measurable way that directly affects the business case and sends a clear signal to the wider built environment industry.”

Peter Bakker, President and CEO of the World Business Council for Sustainable Development

Significant increase in on-site renewables across Logicens

NREPs logistics platform, Logicens, has been ramping up its investments in solar panels. Logicens has installed solar cells with a predicted annual generation of 30 GWh, enough to supply electricity to ~6000 households. In 2022, consistent progress was made in this area; e.g., by developing the largest roof-mounted solar plant in the Nordics covering 80,000 m².

Going forward, Logicens is planning on continuing the investment in solar panels. In total, an area of 800,000 m² is expected to become occupied by solar panels towards 2025; the equivalent of 133 football fields in size and creating enough green energy to supply more than 24,000 households.



“The logistics property sector has the necessary conditions and therefore a responsibility to take a leading role in the expansion of solar energy on our large roof areas. We are also building for tomorrow when solar power will be used to charge the electric distribution vehicles of the future. It is here that we at Logicens feel we can make a big difference.”

Jon Malmsten, Solar energy expert, Logicens

Case - Sustainability Due Diligence in practice

In November 2022, NREP signed the acquisition of a mixed-use logistics building. The site offers an excellent last-mile location in Groruddalen, within 20 minutes of Oslo. NREP utilized the sustainability due diligence process to identify and map out all possible sustainability levers for enhancing the building's profile and usage.

The acquired building was undergoing an extension, and with the upgrade, the building will have a total of 17,000 sqm of leasable area, which is distributed among four different tenants. The existing building mass was leased to Nittedal municipality and Andvord, while the new areas were leased to seafood players, Filetfabrikken and Domstein, who are expected to move in by May 2023.

The building has significant potential to enhance its sustainability profile by improving energy efficiency and increasing on-site renewables. Additionally, its close proximity to Oslo makes it an ideal choice for logistics tenants embracing the growing use of electric vehicles.

FACTS:

Location: Groruddalen, Norway

Size: ~17,000 sqm

Completion: 2023

Certification: Aiming for BREEAM Very Good

	Describe improvement lever	Timing (year)	Investment (EUR)	Payback (Years)	CO2 (kg CO ₂ /m ² p.a.)	Energy impact (kWh/m ² p.a.)	EPC impact (EPC level)
	As is Property				4.9	188	D
1	Install / fix data metering for energy	2023	24 000		4.7	182	
2	Install solar PV on roof	2024	720 000	5	2.9	113	
3	Install LED Lighting in older building	2023	180 500	10	2.7	105	
4	Install heat exchanging on cooling system for new building and heat pump geothermal for older building	2024	700 000	5	1.1	41	B
5	Guarantee of origin for electricity	2023	127 per year		0.0	41	

*Data stems from the respective sustainability due diligence report. Please note that the actual outcome depends on final solutions, tenant agreements, and market price development.

The sustainability levers include:

- The installation of heat recycling capabilities from cooled fish refinement areas in the new building and the addition of geothermal heating pumps.
- The entire roof will be covered with solar panels, generating 1100 kWp of clean energy.
- With high electricity capacity, the site is ideal for the installation of electrical chargers, accommodating both cars and trucks.
- Improving the energy performance from EPC level D to B.

Other sustainability actions encompass a plan to increase the biodiversity of the site and the pursuit of BREEAM Very Good certification.

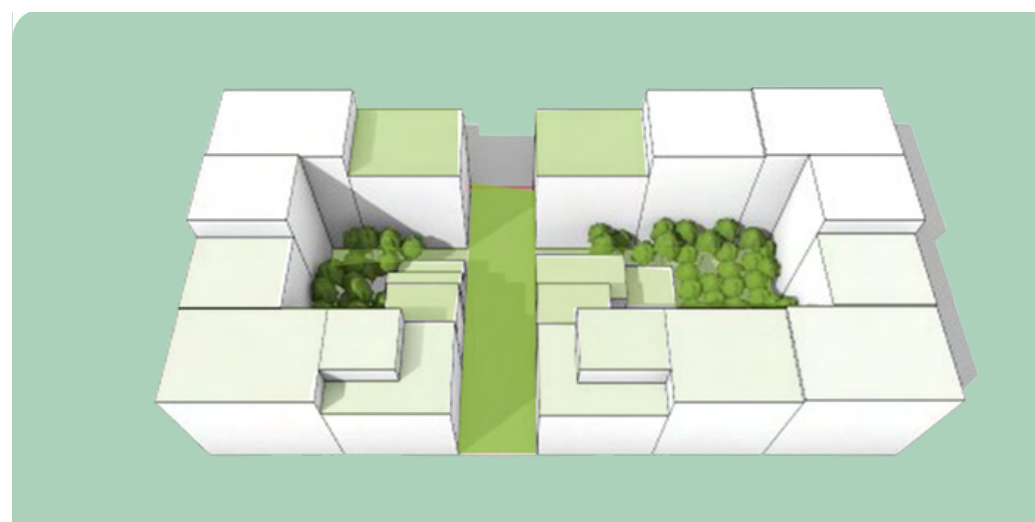
” Running a full Sustainability Due Diligence process allows us to quantify, and optimize the impact of our sustainability investments both from a financial and environmental perspective.”

Alfred Eklöf, Partner in NREP

Earth Shots



Logistics Earth Shot



Residential Earth Shot



Office Earth Shot

With our earth shot projects, we are going above and beyond to find decarbonizing solutions. To discover new ways of building more sustainable buildings with significantly lower operational and embodied emissions, NREP is seeking to build three 'Earth Shots' across three segments: logistics, residential and office (retrofit). The objective of Earth Shots is to test innovative solutions, which can help us understand and learn more about decarbonisation in real estate. The clear aim is that these learnings can be integrated into our wider portfolio as we continue to decarbonise our assets.

By choosing both new-builds and retrofitting projects within different segments and countries, we are actively looking to maximise the knowledge gained, while challenging the current trends in the real estate sector.

The Logistics Earth shot is located in Båstad, Sweden and the Residential Earth Shot is planned to be located in Copenhagen.

CASE - Decarbonising logistic centers

In 2022, we launched our Logistics Earth Shot, intended to explore and demonstrate how to decarbonise the built environment within logistic facilities. To lower emissions significantly, the project has turned over every stone looking at the possibilities to minimise the carbon footprint; from looking into the thickness of the concrete slab to the structure and building envelope. The initiatives mentioned could save significantly on embodied GHG emissions compared to a usual logistics center.

The project aims for BREEAM Outstanding and Noll CO2 certification.



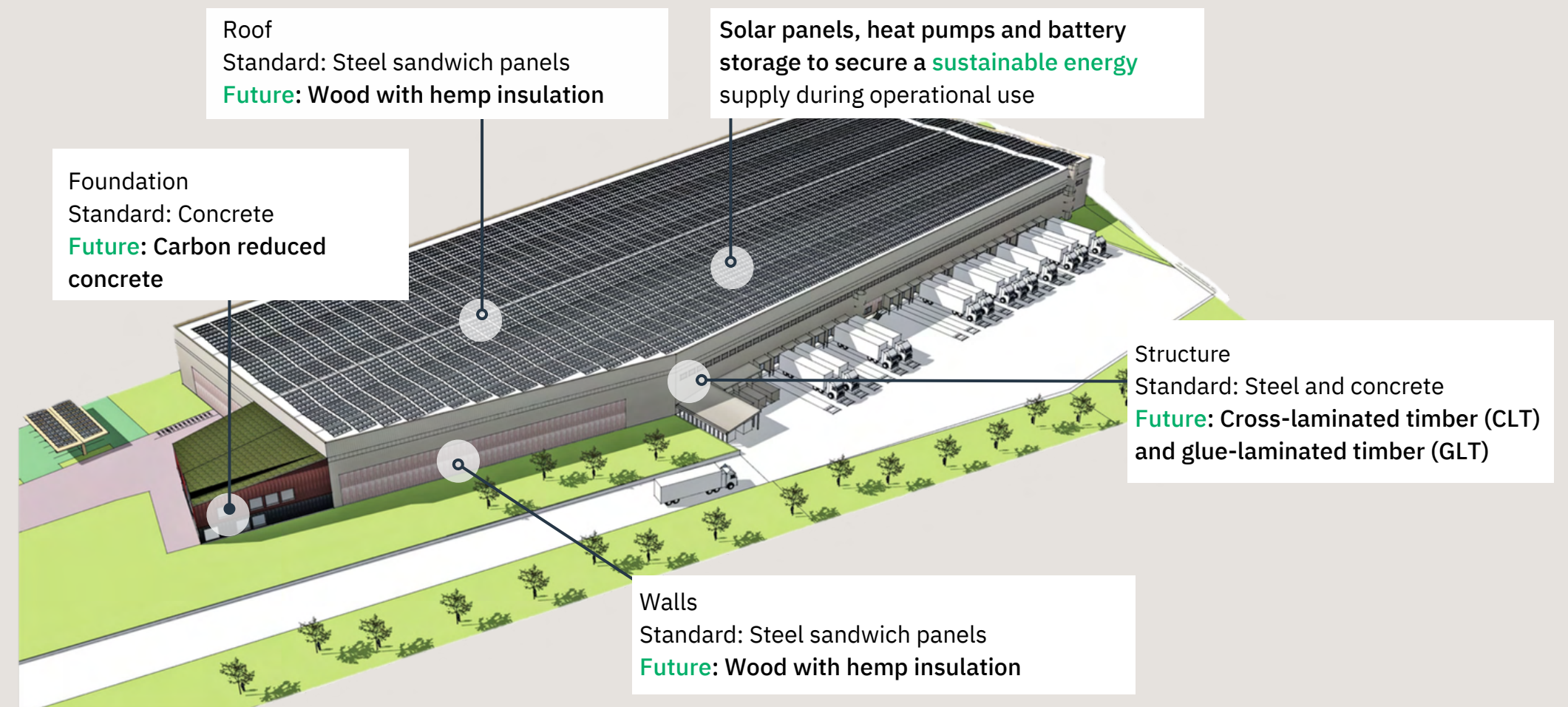
FACTS:

Location: Bålsta, Sweden

Size: ~21,000 sqm

Completion: 2024

Early stage LCA conducted



EMBODIED CARBON

New, biogenic, and selected materials will be used to decrease embodied GHG emissions. As an example, using cement substitutes and optimising the slab in the foundation could enable a GHG emission reduction of >30% compared to the typical NREP logistics buildings foundation.

Walls and roofs, usually made of steel with a high share of virgin and fossil-based stone wool, will be made of wood. A biogenic hemp insulation material that has the potential to bind more CO2 than it emits during production will be explored.

OPERATIONAL CARBON

Logistics facilities consume a lot of energy. We will aim for net zero emissions from operations by using industrial heat pumps, and generation of electricity via solar panels. Our aim is to also implement a battery system to meet high demand from equipment and vehicles and to supply excess electricity back to the grid.

03

The delivery model



NREP embeds sustainability in its value chain from pre-investment analysis through development and asset management

The main objective of our sustainability blueprint, our Delivery Model, is to translate our sustainability purpose and vision into clear guidance and methodologies, which support decision making in the acquisition stage, development stage and throughout the asset ownership period.

Our Delivery Model ensures holistic sustainability integration from initial investment to asset management, comprised of strategic frameworks: Sustainability Due Diligence (SDD), Sustainable Development Performance Standards (SDPS), and Sustainable Action Plans for Standing Assets (SAPSA).

Importantly, it allows us to systematise and effectively scale impactful solutions to reduce carbon emissions and address other sustainability concerns.



Sustainability Due Diligence (SDD)

Ensures sustainability factors are considered prior to investment

Sustainable Development Performance Standards (SDPS)

Ensures NREP's new builds live up to NREP's requirements related to decarbonisation, certifications and further sustainability targets

Sustainable Action Plan for Standing Assets (SAPSA)

Ensures NREP's portfolio of standing assets undergoes a transformation of sustainability improvements during ownership

Sustainability due diligence

Sustainability integrated throughout the investment process

Sustainability is incorporated into every investment process in NREP from the pipeline stage to investment committee approvals and beyond. Screening for decarbonisation potential begins in the initial pipeline stage with high-level estimation of carbon emissions and progresses to a detailed review part of the required material in the Investment Memorandum presented to the Investment Committee.

NREP has developed a sustainability due diligence (SDD) framework, which guides the mandatory sustainability analysis for investment cases that are presented to the investment committee.

It includes a detailed assessment of risk and value creation opportunities which is a mandatory part of all investment decisions. Identified risks are in subsequent steps investigated in more detail to understand if they can be managed and/or mitigated by creating both a pre- and post-mitigation assessment. In our SDD, each of the criteria has a concrete target to be met. Criteria such as:

- Compliance with the CREEM pathway
- Screening of existing biodiversity
- Screening of adaptability of the building without significant changes to the load-bearing structures.
- Potential for significant energy efficiency improvement

The investment committee will review key findings from the SDD as well as core elements of the mitigation and impact plan. The SDD model will be continuously updated as we progress with our 2028 decarbonisation strategy. Following an investment approval, the ongoing evaluation centers around our operational sustainability framework.

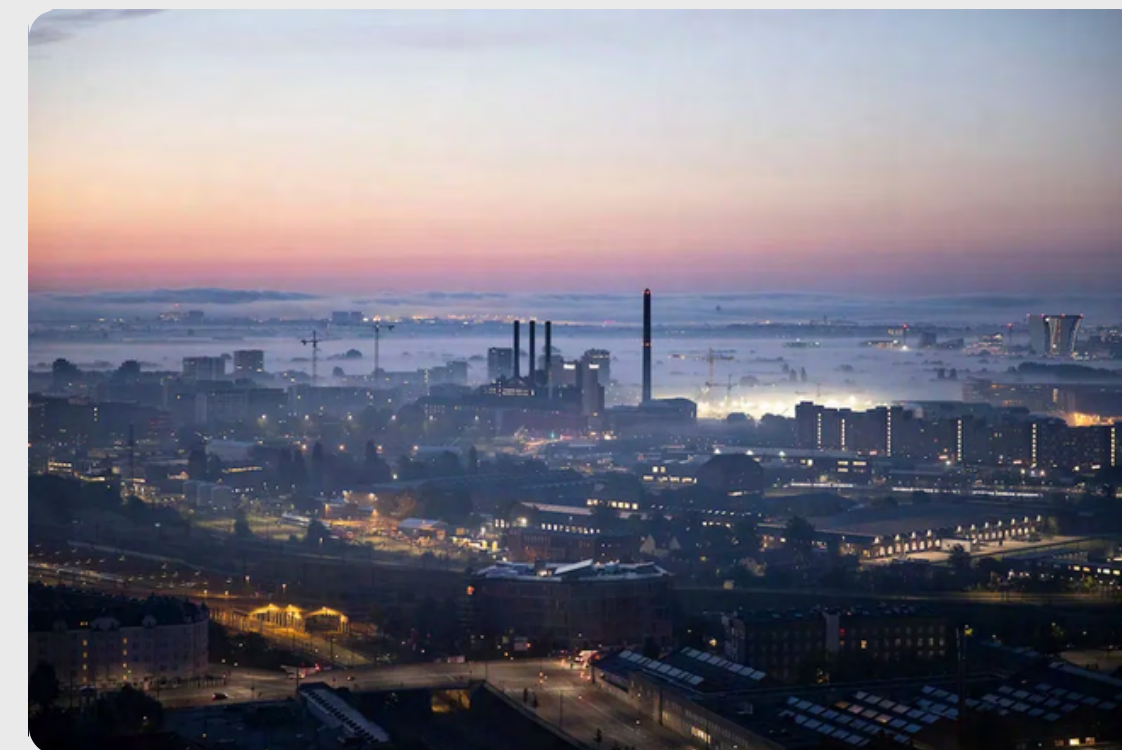
The SDD tools will be reviewed by the central sustainability team on an ongoing basis to ensure alignment with NREP's ambition and compliance requirements.

Physical climate risks

In 2022 NREP chose S&P's Climonomics as the preferred tool for assessing asset-level physical climate risk exposure. The tool is helpful in the risk assessment on a fund and asset-level, as it offers screenings from various climate change and timeline scenarios.

The tool adapts to risk exposure in relation to The Task Force on Climate-Related Financial Disclosures (TCFD). The screenings are indicative of the financial impact of the respective climate change impact scenarios.

Aside from the screening by Climonomics, NREP leverages local knowledge and physical presence in relevant geographies to carry out more in-depth assessments. All assets in NSF funds and NIP will be onboarded in 2023.



Process for development projects

Following an investment approval, the ongoing evaluation centers around the operational sustainability framework. For NREP's development projects, the Sustainable Development Performance Standards (SDPS) are applied, containing certification requirements and Life cycle assessments (LCA).

LCA requirements

LCA is a methodology for assessing environmental impacts associated with all the stages of the life-cycle of a building, including the total CO2 footprint of the building for both embedded carbon and operational carbon emissions. As a part of the SDPS, NREP strives to use LCAs as a design tool at the initial design stages to improve the way we build. From 2021, NREP introduced mandatory upfront LCA across all its construction and major renovation projects. Each investment must have an LCA "menu card" filled out, which elaborates on the findings during LCA and present the outcome of the assessment.

The SDPS also requires a life-cycle cost (LCC) analysis, which is a method of calculating a building's expected operating and maintenance costs over its lifespan. The method that allows NREP to assess the total cost that will incur throughout your period of facility ownership, consequently it is an important tool to assess whether an asset consists of robust building materials with a long lifespan, and thus is a more sustainable building. Furthermore, LCC is an effective method of anticipating replacements and operation of the property for the purpose of timely planning.

Certification requirements

In accordance with the requirements set out in the SDPS, we strive for all new development projects to have a target of at least DGNB Gold, BREEAM Very Good or LEED Gold.

Carbon Lever Catalogue

In November 2022, NREP launched an internal Carbon Lever Catalogue 1.0 based on learnings from the exploration phase of earth shots. The catalogue collects a number of alternative materials / methods, which can guide and inspire investment teams on how to bring down emissions in developments, and outlines the carbon abatement potential, the cost and the technological maturity of each lever, along with potential suppliers and links to EPDs.



Asset level assessment: certifications

NREP strives to certify all new development projects with a target of at least DGNB Gold, LEED Gold or BREEAM Very good.



Sustainability planning for standing assets

Sustainability impact in asset management

The Sustainability Action Plan for Standing Assets (SAPSA) was launched in May 2022. It is developed to provide NREP asset managers with a methodical, scalable, and pragmatic way to integrate sustainability into daily asset management. SAPSA is designed on the premise of empowering asset managers to embed impactful sustainable qualities fully aligned with our sector leading ambitions, into properties under our management. The standards will be adjusted according to changing demands and requirements.

SAPSA was introduced as a way to work with sustainability planning on an asset level. It is intended to smoothen the onboarding of new assets into the funds, and as a transition roadmap of legacy assets.

The decarbonisation road-map of NREP is integrated into SAPSA focusing on reducing operational carbon through central solutions such as integrated energy systems and renewable energy installations. As an example, NREP's SAPSA manual instructs that all assets must hold a valid EPC rating and must complete and maintain a Climate Action Roadmap demonstrating a pathway to achieve net zero GHG emissions by 2028. It is required that current EPC level and current primary energy demand is logged together with future improvement plans in the energy audit report.

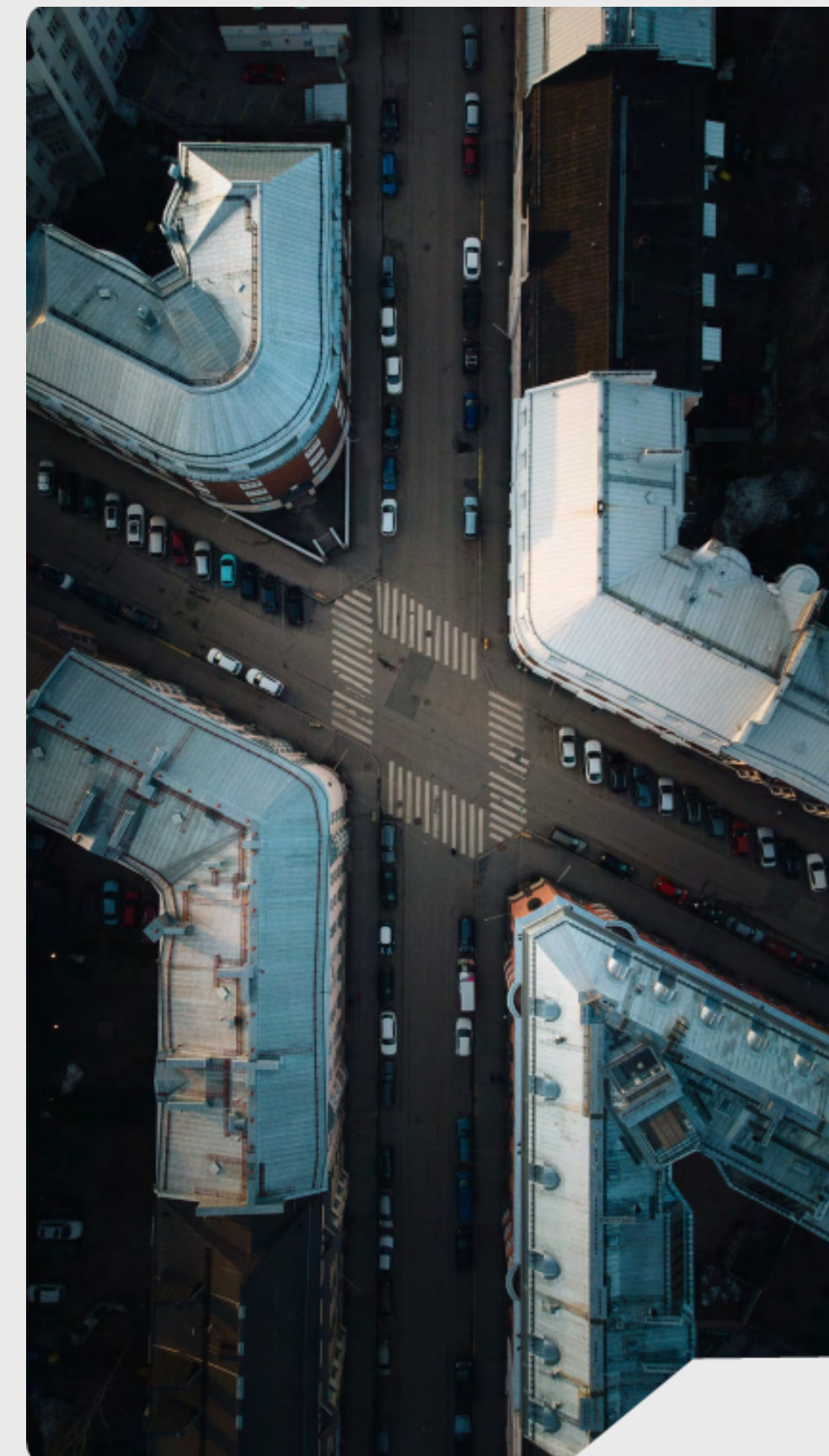
In-use certifications

Selected business lines aims to certify all assets with an in-use certification scheme.

Looking forward

NREP focuses on asset certification as a means to validate our sustainability efforts as well as ensure transparency for investors and quality upon exit. NREP prefers multi-attribute assessments for building certifications, as they can measure both social and environmental impact. The holistic assessment focuses on the overall impact of buildings, both the environment, but also account for health and safety standards for the building's users. The latter is highly aligned with NREP user-focused approach and operational model.

Looking forward, NREP believes certification and disclosure on asset-level will become increasingly important, and believe it provides a good example of how the industry can work from a common approach to create more sustainable built environment.



NREP works with holistic certification providers

BREEAM

BREEAM or Building Research Establishment Environmental Assessment Method certification scheme is used to assess sustainability level of buildings and developments.

DGNB

DGNB stands for 'Deutsche Gesellschaft für Nachhaltiges Bauen' (in English the German Sustainable Building Council) and is the German sustainability certification scheme for buildings.

LEED

Leadership in Energy and Environmental Design standards, a certification program originates from the U.S. Green Building Council made to encourage sustainable practices design and development by means of tools and criteria for performance measurement.

All of the NREP assets aim for local sustainability certification BREEAM, DGNB or LEED. In addition, asset can aim for voluntary certifications such as:

Miljö Byggnad Silver

Miljöbyggnad is a Swedish environmental certification which checks the building for sixteen different indicators for energy consumption, indoor climate and materials.

Nordic Swan Ecolabel

The Nordic Swan Ecolabel was established in 1989 by the Nordic Council of Ministers as a voluntary ecolabelling scheme for the Nordic countries.



Monitoring risk and seeking opportunities

Climate-action-templates

NREP's Carbon Action Template (CAT) is an internal NREP tool, which is used to calculate costs and performance in relation to CO2 reductions on an asset level. Through the application of SAPSA and CAT, and ongoing screening of physical climate risks to each asset, NREP conducts thorough monitoring off-site, which is strengthened by NREP being physically present on our operating assets. All risks are reviewed, and mitigating actions are taken against the potential impact of stranded assets.

Risk monitoring

An action plan for handling the ESG risks and opportunities identified in the due diligence is incorporated into the decision-making progress and as an integral part of the business plan for the investment.

ESG risks are included in both the general risk analysis section and the ESG section presented to the Investment Committee. Any projects that involve unacceptable ESG risks will be rejected before going to the Investment Committee. ESG risks that have been identified during sourcing and screening stages are subsequently flagged and prompted in NREP's systems, thus ensuring coherence and continuity across transitions between transaction, development, and portfolio teams for implementation of agreed mitigating actions and ensuring relevant risks are addressed in the quarterly risk monitoring process.

Active ownership

NREP has in-house asset management teams that help ensure the highest level of quality, control and efficiency and gain in-house learning for future development. For most assets, tenants are responsible for managing energy, electricity, water use and waste management. NREP has a collaborative approach with tenants to jointly agree measures to improve the footprint of the assets. Energy and resource efficient buildings are both important elements in creating long-term relationships with NREP's tenants.

By having an operational approach, NREP gets to know the user directly and is able to design products with them in mind. NREP's ambition is to facilitate higher standards of living and create value by taking ownership of the value chain with higher efficiency and flexibility.

NREP drives value growth by having the necessary internal capabilities in target segments and strategies. NREP identifies structural tailwinds and researches customers' needs in underserved segments, and then methodically builds market leading in-house capabilities to better serve those needs.



Committed to raising the bar in the real estate industry

NREP aims to go beyond what is currently available in category labels and checklists and raise the bar further. Besides using widely recognised certification schemes, we deploy in-house developed standards to assess each standing asset and development. Our standards, tools and knowledge are frequently shared with peers, and together we can drive our industry towards more sustainable standards.

2022 Highlights

- NREP commits to Science Based Targets
- NREP reports to GRESB for 5 funds
- NREP implements SFDR Level 2 (RTS) measures
- NREP continuously prepares for EU taxonomy requirements with dedicated resource in place

2023 Strategic focus areas

We are currently focusing on various strategic areas to escalate our strategic and systemic work with sustainability across the organization. In 2023, NREP will implement an Energy & Sustainability platform from IBM called Envizi as a part of a wider carbon management project.

Envizi will have access to consumption data from meters, which will be installed on all possible assets. The Envizi platform has cloud-based, ESG software products that work together to build a data foundation by automating the collection and consolidation of more than 500 ESG data types into a single system of auditable, financial-grade data. It contributes to accelerating decarbonisation by identifying energy and emissions savings opportunities and tracking progress at every stage of your journey. Furthermore, Envizi will help to streamline reporting and disclosures, as it has the capability to report directly to frameworks such as GRESB. The Envizi implementation starts January 1st, 2023.

During 2023, NREP will work towards setting its baseline and submitting a target to SBTi. NREP will report to UN PRI according to their updated framework in 2023. NREP will also launch its first TCFD report according to the TCFD roadmap. 2023 will also be a year of continued focus on the regulatory landscape and reporting on Principle Adverse Indicators (PAI) and SFDR periodic reporting. Finally, NREP will sign up to ILPA's Diversity, Equity and Inclusion Framework.



Portfolio level framework



Portfolio level reporting standards



Corporate level accounting standards



Portfolio level framework



Asset level assessment



Portfolio level disclosure



Asset level assessment tool



Portfolio level reporting standards

EU Taxonomy and SFDR disclosure

SFDR

In 2022, NREP updated its PAI statement and disclosure as according to regulatory technical standards (RTS). A dedicated project team with complementary skills was set up to prepare for level 2 (RTS) measures going into effect on January 1st 2023. The team worked together with external consultants to properly accommodate the required measures. In December 2022, NREP made the following disclosures available on the website:

- SFDR disclosures on NIP, LPF and NSF II-V funds
- PAI Statement

All NREP's Nordic Strategies Funds (NSF) and NREP Income + fund (NIP) are classified as Article 8, which covers funds with specific sustainability criteria that promote environmental or social conditions so-called “light green” funds. Classifying the aforementioned funds as Article 8 enables NREP to include brown-to-green investments.

Promotion and performance of ESG characteristics

Examples of what NREP discloses the following under SFDR Article 8:

- Embodied CO2 emissions (kgCO2/m2/y)
- Operational CO2 emissions (kgCO2/m2/y)
- Energy efficiency (EPC rating)
- Energy intensity (Energy intensity (kWh/m2/y benchmarked against CRREM 1.5° reduction pathway)
- GHG intensity (kg GHG/m2/y benchmarked against CRREM 1.5° reduction pathway)
- New Build Sustainability certification (DGNB, LEED, BREEAM, other)
- In-use Sustainability certification (DGNB, LEED, BREEAM, other)

Consideration of Principle Adverse Impacts

- Exposure to fossil fuel through real estate assets
- Exposure to energy-inefficient real estate assets

For more information, please refer to our [sustainability disclosures](#).

NREP closely follows the guidelines communicated by INREV in order to properly adapt to the EU disclosure requirements. Given the wide-ranging impact of SFDR on the real estate industry, INREV keeps in contact with officials at the European Securities and Market Authority (ESMA) to clarify current issues and to help the industry better interpret the implications of the SFDR*.

Working with the EU Taxonomy

In collaboration with the industry, NREP is working to interpret and understand the technical requirements set out in the taxonomy. The in-house sustainability team works closely together with the Green Building Councils and industry peers to create a common understanding of the requirements to ensure alignment in the approach going forward. At NREP we see a strong collaboration with partners, and we share our learnings in an open-sourced manner.

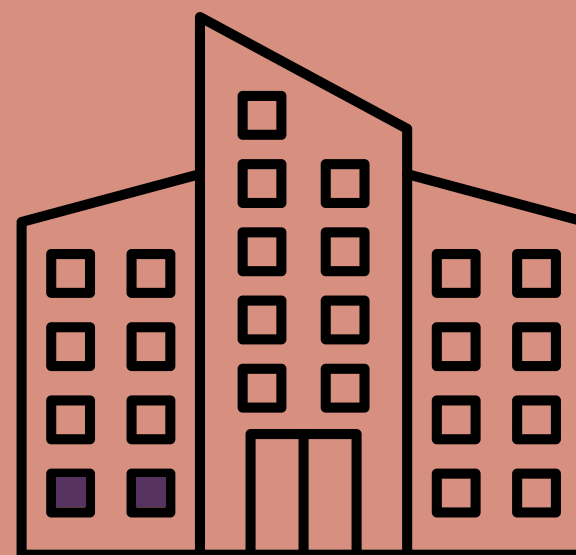
04

Social responsibility

The Nordics are welfare states, but there are still many social and demographic shifts which are currently not being addressed by the real estate market, causing real estate to sit at the heart of some of our most pressing challenges.

From
14% to 20%

share of elderly people (+65)
has risen in Sweden over the
last 50 years



In Norway, there is only 15% of
student housing units
compared to the number of
full-time students.

Over
20%

of households in Danish cities
spend >40% of their disposable
income on housing

Source: Nordregio, International Long-term Care Policy Network (ILPN), The Class Foundation

Provide more homes and fulfilling ways of living

Creating better solutions for societal needs

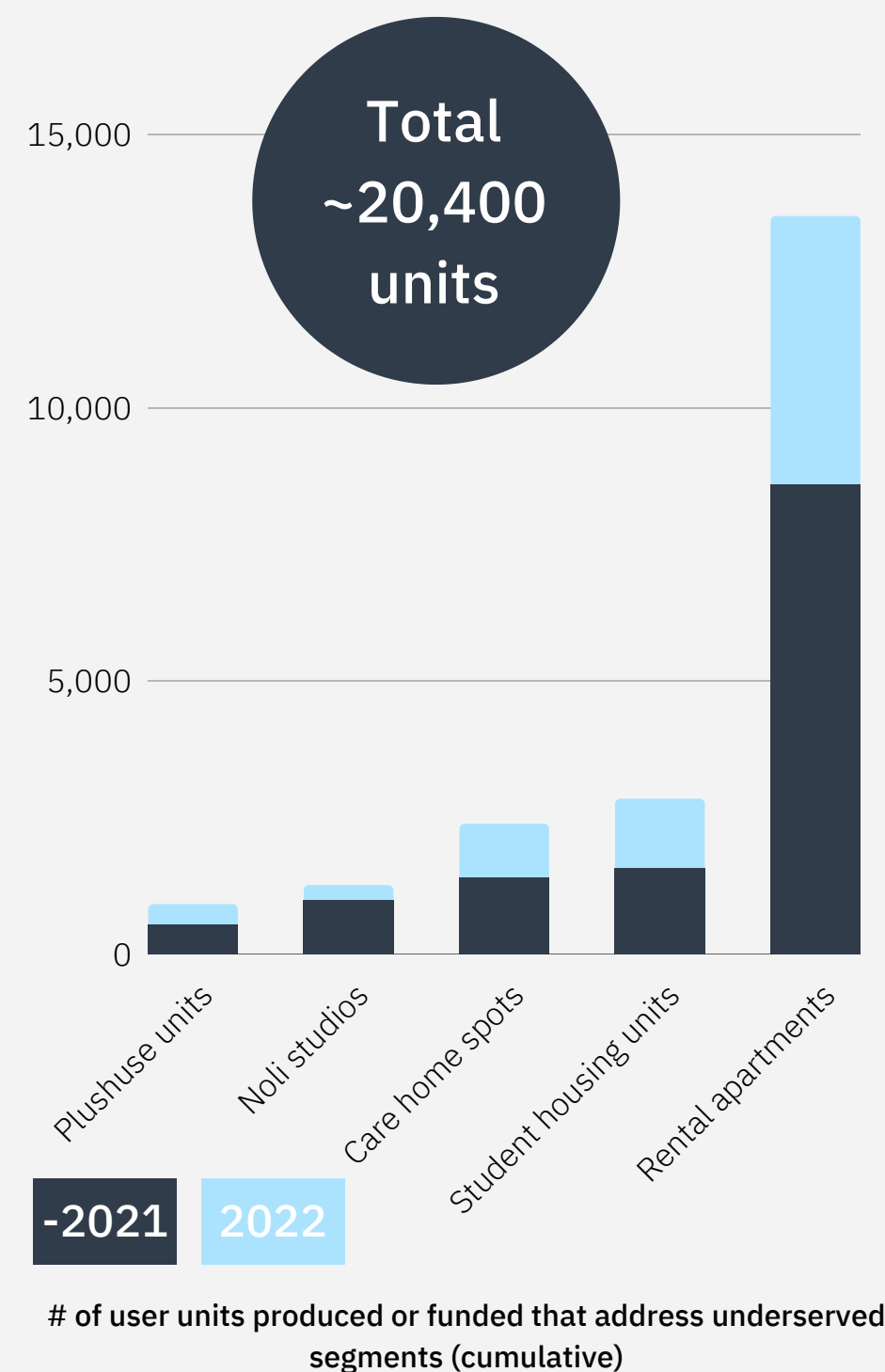
NREP's main goal is to provide real estate that allows more people more fulfilling ways of living – this is embedded in the core nature of NREP's main real estate products as well as our holistic long-term approach to urban development.

NREP's residential program addresses student housing, community-based living, mixed-generation communities, senior housing, care homes or rental apartments. With structural undersupply in these segments, we see a significant possibility to make a real difference.

Massive need for more housing

For decades we have not been able to build remotely enough housing to keep up with demand. The consequences of inadequate access to affordable and suitable housing in major cities are experienced by people of all ages and have a significant impact on the way we lead our lives.

Demographic trends e.g., a growing elderly population - combined with a change in lifestyles (e.g., Sweden has the highest number of single-person households in the world) create a need for new real estate solutions to support happy and healthy lives.



Community Engagement



NREP works closely with the communities where NREP operates to ensure that all developments and investments are aligned with local needs and values. NREP strives to create positive social impacts by supporting local initiatives and organizations that address social needs, promote education and health, and foster economic growth.

NREP's social sustainability efforts are integrated into investment decision-making and ongoing portfolio management. By prioritising social sustainability, NREP can create more positive impact in communities, build a more diverse and inclusive organization, and promote the well-being of our employees. For more information, please refer to NREP's [policies on health and safety and work environment and diversity](#).

“The real estate industry has traditionally looked at real estate as an asset class, but when designing real estate, you have to take the perspective of the user, This belief has led us to take a very customer-centric approach.”

Rune Kock, Real Estate CEO at NREP

Our platforms address structural challenges

RESIDENTIAL				CARE	LOGISTICS
Affordable student community-living Students face an extreme lack of affordable well-located student housing in all the Nordic capitals and main university cities.	Flexible affordable serviced living Young people in the Nordic capital cities are struggling to find affordable and decent living conditions.	Multi-family rental The lack of suitable affordable rentals in the main cities is at the core of many pressing life challenges for people.	Mixed-generation community living Loneliness and isolation are major contributors to poor health and mortality for senior people in the Nordics.	Care homes With a growing elderly population, the lack of assisted living communities is causing physical and mental health problems for the elderly in need.	Modern efficient logistics As the demand for logistics continues to rise, it is essential to ensure that it is managed sustainability.
 UMEUS STUDENT CO-LIVING UMEUS provides modern community-based student living at affordable prices in the Nordic capitals and university cities	 NOLI Studios Noli Studios services the growing need for flexible, socially connected yet affordable studios in central locations	 .juli living NREP's largest business is activity focused on providing rental apartments and row-houses	 PLUS HUSENE Multigenerational community-based living housing solution for active seniors and young families	 ALTURA Altura partners with local municipalities to address the growing yet underserved need for quality care homes	 LOGICENTERS Modern efficient centers, pioneering sustainability and focusing on locations that minimise driving distances

CASE - Partnering with the city to increase homeownership opportunities

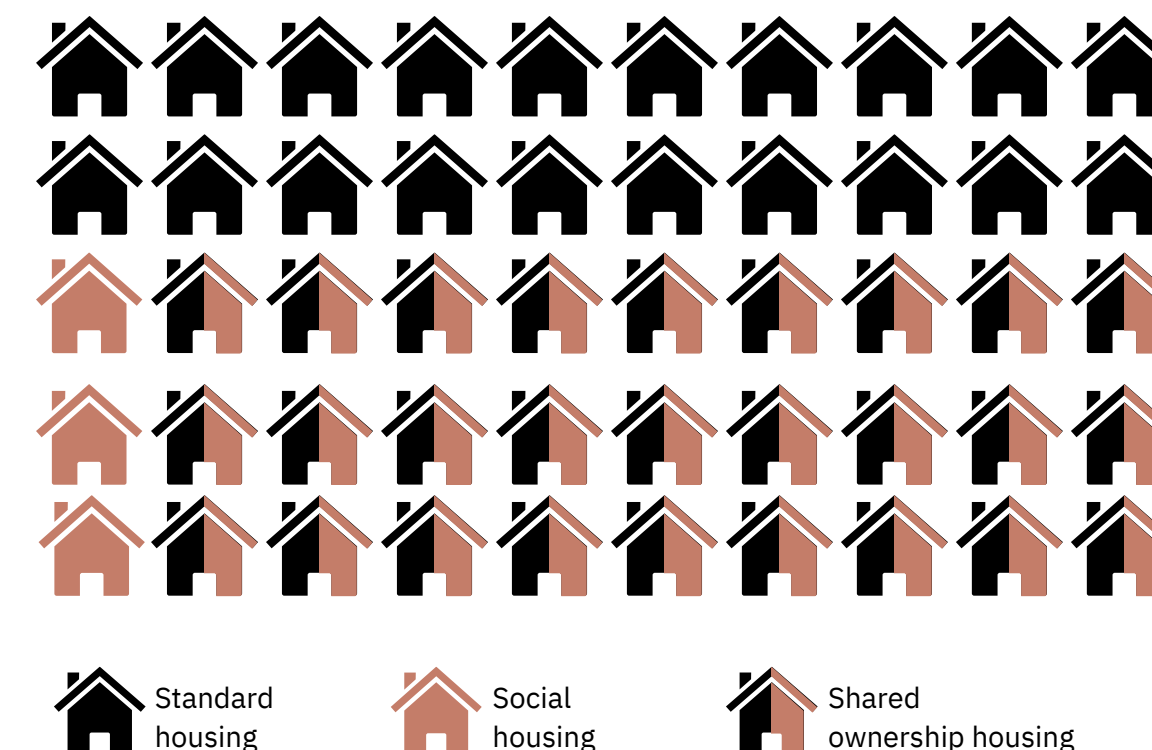
The Oslo housing market has long been a challenge for middle-income earners who aspire to own a home. With rising property prices and stringent mortgage regulations, many are finding it difficult to realise their dream of homeownership.

The new venture targets people who earn enough to pay to live in Oslo but are unable to buy a home on normal terms. The company offers affordable housing solutions that cater to the needs of middle-income earners.

FACTS:

Target: 200 apartments per year

Timeline: First project started in 2022. All apartments will be ready by end of 2025



In the last ten years, the average salary in Oslo has increased by 34 per cent. At the same time, house prices have risen by as much as 92 per cent, and it is becoming increasingly difficult to enter the housing market without financial support.

NREP has partnered up with OBOS, BaneNOR Eiendom (public railway company) and Oslo Municipality in a project to create a so-called “third housing sector”. The third housing sector is a term for dwellings located between the commercial market and the municipalities' social services.

Shared ownership would give people the opportunity to acquire a proportion of the apartment while renting the rest from Oslobolig. The goal is to have the shared owner increase their ownership percentage over time through potential price increases and personal savings. This would allow more people to enter the housing market and eventually become homeowners in the city, where they work.

“We are proud to make an effort to lower the barriers to the Oslo housing market. In NREP, we believe that real estate can solve societal challenges and that we can make a difference through our investments. Oslobolig is such an opportunity and we are excited to be a part of this initiative together with Oslo municipality.”

Jens Petter Hagen, Partner & Head of Norway

[Read more about the project](#)

Case - Tingbjerg, a neighborhood on the rise

Certain neighbourhoods can develop unfavourably and obtain a predominance of vulnerable residents, with education levels below average and crime and unemployment rates above. Despite its many qualities, beautiful Tingbjerg in Copenhagen became such an area. NREP started a collaboration with local social housing companies in 2017 and has been working with the local community to turn the community around.

Tingbjerg has been making headlines for its unique approach to community building. In 2022, the neighbourhood was excluded from the Danish government's list of "parallel societies" as the number of employed individuals in the area increased compared to the previous year. This achievement reflects the success of Tingbjerg's community-building initiatives, which include the Tingbjerg Challenge, community dinners, and local events and traditions.

FACTS:

Target: 1.000 new homes – a mix of row houses, apartments, community living

Timeline: Expected completion 2021-2027



Tingbjerg, a suburb of Copenhagen, has been making waves with its innovative development strategies and community-focused initiatives. In 2021, the neighborhood completed 8 houses, of which 7 were occupied by families in November and December. The last house remained as a test house owned by NREP. In 2022, the focus shifted to planning and preparation for the construction of the next 200 houses, which will be built between 2023 and 2025.

The application process was designed to select residents who are interested in supporting the development of Tingbjerg. Prospective buyers were asked to provide details about their backgrounds, their interest in the neighborhood, and how they planned to contribute to its development. NREP aimed to sell homes to individuals from Tingbjerg as well as people from other neighborhoods.

One of the most notable initiatives in 2022 was the collaboration between NREP and the school in Tingbjerg. The mentor program, which involved 20 NREP employees mentoring pupils in 8th grade, has been a huge success. The program provides students with valuable guidance and support as they navigate the challenges of adolescence and plan for their futures.



“Someone told me that Tingbjerg had come off the ghetto list, and it surprised me that it had been on such a list. For me, it's a bit of a luxury area because it's green, quiet and close to work.”

Anne Sofie, one of the new residents in Tingbjerg

TINGBJERG - ACTIONS FOR A BETTER LIFE

The vision is to create a diverse, thriving community that will attract citizens who want to become an active and engaging part of the neighbourhood. These are the initiatives implemented in Tingbjerg.



Support and strengthen the community

- Renovation and upgrades to increase current residents' satisfaction and general perception of the area
- Promote community engagement and strengthen residents' attachment to the area
- Support the community and improve social conditions



Create base for mixed housing

- Mixed housing and ownership to attract resourceful residents and retain existing residents
- Demolition to start fresh and create space for new housing and functions
- Branding to improve the perception of the area and boost community pride



Increase the feeling of safety

- New functions to create more life and security in the area
- Conversion of outside areas to create a foundation for the community
- Private/public sphere change - promoting ownership of open areas and increasing safety and security of the area



Make the area more accessible

- Improve infrastructure and access to and from the area
- Diverse area boundaries to help foster a sense of unity with neighbouring areas, provide convenient access and alter the perception of the area from an isolated enclave to an integrated community

CASE - NREP launches international student housing concept in Norway

NREP opened its first UMEUS site in 2021 in Copenhagen. In 2022 we expanded the concept to Trondheim, Norway. UMEUS offers students modern, functional, and community-centred housing.

Communities and social arenas have become increasingly important, especially post-covid. UMEUS is designed to accommodate these needs through universally designed common areas, in which tenants are encouraged to take typical student activities out of the dormitories and into safe common areas.

FACTS:

Location: Trondheim, Norway

Size: 579 units

Timeline: Two student houses completed in 2020 and 2022

Certification: BREEAM Very Good



Every year thousands of students struggle to find accommodation in university cities. NREP continues to help ease the pressure in the housing market by offering a new housing model for Norwegian student housing.

UMEUS emphasises the community in its design, the inspiration is to create positive interactions between people who share their daily lives. Every student is part of a community where the students share a kitchen and a common area. At the same time, students have their own studios or shared apartment for those who prefer that option. Aside from the community areas that they share amongst themselves, UMEUS provides common spaces on the ground floor that include study spaces, facilities for group work, and other communal spaces accessible to all residents of the building.

“We believe it is important to have a housing concept that caters specifically to people who are in the transition into student life, and that such a housing offer should be available regardless of the choice of study, or city of study. The UMEUS concept makes this transition as smooth as possible, while having qualities that are appealing to students of all ages.”

Pål Valgermo, Investment Manager

CASE: New urban cultural district

Originally the Tunnel factory was built in 1990 to manufacture elements for the bridge between Malmö and Copenhagen. The factory has transformed into the heart of the new city district combining housing, facilities for artists, cafes and restaurants and office spaces.

The ambition is to create a new urban cultural district that will attract thousands of people to visit the area and create a new living space in the heart of the city. The plot of land where the Tunnel Factory is situated is the only remaining area in Nordhavn that has not undergone any urban development. The tunnel factory has also the potential to be NREP's future headquarter

FACTS:

Location: North Harbor, Copenhagen

Size: 1000 student housing units, public youth housing, artist studios, cafes, workshop spaces, offices and a large concert venue

Timeline: Expected to be ready 2027

THE SIX THEMES

The Tunnel Factory will be home for six underlying themes that interact with one another and utilize space both inside and outside the building, together creating the ecosystem of the area.

ART & CULTURE

A vibrant cultural hub of ateliers, creative studios, event spaces and alternative retail concepts.

BUILD & INNOVATE

Office and lab spaces building the future of sustainable urban development combined with shared and flexible utilities.

LIVE & LEARN

Home to 1,000 students combined with a diverse ecosystem in which students can learn and grow through collaboration and professional development.

CRAFT & WORKSHOPS

Unique spaces for makers, craftspeople and labs adaptable to combine production with boutiques and showrooms.

PLAY & WORKSHOPS

Playful spaces and engaging landscapes to promote fun, adventure and creativity for all ages.

FOOD & PRODUCE

Social restaurants, markets, educators, and producers emphasise good, healthy, and climate-conscious food in innovative ways.



“In today's world, where people are increasingly disconnected and isolated, having a sense of belonging to a place has become more crucial than ever. We have come to realize that this feeling of belonging is not only created by geographical location, but by the diverse individuals, associations, and networks that make up a community. It is through our connections with others that we find purpose, support, and a sense of identity.

When we come together as a diverse group, we can create a space where everyone feels valued and heard, and where we can learn from each other's experiences and perspectives. As we continue to embrace diversity and build strong, inclusive communities, we can create a brighter future for ourselves and those around us.”

Lærke Hein, Co-CEO of Tunnel Factory

05

Our people



Our people - growing with our values



NREP's culture is built as such that we all aspire to bring our best selves to work every day, to live and lead from our purpose. NREP is a place where one can unfold one's full potential and make a meaningful difference in the world. We are guided by our values, and no matter how much we grow, our values will always be at the core of who we are.

NREP's values are: Always Learning, Making a Difference, Trust and Care.

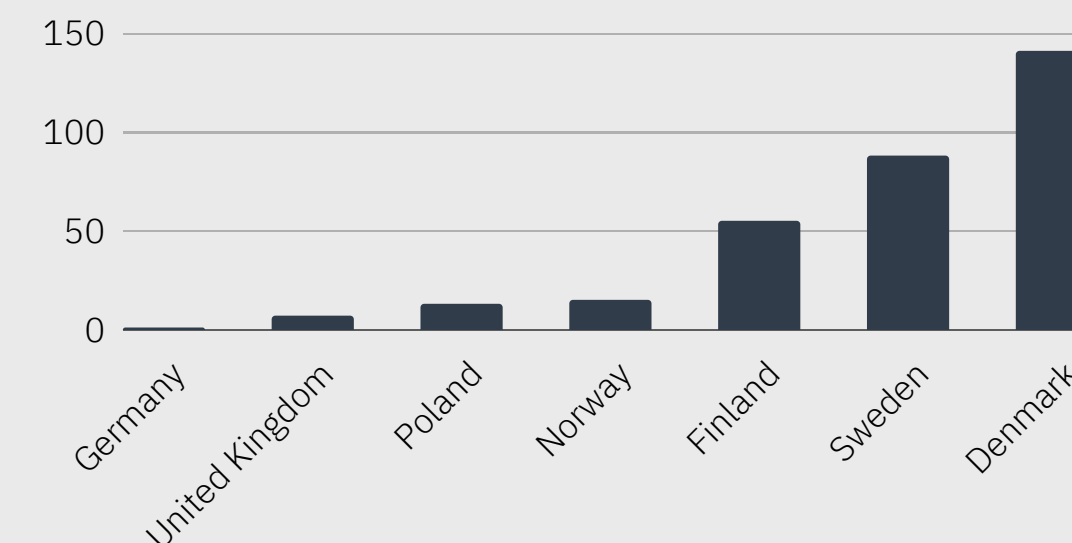
At NREP, we are committed to creating an inclusive and welcoming work environment where individual differences are valued, and everyone is treated with respect and fairness. We understand the importance of promoting equality and diversity by providing equal opportunities for employment, training, advancement, and development. For example, we are working to have better gender diversity at all levels, and since 2018 have been able to increase the percentage of female talent from 16 to 28 %. Although this is good progress, we are conscious that we still have a lot of work to do when it comes to gender representation at our senior levels. To help us achieve our long-term objectives, we are developing our Diversity, Equity and Inclusion strategy (DEI), that will not only focus on gender representation but seeks to build a team of unique complementary personalities, skills and backgrounds.

One of the DEI elements already in place is our recruitment process and employment policies, which are designed to give full and proper consideration to individuals with different abilities, and we make necessary work environment adjustments to ensure that all employees can thrive in their workplace. We also recognise the challenges faced by parents trying to balance work and family life. That's why we strive to provide solutions for work conditions that are compatible with parenthood, allowing our employees to have fulfilling careers while raising their families.

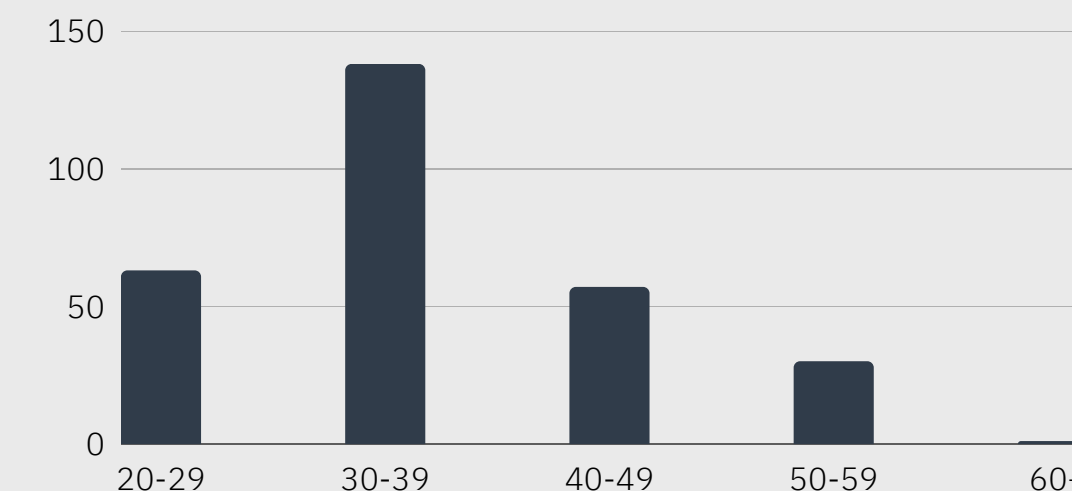
At NREP, we have a zero-tolerance policy towards intimidation, bullying, or harassment, whether direct, indirect, associative, or by perception. We are committed to creating a safe and welcoming work environment for all our employees, where they can reach their full potential without fear of discrimination or harassment.

- Tine Skov Madsen, Head of HR

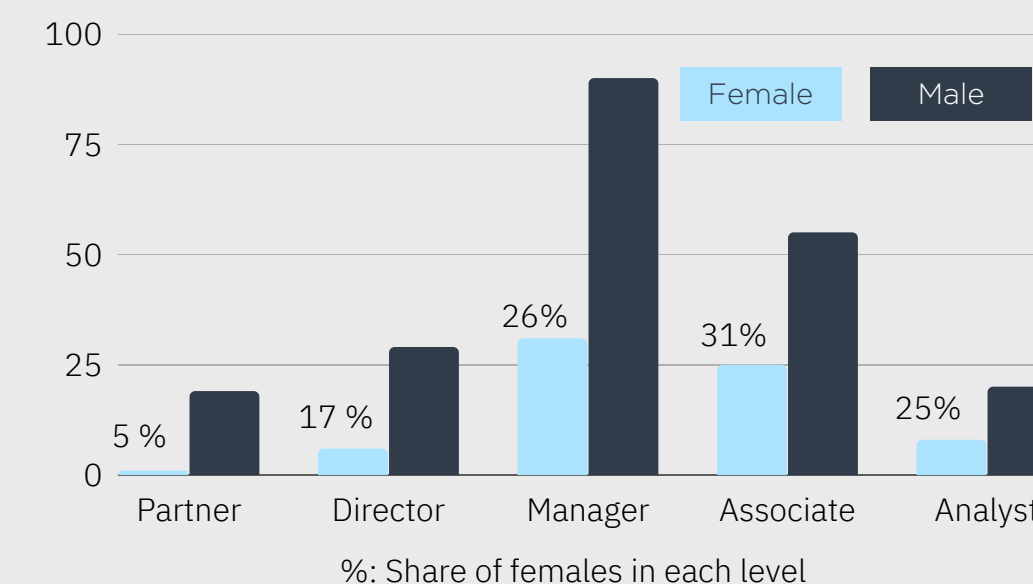
NREP'ers around the world



Age diversity



Gender diversity in different levels



Bringing your whole self to work

The NREP culture is characterised by caring, equality, diversity and respect, and we actively work to ensure that it is free from oppression, discrimination, harassment and bullying. For more information, please refer to our policies at nrep.com/policies.

Launch of the rainbow community

In 2022, NREP launched its rainbow community, the unicorns, representing NREP's cultural signature trade, that employees will thrive and succeed by bringing their whole self to work. Unicorns represents the extraordinary, freedom, strength and beauty in being yourself. The unicorns is a network and community open for everyone, friends, allies and people identifying under the rainbow. The community exists independently of NREP, but is founded under NREP values with the purpose to connect, change perceptions, create awareness, celebrate together and encourage everyone to be themselves in work.

Diversity in Action initiative

In 2022, NREP committed to The ILPA Diversity in Action initiative which brings together limited partners and general partners who share a commitment to advancing diversity, equity and inclusion in the private equity industry. NREP will officially sign up in 2023.

To create basis for ongoing an relevant dialogue on a team level, NREP uses Winning Temp Pulse to gain insights on the status for employee well-being, engagement and potential need for development in teams.

Pulse measurement 2022

The metrics summarise for all of 2022. The pulse measurement tool is Winning Temp, which is a digital tool based on AI, which focuses on building strength and creating value, as reflects the culture and leadership we want to encourage. It takes a special focus on well-being and psychological safety in teams. Data is collected in real-time and answers are anonymous. Respondents are also able to elaborate with comments to share with their manager.

Employee engagement

The overall response participation was 83%, the Employee Net Promoter Score (eNPS) was 52 and total score for the organization was light green 7,8. Overall, we are proud of the degree of engagement in responding our pulse surveys and even more proud that responses demonstrate high satisfaction amongst our employees. More importantly, the surveys serve HR with important insights for how to improve the well-being on a team basis.



NREP measures different employee data with Winningtemp questionnaires that are send to employees on a weekly basis

*The data covers all of the employees in 2022, including employees from all of the Urban Partners verticals before the new organisational structure in 2023

The Planetary health diet by EAT

Food systems have a significant impact on the environmental health of our planet - global food systems account for 30% of the world's GHG emissions. Unhealthy food is also the cause of the largest global burden of disease and poses a greater risk of morbidity and mortality than alcohol, drugs and tobacco use combined. To anchor sustainability in NREP's office operations, we have in 2022 introduced the framework The Planetary Health Diet by EAT.

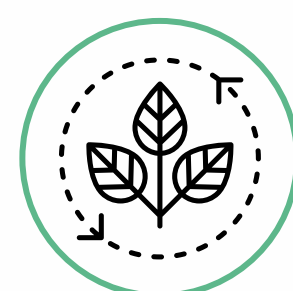
EAT is the science-based global platform founded by Stockholm Resilience Centre, Stordalen Foundation and the Wellcome Trust to catalyze a food system transformation. By implementing The Planetary Health Diet, we are acting according to our core values by making a difference based on trusted science done by Eat Lancet and continuous learning through data capture as the diet is rolled out across NREP.



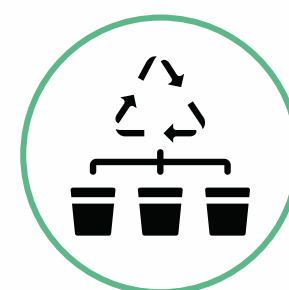
A science-based diet that is good for human health and the planet:



**Choose healthy,
sustainable, and
delicious food**



**Bring biodiversity
to the table**



**Eliminate food waste
and food insecurity**



**Support organic
regenerative
farming practices**



**Embrace plants as
a source of protein**

NREP also made an agreement with Foodprint Nordic and Too Good To Go to fight food waste. The money received through this service is donated towards regenerative agriculture purposes.

"Our aim is to operate within planetary boundaries by implementing a scalable framework that can be implemented worldwide, in order to establish a healthier and sustainable food system for the planet and our customers. We strive to promote the planetary diet through the provision of approximately 1,500 meals served per day."

**Lena Lee Jørgensen,
Head of Food Systems**

WORKING WITH OUR STAKEHOLDERS AND CHANGING THE INDUSTRY

Collaboration with different stakeholders, municipalities and partners is key to our success.

NREP has a large and capable urban development team that offers unique perspectives on how we can improve the urban environment and create zip code impact.

NREP works closely together with local green building councils, municipal regulatory development and legislative consultations to help drive sustainability in the industry.



Mikkel Bülow-Lehnsby, NREP's founder and Chairman, is the Chairman of the Green Building Council Denmark



Petri Valkama, NREP's partner and Head of Living investments acts as board member in Green Building Council Finland

NREP's Urban Team



Jan Vapaavuori, the former Mayor of Helsinki was appointed as a senior advisor for NREP in the spring 2021



Jens Kramer Mikkelsen, former Lord Mayor of Copenhagen acts as NREP's Director of Urban Development



Jesse Shapins, Head of Urban Strategy



Lærke Hein, Co-CEO of Tunnel Factory

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