



# Nrep ESG Policy

## Driving real change in real estate

### Our Vision and Core Beliefs

The real estate industry faces a pressing challenge: the impact of climate change, escalating carbon emissions, and environmental degradation. Nrep is a real estate investment strategy of the Urban Partners Group. At Nrep, we envision a future where the real estate industry evolves into a catalyst for positive change, contributing to thriving cities that prioritize human well-being and environmental stewardship. Through our dedicated efforts, we aim to reshape the industry and address its critical challenges by harnessing innovation and expertise. Aligned with Urban Partners, our vision gains added strength from collaboration with our core investment strategies: 2150 and Velo Capital. Together, we strive to deliver substantial commercial value to our shareholders while driving holistic urban solutions.

This policy pertains to all employees and activities of companies belonging to the Urban Partners Group when managing, sponsoring, or advising private equity real estate funds, including Urban Partners Management Company S.A. acting as the alternative investment fund manager (the “AIFM”) of such funds.

### Our Shared Mission

Our mission at Nrep is to lead the charge in redefining the real estate landscape. We are dedicated to driving sustainable urban development that seamlessly intertwines environmental, social, and governance (ESG) considerations. Our unwavering commitment to catalyzing positive change is rooted in our responsibility to both the built environment and the communities it serves. We believe that by fusing ethical principles with strategic investments, we can chart a path toward comprehensive solutions that ensure a resilient and responsible urban future. Collaborating closely with Urban Partners, we leverage synergies to amplify the impact of our mission while also creating significant value for our investors.

### The Essence of Nrep

Our core objective is to invest in transforming and reducing carbon emissions within real estate. Guided by Urban Partners’ purpose ***We invest to help cities win the battle of our future***, we are dedicated to fostering change in the real estate industry. Our impact principles encompass:

#### 1. Decarbonize at Scale to Move Our Industry:

We are committed to leading the way in decarbonizing the real estate industry. We prioritize investments that have a significant impact on reducing greenhouse gas emissions. Through retrofits, energy-efficient technologies, and the implementation of advanced environmental standards in new developments, we strive to drive large-scale decarbonization efforts that set a positive example for the entire industry.

#### 2. Invest Where It Matters for All Stakeholders:

We generate meaningful stakeholder value through purposeful investments aligned with our values. We target projects that influence the environment, society, and economy, aligning with investors' interests and community needs. By blending ESG and sound business, we enhance properties with green retrofits and elevate environmental standards in new builds. Our leadership inspires positive industry change. We are dedicated to conserving biodiversity, weaving green spaces, and landscaping into projects for balanced environments that benefit both people and nature.

#### 3. Work Local and Collaborative to Maximize Impact:

We value local collaboration to amplify our impact. Through partnerships with communities, authorities, and stakeholders, we tap into local expertise, enhancing positive change. Our approach centers on social well-being, creating inclusive, vibrant spaces that promote community cohesion and enhance lives. Customer-centric design prioritizes comfort and satisfaction, ensuring our spaces cater to the needs of residents and users.



## Importance of ESG

At Nrep, we view ESG as an essential driver of long-term value and resilience in the built environment. ESG considerations help us manage risk, enhance operational efficiency, and future-proof our business against evolving regulatory, environmental, and societal expectations. This commitment is tied to our Double Materiality Assessment (DMA), where we have identified key areas as most significant to our strategy. These are Climate Change (mitigation and adaptation), Water, Resource Use and Circular Economy, Own Workforce, Workers in the Value Chain, Affected Communities, as well as Business Conduct. These areas align with our mission to address the critical challenges posed by climate change, social inequities, and governance standards. We believe that by reducing carbon emissions, promoting inclusivity, and ensuring strong governance, we can contribute to a more sustainable future while also creating value for our stakeholders. By focusing on these areas, we believe we can not only mitigate the risks posed by climate change but also seize opportunities for innovation, value creation, and positive societal impact.

## Environmental Responsibility

### Climate Change

Climate change is not only a major global challenge but also a risk to our business and the wider economy. Rising temperatures, increased regulation, and shifting investor and consumer demands are all part of a landscape that we must actively manage. Through decarbonization pathways, energy efficiency initiatives, climate adaptation measures and circular material usage, we aim to reduce the environmental footprint of our developments and standing assets.

Nrep is committed to reducing upfront embodied emissions in line with the Science Based Targets initiative (SBTi) Building Sector Guidance<sup>1</sup>. This includes leveraging strategies such as optimized building design, low-carbon biogenic building materials, design for disassembly, and the reuse of materials. We are equally dedicated to reducing operational emissions, aligned with the Paris Agreement of a 1.5C Scenario defined by the Carbon Risk Real Estate Monitor (CRREM) pathway, and leading the 'brown-to-green' transformation of existing assets.

As part of our commitment to manage climate risks, we conduct climate risk screenings across all our assets to identify vulnerabilities to climate change and prioritize adaptation measures. This process ensures that we are prepared for potential climate impacts, such as extreme weather events, sea-level rise, and changing temperature patterns. By integrating climate screening into our risk management practices, we ensure that our portfolio is resilient and can adapt to future climate challenges.

### Water

Nrep is committed to sustainable water management throughout the lifecycle of our buildings. Recognizing the vital importance of conserving water resources, we strive to minimize water usage in both the construction and operational phases. By continuously tracking and optimizing water consumption across our assets, we aim to reduce overall water use while supporting responsible water stewardship. For assets located in areas with high-level of water stress, we implement targeted measures to minimize our impact, aligning with guidelines that safeguard local ecosystems and enhance operational resilience.

### Resource Use and Circular Economy

Circular business practices are central to reducing material usage, maximizing resource efficiency, and minimizing waste. By incorporating circular design principles into our real estate projects, we ensure materials are sourced sustainably and designed for reuse and recycling. We focus on design-for-disassembly and on maximizing the use of recycled building materials in our new development projects, which extends the lifetime of these materials reducing their environmental impact over time.

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<sup>1</sup> Release of the final Building Sector Science-Based Target-setting criteria August 28, 2024



## Biodiversity and Ecosystems

We are committed to protect and restore natural environments across all our developments. We integrate biodiversity considerations into our urban development projects, ensuring ecosystems are not only protected but also enhanced. Our developments incorporate green spaces, urban gardens, and nature-based solutions that foster biodiversity conservation. Through biodiversity screenings, we mitigate negative impacts on local ecosystems and actively work to restore and enhance natural environments. From rooftop gardens to targeted initiatives, we ensure our projects contribute positively to the biodiversity of the areas in which we operate.

## Social Responsibility

At Nrep, we believe that social sustainability is just as critical as environmental stewardship in creating lasting value. We understand that social risks—such as health, safety, and equity concerns—are critical to the success of our projects and the well-being of our communities. We are dedicated to creating environments that are safe, inclusive, and sustainable for all. Our commitment to fostering a positive impact extends not only to the environments we build but also to the people who make them thrive—our employees, communities, and stakeholders. We are dedicated to promoting a culture of well-being, equity, and inclusivity, both within our organization and in the broader communities where we operate.

## Own Workforce

Our employees are central to the success and sustainability of our business. Employee well-being, engagement, and fair treatment directly influence productivity, talent retention, and our overall organizational performance. We prioritize our employees' well-being through comprehensive engagement programs that foster a supportive and inclusive workplace. Career development and job satisfaction are key elements of our employee offering, and we continually strive to create an environment where our people can grow and thrive. We are focused on building a positive, inclusive, and equitable work environment, with an emphasis on employee well-being, engagement, and development. Our Diversity, Equity, and Inclusion (DE&I) policy ensures equal opportunities for all, while we actively champion gender diversity in leadership roles.

Health, safety, and the protection of labor rights are at the core of our workforce strategy, and it pertains to workers in our value chain (see below section). Our commitment to upholding international labor standards reflects our dedication to maintaining a fair, respectful, and empowering work culture. We publicly commit to upholding the ten principles of the UN Global Compact by being signatories, including commitments to human rights, labor standards, environmental sustainability, and anti-corruption practices.

## Workers in the Value Chain

We are committed to safeguarding human rights and fostering safe working conditions throughout our value chain. We believe in our responsibility to contribute towards building a more sustainable and equitable society for employees beyond our own operations.

Additionally, we ensure responsible procurement practices within our supply chains by screening suppliers through an external ESG supplier screening platform such that the procurement practices we engage in does not come at the expense of certain groups and communities. All our suppliers must adhere to high ethical standards and our Supplier Code of Conduct.

## Affected Communities

Investing where it matters and positively impacting individuals and communities affected by our investments is deeply embedded in our strategies and built programs. Our developments—including senior living communities, multi-generational spaces, and student housing—are designed to foster social inclusion and contribute to the well-being of local populations. This includes the right to adequate housing.

We understand that it is vital to actively and equitably account for stakeholder groups and communities affected by our investments and transition plans. As part of our sustainability due diligence (pre-acquisition), we identify affected stakeholders and communities and screen for potential impacts that our investment and associated transition plan might have on them. The needs of the local community (and tenants in existing assets) are fundamental in planning



developments, building upgrades and renovations; and inform the practical feasibility and implications of our climate mitigation initiatives and actions. We proactively identify and comprehend the needs of our tenants and local communities through engagement efforts. This includes active participation in public hearings, which are a regulatory requirement in the markets where we operate. The hearings ensure that the concerns and interests of the community are considered during the planning and approval stages of new development and building upgrade projects. They facilitate dialogue, promote transparency, and play a vital role in shaping the strategies and building programs we develop. Further, we continuously monitor tenant satisfaction and wellbeing through post occupancy evaluations (POEs) for our Nrep solutions. These measures inform and allow us to create positive and comfortable living environments for our tenants, which help improve our tailored and customer-centric neighborhood- and housing concepts.

We strive to provide the most cost-efficient and equitable solution for our tenants when we transition our assets, deploying mechanisms like community benefit agreements and profit-sharing agreements. Energy communities — where tenants and we as asset managers come together and collectively generate, manage, and consume renewable energy — is a concept we continuously implement where feasible.

## Good Governance

### Business Conduct

At Nrep, we understand that strong governance is essential for driving long-term value and ensuring that our business operates with integrity, transparency, and accountability. We are committed to maintaining the highest standards of ethical conduct, compliance with regulatory frameworks, and fostering a corporate culture rooted in responsible decision-making. Our governance practices ensure that sustainability is embedded at every level of our organization, from strategy to operations, and are aligned with our broader environmental, social, and economic objectives. We prioritize transparency, accountability, and adherence to ethical business practices in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD). Our governance framework ensures compliance with all relevant regulations, guiding our actions and decision-making across all levels of the organization.

Data privacy and security are integral to our operations, and we are committed to complying fully with applicable data protection laws to safeguard the personal information of our employees, clients, and stakeholders. We also recognize the importance of aligning sustainability with business performance, which is why we integrate sustainability into executive remuneration, ensuring that financial incentives are linked to our environmental and social goals.

Our Supplier Code of Conduct ensures that all partners and suppliers meet high standards of environmental and social responsibility, promoting sustainable practices across our value chain. In addition, we uphold a zero-tolerance policy towards bribery and corruption, reinforcing our commitment to ethical business practices and responsible governance.

We are committed to responsible political engagement and lobbying that aligns with our sustainability objectives and supports just transition in decarbonization of the built environment. We actively partner with local and global stakeholders, policymakers, and industry groups to advance sustainable urban models, set net-zero benchmarks, and foster social sustainability that drive urban regeneration creating people-centric spaces.

## Implementation of ESG - Our Sustainability Delivery Model

To turn our vision into meaningful impact, we have developed a comprehensive sustainability delivery model that ensures our environmental, social, and governance commitments are effectively integrated into every aspect of our operations. This model guides the implementation of our strategies, translating them into concrete actions that drive performance, mitigate risks, and create long-term value. By aligning our governance, operational processes, and resource management with our sustainability goals, we ensure that sustainability is embedded throughout the lifecycle of our investments—from acquisition to exit—creating a lasting positive impact for both our business and society.

Through our Sustainability Due Diligence (SDD) framework, we assess environmental, social, and governance risks during the investment phase, ensuring that all assets meet our stringent sustainability criteria. This includes assessing climate-related risks, physical risks, biodiversity impacts, health and community, human rights risks, and governance and ESG compliance. Once investments are made, we implement detailed sustainability action plans to continually monitor and



mitigate risks. Our integrated ESG management and reporting platform helps ensure data-driven decision-making and alignment with our sustainability objectives.

Our Sustainable Development Performance Standards (SDPS) ensure sustainable design principles and practices are implemented for new constructions. The SDPS also secures all new buildings fulfil minimum Very Good or Gold level new construction certifications for either BREEAM, DGNB or LEED.

For existing assets, we implement Sustainable Action Plans for Standing Assets (SAPSA) that aim to optimize energy use, waste management, and overall environmental performance. We collaborate closely with tenants to co-develop strategies that reduce resource consumption and improve sustainability outcomes, fostering long-term relationships built on shared ESG goals.

As part of the Sustainability Due Diligence, and for all Nrep's standing assets, we utilize a tool called The Climate Action Template (CAT). The CAT is an internally developed climate assessment tool designed to evaluate the climate performance of Nrep's assets. The tool is used to assess every building's current performance (using data available about the asset's energy characteristics) against our climate targets and pathways and its primary function is to create asset level transition plans specifying capex, opex savings, energy, and carbon impact.

Aligned with the CSRD, we ensure transparency in our sustainability reporting, providing detailed insights into the environmental and social performance of our investments. When preparing to exit an asset, we present a holistic review of its ESG impact, highlighting the value we have created through qualitative and quantitative data. This approach ensures that sustainability is a key consideration throughout the lifecycle of our investments, from acquisition to exit.

## Allocation of Responsibilities

Management and oversight of ESG related risks are integrated into Nrep's general organizational management structure and processes for managing risks to ensure the long-term economic value of our assets.

Oversight Responsibilities:

The Urban Partners Board of Directors ("BoD") is ultimately responsible for relevant ESG policies, overseeing ESG risk and opportunities, integrating these considerations into the company's overall strategy, and ensuring transparency and accountability to stakeholders. Urban Partners' Executive Leadership Council (ELC) and the Nrep Leadership team further oversees and approves ESG policies, commitments and targets. The Supervisory Risk Committee (SRC) reviews the identification and mitigation of ESG risks on a quarterly basis pertaining to our funds. The Investment Committee (IC) decides on the acquisition and divestment of our assets, reviewing ESG risk and opportunities associated with each transaction based on the sustainability due diligence (SDD).

Implementation Responsibilities:

The implementation responsibilities for ESG are co-owned by the Urban Partners Sustainability Team and the Nrep Sustainability Team. The Urban Partners Sustainability Team sets the overall ESG strategy across Urban Partners and Nrep, decides on sustainability frameworks, initiatives and targets, and manages external reporting and communications in close collaboration with Finance and Communications. The Nrep Sustainability team translates guidelines and frameworks to Nrep's context and integrates these into Nrep's Delivery Model, build and apply knowledge on decarbonization to Nrep's investments and collects data track performance.

## Document Owner and Review

Nrep will review the policy on a periodic basis and update as necessary with the aim to constantly improve our ESG impact.

Owner	Legal Basis	Amended	Date	Version
Nrep head of Sustainability and Construction	Urban Partners A/S	Minor update	July 2024	2.0
Urban Partners Head of Sustainability	Urban Partners A/S	Updated to align with CSRD and allocation of responsibilities updated	December 2024	3.0



## Supporting documentation

- Nrep Anti-trafficking and Slavery policy
- Nrep Health and Safety Standards
- Nrep Decarbonization Policy
- Urban Partners Diversity, Equity & Inclusion
- Urban Partners ESG Policy
- Urban Partners Human Rights Policy
- Urban Partners Supplier Code of Conduct
- Whistleblower Policy