

Niam Nordic Fund VIII – Product-level website disclosure

Summary

Niam Nordic Fund VIII (the “Fund”), which is managed by Niam AB (Niam), promotes environmental characteristics, fulfilling the requirements of Article 8 of the Sustainable Finance Disclosure Regulation. The Fund does not however have sustainable investment as its objective.

The Fund promotes the following two environmental characteristics:

- Energy efficiency in standing assets
- Reduction of greenhouse gases generated from standing assets

The Fund’s investment strategy is to make investments primarily in commercial and residential real estate in Sweden, Norway, Finland and Denmark, taking into account the environmental characteristics mentioned above, when building the portfolio. The Fund invests in real estate assets of which 60% are invested in assets aligned with the environmental characteristics.

As the investment strategy relates to the direct and indirect holding of real estate, it does not include the assessment of good governance practices on the asset level.

The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Partnership are:

- For energy efficiency in standing assets:
 - Electricity consumption of the property (excluding tenants’ electricity consumption), measured as kWh/sqm
 - Heating and cooling consumption, measured as kWh/sqm
- For reduction of greenhouse gases generated from standing assets:
 - Greenhouse gas emissions, measured as kg CO₂e* emissions/sqm (*CO₂e = CO₂ equivalents)

Data sources used to monitor the environmental characteristics during holding phase are Niam’s performance management system, the properties’ energy suppliers, and individual meters in properties.

The methodologies and data sources used by the Fund have limitations in terms of availability, completeness, and accuracy. Despite existing limitations, the data collected and provided by the Fund is considered beneficial to understand the Fund’s performance with regards to the environmental characteristics it promotes.

During the due diligence process potential investments will be screened against a number of criteria including risk, return and also whether the investments is aligned with the promoted environmental characteristics of the Fund.

Engagement is not part of the environmental or social investment strategy. Neither does the Fund use any index designated as a reference benchmark for measuring alignment with the environmental and/or social characteristics promoted by the product.

No sustainable investment objective

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

Environmental or social characteristics of the financial product

The Fund promotes the following environmental characteristics:

- Energy efficiency in standing assets
- Reduction of greenhouse gases generated from standing assets

Investment strategy

The Fund is a real estate fund which will make investments primarily in commercial and residential real estate in Sweden, Norway, Finland and Denmark, taking into account the environmental characteristics mentioned above, when building the portfolio.

Niam, as the alternative investment fund manager of the Fund (the “Manager”) has integrated ESG considerations throughout the investment decision making process and the ownership period to enable the attainment of the Fund’s environmental characteristics.

Niam uses the following elements to select investments to attain the environmental characteristics promoted by the Fund:

- Energy efficiency or energy efficiency potential as assessed in mandatory energy due diligence prior to acquisition
- Potential for renewable energy consumption in mandatory energy due diligence prior to acquisition
- Criteria according to mandatory ESG risk assessment prior to acquisition

In the context of asset management, a third-party property manager is commissioned to manage the property, including optimization of energy and climate performance. The energy and climate performance of each asset, as well as the potential for improvement, is also compiled and assessed annually. Based on the result, strategic decisions on how to further advance environmental and financial performance are taken.

Measures generally include:

- Energy efficiency improvements
- Switching to renewable electricity
- Switching to renewable heating/cooling

During asset management, all investments are subject to the Manager’s Sustainability Policy, Code of Conduct and related steering documents.

Policy to assess good governance

The investment strategy relates to the direct and indirect holding of real estate and, against that background, does not include the assessment of good governance practices on the asset level.

However, the Fund assesses good governance practices in all contractual agreements with third party service providers (suppliers) above 500 000 SEK by:

- Performing a KYC on all new suppliers
- Mandatory process of assessing the potential supplier's commitment to sustainability and good governance as part of the procurement evaluation process.

In addition, all suppliers are required to sign Niam's Code of Conduct.

Proportion of investments

The Fund invests in Real Estate assets of which 60 % are invested in Real Estate assets that are aligned with the environmental characteristics. The "other" investments go through the same ESG due diligence procedure but are selected without consideration of the specific characteristics.

Monitoring of environmental or social characteristics

The sustainability indicators used to measure the attainment of the environmental characteristics promoted by the Fund are as follows.

For energy efficiency in standing assets:

- Electricity consumption of the property (excluding tenants' electricity consumption), measured as kWh/sqm
- Heating and cooling consumption, measured as kWh/sqm

For reduction of greenhouse gases generated from standing assets:

- Greenhouse gas emissions, measured as kg CO₂e* emissions/sqm

*CO₂e = CO₂ equivalents

Control mechanisms are in place to ensure that data is regularly collected for all portfolio assets.

Methodologies for environmental or social characteristics

Electricity consumption of the property (excluding tenants' electricity consumption) is calculated as the total amount of electricity consumption in kWh divided by total amount of square metres.

Heating and cooling consumption is calculated as the total amount of heating and cooling consumption in kWh divided by total amount of square metres.

Greenhouse gas emissions, are calculated as the total amount of CO₂ equivalents generated from electricity, heating and cooling divided by total amount of square metres.

Data sources and processing

Data sources used to monitor the environmental characteristics during holding phase are Niam's performance management system Mestro, the properties' energy suppliers, and individual meters in properties. Data sources used prior to acquisition are the seller, broker or third parties such as consultants engaged in the due diligence process. For the calculation of CO₂e, third party emission factor providers will be used as data sources. To analyze the attainment of environmental characteristics promoted by the Fund, the collected data is

aggregated and used for calculating the indicators. The proportion of data that is estimated may vary over time.

The Fund manager regularly reviews data sources and methodologies and continuously seeks to improve transparency, disclosure accuracy and data provision in relation to the Fund, using where relevant international benchmarking standards.

Limitations to methodologies and data

The methodologies and data sources used by the Fund have its limitations in terms of availability, completeness, and accuracy. Despite existing limitations, the data collected and disclosed by the Fund is considered beneficial to understand the Fund's performance with regards to the environmental characteristics it promotes.

Due diligence

During the due diligence process potential investments will be screened against a number of criteria including risk, return and also whether the investments is aligned with the promoted environmental characteristics of the Fund.

For investments that are to be aligned with the promoted characteristics, the Fund manager will undertake due diligence to ensure that the investment has either a direct positive impact on the characteristics or has the potential to positively contribute to the characteristics and that this can be adequately measured. This includes an ESG risk assessment and an environmental due diligence, as well as a technical and energy due diligence on standing assets. When considering constructing new buildings, a climate declaration is made and assessed.

The Fund's due diligence processes are regularly reviewed to ensure their accuracy and effectiveness.

Engagement policies

Engagement is not part of the environmental or social investment strategy.

The Fund monitors sustainability risks of the assets on a regular basis. Changes in the risk profile, including sustainability-related controversies, are dealt with according to internal escalation routines.

Designated reference benchmark

The Fund does not use any index designated as a reference benchmark for measuring alignment with the environmental and/or social characteristics promoted by the product.