

Impact Report 2023





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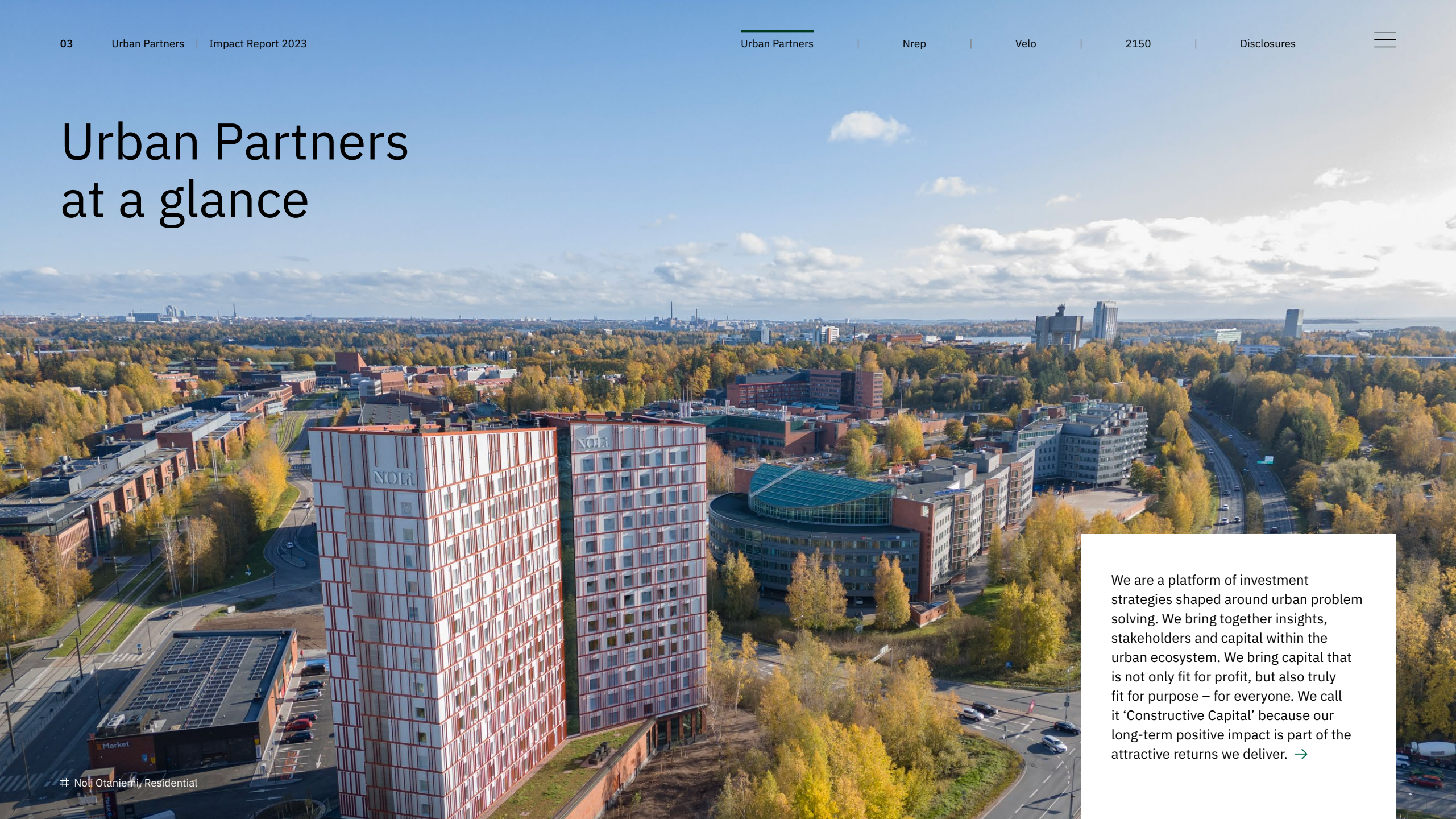
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Urban Partners at a glance



We are a platform of investment strategies shaped around urban problem solving. We bring together insights, stakeholders and capital within the urban ecosystem. We bring capital that is not only fit for profit, but also truly fit for purpose – for everyone. We call it ‘Constructive Capital’ because our long-term positive impact is part of the attractive returns we deliver. →



We invest to help cities win the battles for our future



2150



Real estate equity



Debt financing



Venture Capital

+€21^{bn}
AuM

+700
multi-disciplinary
professionals

+500
investments made

9
offices in 8 countries

+18%
value-add net IRR since
inception (MtM), Nrep

84%
aligned to Paris
1.5°C on operational
emissions, CRREM*

2023 awards

Urban Partners/Nrep were nominated for 7 Private Equity Real Estate (PERE) awards, winning in two categories:

- Firm of the Year, Nordics (8th time)
- Capital Raise of the Year, Europe (Nrep NSF V fund)

Nrep won two categories in the Eurobuild Awards, Poland:

- Investor of the Year
- Investment of the Year (for acquiring 80% of shares in 7R)

2150 won “Environmental Finance venture capital firm of the year”

* Across Nrep's NSF and NIP funds



Our investment strategies

2150

2150 is a venture capital firm investing in the sustainable reshaping of urban environments and the industries that power them. 2150 backs entrepreneurs working at the forefront of the green transition and helps scale the companies and technologies with long-term equitable impact across the whole 'Urban Stack'. This comprises every element of the built environment, including how cities are built, designed, constructed and powered, to the way people live, work and are cared for.



Urban Partners is a platform of vision-aligned, differentiated, investment strategies shaped around urban problem solving. With three strategies and more than €21 billion under management, we invest in assets, companies, technologies and solutions. Across our platform, we share the same vision and values – and the aspiration to build the world's leading urban investment company.

These investment strategies are built to leverage and complement each other, together representing the holistic Urban Partners investment approach.



Nrep is a real estate investor committed to driving real change in the industry with a holistic ESG focus. With a successful track record, delivering superior risk adjusted returns over two decades, Nrep is known for its ability to reimagine the built environment, including several large-scale neighbourhood developments. Nrep manages one of Europe's largest closed-end real estate funds. Nrep's purpose is to drive real change in real estate, for people and the planet.



Velo Capital advises funds which provide flexible real estate credit solutions. In 2021, Flins Capital Partners, a leading German debt specialist with 10 years track record in alternative real estate credit, was acquired. Today, Velo advises four active funds focused on Germany, Sweden, Denmark and Finland. In 2023, Velo launched a new credit strategy across northern Europe, embedding ESG requirements into its investments lifecycle.

Becoming the world's leading urban investor



“Alongside our rapid growth in the past years, we are proud to have stayed true to our core purpose and values, focusing on changing our cities for the better.”

Claus Mathisen
Co-CEO

Jens Stender
Co-CEO

2023 in review

The year marked a transformative milestone, as we launched Urban Partners, our platform of vision-aligned and differentiated investment strategies, shaped around urban problem solving. We believe that becoming a multi-asset manager is paramount for our purpose and strategy long-term, to invest to help cities win the battles for our future.

Raising Europe's largest ever closed-end real estate value-add fund of €3.65 billion in a challenging market, while consistently delivering superior risk-adjusted returns, is a testament to our commercial edge. With the launch of Urban Partners, we are taking steps to further expand our ability to drive real change. By focusing beyond traditional real estate, we are looking into investing across the broader urban value chain. Our investment strategies work independently but are based on a shared set of core values, aligned towards the same vision of a future in which the urban environment universally contributes to the wellbeing of humanity and the welfare of the planet.

We are on a fast paced journey to reduce our environmental footprint. The green transition

of our cities is fundamental if we are to come close to meeting the targets set out by the Paris Agreement, and an unprecedented level of transition capital is needed to make this happen. We are encouraged to see the investor community agreeing that the deployment of this capital is not just a societal need, but in fact the business opportunity of our generation. This is a core part of why we with multiple strategies, have set out to transform urban areas into more sustainable, inclusive and thriving hubs for generations to come.

We are starting to see the right incentives for change. We will continue to elevate our impact through strategic partnerships. And we will welcome opportunities to engage with and learn from fellow industry leaders to continuously refine our approach and seek to build momentum in our industry.

2023 was a challenging year for investors and developers. 2024 will still require the focus and relentless commitment that has driven our journey so far. In this time of rapid change, we believe our ability to transform urban environments in line with the needs of people and planet will continue to differentiate us as a business.

Creating change through vision, innovation and hard work

Message from Head of Sustainability

2023 marked a year in which we transitioned from a purely real estate investment business towards a platform of mission-aligned investment strategies. Keeping our commitment to invest to make cities more efficient, liveable, resilient and sustainable whilst broadening our ability to engage across the urban ecosystem is a powerful step towards building scale and competence to multiply our impact.

Cities contribute ~70% of global emissions¹ and it is no news that the current record-high emissions levels are putting disastrous pressure on the very ecosystems that sustain our lives. Climate change mitigation lies at the core of Urban Partners' sustainability efforts, embedded into all our investment strategies. In 2023, we were finally able to establish our first greenhouse gas (GHG) emissions baseline across our entire business and selected to pilot the Science Based Target's Draft Building Sector Guidance.

In Nrep, we are proud to see that our efforts are yielding results: In 2023, 100% of Nrep's own developments approved by our Investment Committee were targeting DGNB, LEED or BREEAM certifications. From 2020 to 2023, Nrep achieved a 44% reduction in market-based operational emissions, and 99% of new construction was below the SBTi 1.5°C draft building sector pathway on upfront embodied emissions.

Challenges in cities go beyond climate change, which is why, during 2023, we continued pushing a number of agendas:

- **Maintaining our focus on climate change adaptation:** In 2023, we strengthened our capabilities to assess asset level exposure and vulnerability to physical climate risks and improved our processes for planning and executing mitigating adaptation actions.
- **Strengthening our commitment to ethical business practices:** In 2023, we updated and rolled out our new Supplier Code of Conduct.

We are further implementing a robust monitoring system for supplier performance through an external platform.

- **Increasing our focus and ability to deliver on transparent and proactive ESG reporting:** We have a data-driven and fact-based sustainability approach built on recognised, third-party frameworks such as the GHG Protocol, the Carbon Risk Real Estate Monitor (CRREM) system and Life Cycle Assessments (LCAs).

2023 was also the year we took the **Diversity, Equity and Inclusion (DE&I) agenda** to new levels: In 2023, Urban Partners became an official signatory to the Institutional Limited Partners Association (ILPA) Diversity in Action initiative. Across Urban Partners DE&I is part of the strategic discussion on how to build a superior team for the future.

I hope you will find this report relevant and inspirational.



“Broadening our ability to engage across the urban ecosystem is a powerful step towards building scale and competence to multiply our impact.”

— Elisabeth Hermann Frederiksen
Head of Sustainability

Our approach to sustainability



We invest in urban problem solving, guided by our four priorities:

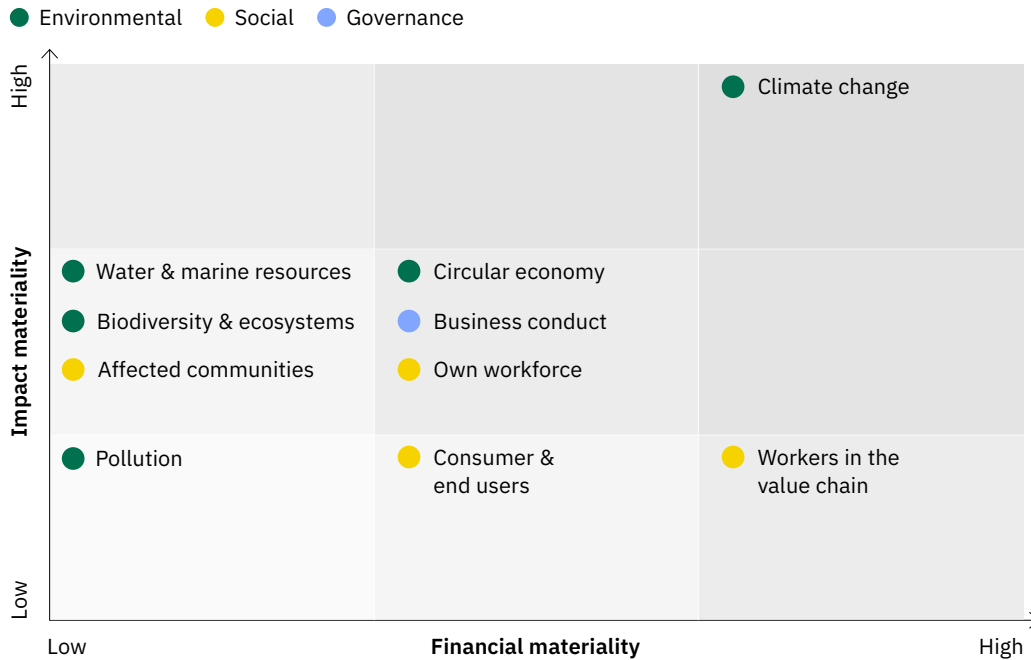
- **Decarbonise the built environment** to bring down urban emissions from the staggering 70% of all global emissions currently generated by cities
- **Catalyse healthy urban neighbourhoods**, creating green and thriving places for people to prosper. This is all important in a world where nearly two thirds of the global population will be living in an urban environment by 2050
- **Pioneer problem-solving partnerships** to bridge the gap between interests of people, cities and capital. Historic misalignment has led to inadequate, sometimes even harmful, development of the urban ecosystem – we want to lead a new era where shared visions deliver shared benefits
- **Generate attractive returns** through investing capital with a strong focus on solving urban problems to the benefit of all stakeholders

ESG at the core

~70%

of global emissions are accounted for by cities, playing a pivotal role in combatting climate change.

Urban Partners Double Materiality Assessment



ESG is deeply rooted in all Urban Partners’ investment strategies, and we incorporate ESG throughout our investment lifecycles and across our own operations. We believe that by considering material sustainability topics, we substantially increase long-term value creation and decrease risks.

Accounting for a staggering ~70% of global emissions, cities play a pivotal role in combatting climate change. In addition, cities – and in particular buildings – are vulnerable to climate change. We view climate change as Urban Partners’ most material ESG topic, both in terms of impact and risks, but also as a business opportunity, having long considered climate action to be a differentiating factor in our investment strategies. As such, all of Urban Partners’ investment strategies include measures to reduce emissions and build climate resilience.

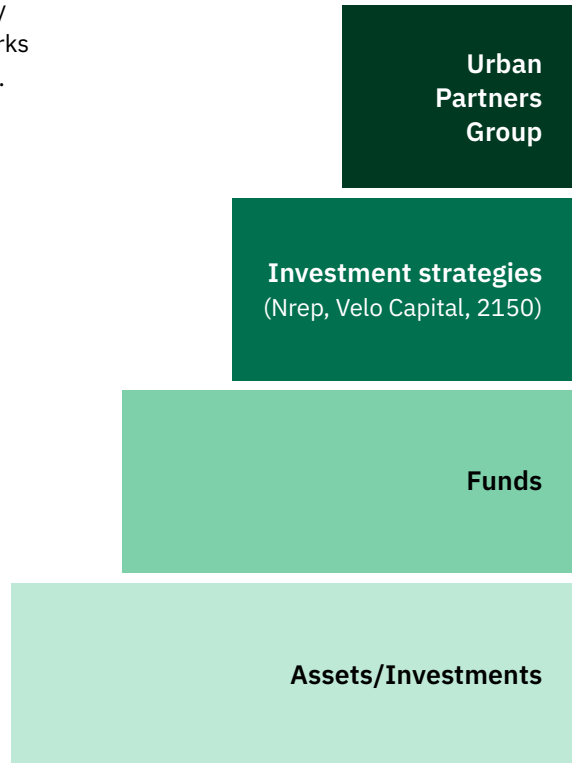
We further work with a number of other ESG topics including Water, Biodiversity and Circularity (E), Own Workforce, Affected Communities, Workers in the Supply Chain and Consumers and End Users (S) and Business Conduct (G). In a constantly evolving world, we continuously evaluate which topics are material to Urban Partners and our investment strategies.

In 2023, we have strengthened our reporting capabilities by performing a robust double materiality assessment. The assessment is aligned with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRSs). It relies on a number of sources, including peer benchmarks, external and internal reports and policies, and interviews with representatives from all relevant departments of Urban Partners and key external stakeholders, such as investors and industry organisations.



Frameworks, commitments and memberships

Urban Partners builds its sustainability strategy around leading ESG frameworks from group to asset / investment level. Alignment with third-party validated frameworks ensures that Urban Partners deploys best practice and works transparently towards industry-recognised, shared objectives.



Urban Partners ESG strategy, commitments and memberships



Urban Partners investment strategies frameworks and memberships



Fund strategy and targets



ESG business plans



Impact through partnerships

Building partnerships of trust and shared vision cuts across everything we do.

We aim to mobilise across the urban value chain. Our various partnerships are different



LOTUF convening during New York Climate Week 2023, in which Urban Partners was proud to host HM King Frederik of Denmark and 120 leading voices on urban decarbonisation.

in scope but are always based on pioneering solutions that can increase the likelihood of positive long-term impact and innovation.

Identifying the opportunity to collaborate with other ambitious urban investors, we co-founded Leaders of the Urban Future (LOTUF) with systems change agency SYSTEMIQ, pooling investors with \$0.5 trillion of capital towards collectively accelerating decarbonisation in our sector. In 2023, the group identified a common approach to creating transparency driving demand for decarbonised real estate, the 'LOTUF North Star'. The approach builds on well-known concepts such as CRREM and Science Based Targets. With the support of the Laudes Foundation, we will continue this work in 2024.

Green and Thriving Neighbourhoods

C40
CITIES

In 2023, we continued and deepened our pioneering partnership with the Green and Thriving Neighbourhoods programme, which is led by C40, a global network of nearly 100 mayors of the world's leading cities that are united in action to confront the climate crisis. The objective is to accelerate the adoption of the 15-minute city and deliver a base of evidence to support new urban models, translating knowledge into experimentation on the ground through neighbourhood pilot schemes which are climate responsive and people-centric.

Working directly with municipalities, this programme defines integrated actions and urban

design approaches as means to reduce emissions, increase climate resilience and improve people's health and wellbeing at a local level. It includes a global set of partners, including ARUP, Sorbonne University, Novo Nordisk and Gehl.

In July 2023, C40 launched 22 pilot projects, under the Green and Thriving Neighbourhoods programme funded by Urban Partners, at the UIA World Congress of Architects conference. These ambitious urban projects are in cities such as Rio de Janeiro, Dakar and Milan and on sites including dysfunctional public spaces, underserved neighbourhoods, residential suburbs and more.



22

pilot projects launched by C40 under the Green and Thriving Neighbourhoods programme funded by Urban Partners



Climate impact

“Cities are where the climate battle will largely be won or lost.”

— António Guterres Secretary-General of the United Nations

Climate mitigation and adaptation is at the core of all our investment strategies. We work with emissions categories across all scopes (1, 2 and 3), including both operational and upfront embodied emissions within real estate. We see vast business opportunities in driving the green transition of cities. →

GHG emissions

Increasing transparency to take action where it matters the most

Reducing emissions starts with transparency, which is why we invested in baselining the GHG emissions of Urban Partners, including each of our investment strategies, in 2023. Transparency can only be achieved through standardisation, and our emissions measurement methodology builds on the leading international standards GHG Protocol, Partnership for Carbon Accounting Financials (PCAF) and the Science Based Targets initiative.

We are tracking our emissions across scope 1, 2 and 3.

Corporate emissions across Scope 1, 2 and 3, covering energy consumption in our own offices,

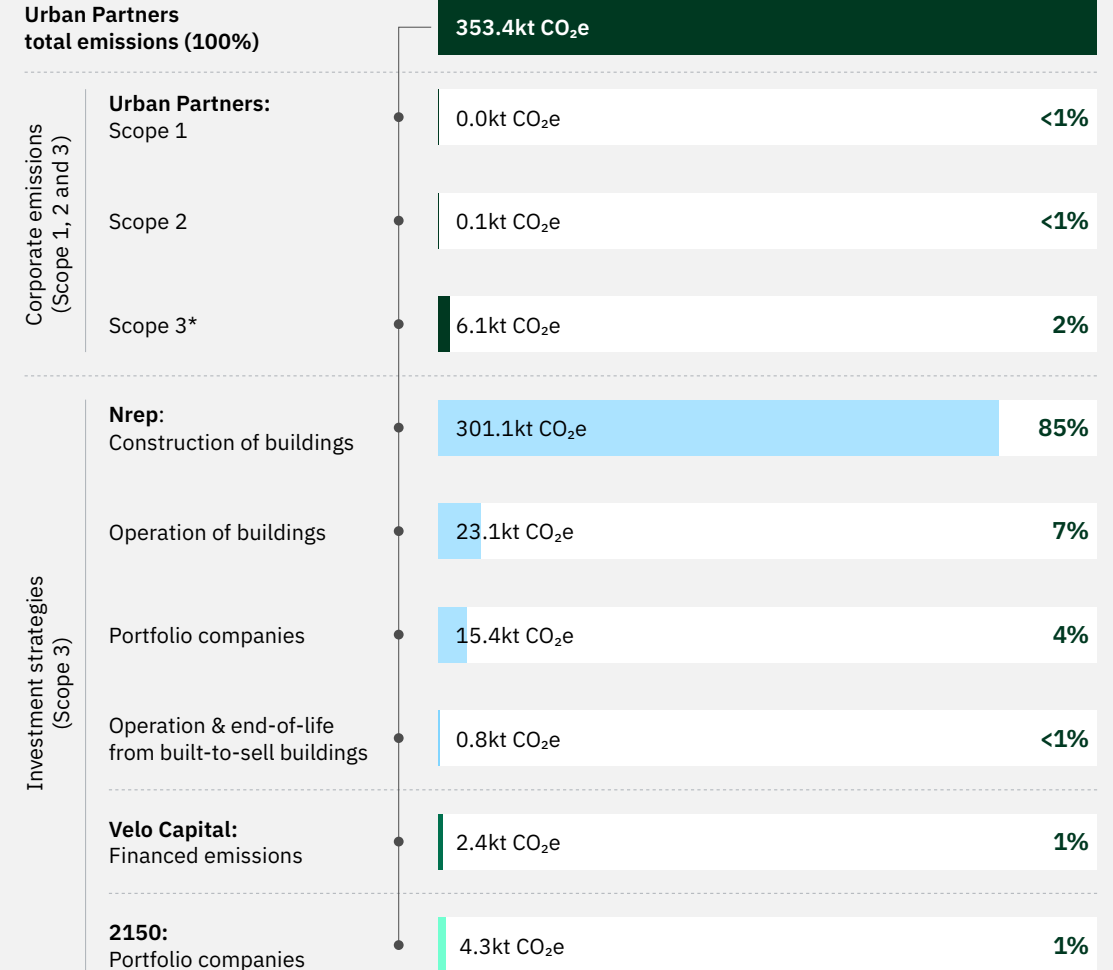
business travel, employee commuting and more, take up less than 2% of our total footprint in 2023. Our reduction levers for corporate emissions include working with suppliers and sourcing 100% renewable electricity for our own offices.

However, we spend the vast majority of our time and efforts on the emissions within our investment strategies.

Nrep represents by far the largest share of our emissions (~96%). To tackle these, we are setting ambitious goals to significantly decarbonise upfront embodied emissions (related to construction of new buildings) and operational →



GHG emissions 2023 overview



* Excluding emissions from assets under management

Urban Partners GHG emissions highlights in 2023

Nrep upfront embodied emission intensity at 6.6 kg/m²/y

99%

aligned with the Paris Agreement²

Nrep in-use operational emission intensity (location based) at 8.1 kg/m²/y

84%

aligned with the Paris Agreement³

Urban Partners' Scope 2⁴ electricity consumption continues to track at

100%

renewable⁵

emissions, aiming to align with the Science Based Targets (see next page for further details). We are further utilising a range of levers focused on decarbonisation of assets within our investment lifecycle, including design stage LCAs and decarbonisation roadmaps for standing assets (see the Nrep section of report for further details).

developments was below the SBTi draft 1.5°C pathways for upfront embodied emissions. 84% of floor area of our standing assets were within the CRREM 1.5°C pathway for operational emissions.

Benchmarking our performance to the 1.5°C Paris aligned pathways, as highlighted in the green box, gives us comfort that we are on the right track: In 2023, 99% of floor area across our own

2 According to the SBTi draft building sector guidance pathway on upfront embodied emissions
3 According to the CRREM 1.5 degrees pathway on operational emissions
4 Electricity consumption across Urban Partners' office locations
5 According to the definition of RE100



Norra Vitsippan, Residential



Working with the Science Based Targets framework

Transparency and industry standardisation are crucial to accelerate the green transition. Transparency and comparability are prerequisites to create demand for low carbon products and services in real estate and other sectors. Acknowledging this, we strive to align with the leading international impact frameworks and support consolidation and alignment.

The Science Based Target initiative (SBTi) builds on deep climate science and has gained the necessary momentum to ensure alignment and comparability within industries and across sectors. We believe that wider adaptation of SBTi can accelerate change in the real estate industry. By the end of 2023, Urban Partners was

selected to pilot test the SBTi's new target-setting tools and guidance for companies in the built environment. Urban Partners' contribution is grounded in Nrep's renowned experience as a sustainability-led real estate investor and developer. Pilot companies act in an informative capacity to the SBTi, by testing its guidance.

During 2023, we have worked to establish a robust framework for GHG emissions measurement and target setting, based on the SBTi Draft Building Sector Guidance published in May 2023. After being selected to pilot the industry guidelines, Urban Partners has shared its datasets and actively engaged in identifying potential improvements to the SBTi's resources.



“Significantly reducing the carbon footprint of the real estate sector requires all hands on deck – and close collaboration between sectors. A framework, which we can all work from, is crucial to ensure we work transparently in the same direction and can report with integrity on our footprint and improvements. We are proud to have been selected to take part in the SBTi's pilot and are happy to contribute with our knowledge to help accelerate clarity and action together.”

– **Johan Hallgren Madsen**
Head of Decarbonisation,
Urban Partners





“An endless number of green buildings don’t make a sustainable city.”

— Jan Gehl world-renowned architect

Tingbjerg, Residential



Investing in thriving neighbourhoods

A sustainable approach to urban regeneration must be holistic, addressing both environmental and social factors. We have for many years focused on a community-anchored approach to urban development.

Our real estate investment strategy Nrep was amongst the first investors and developers to build housing in the new district of Nordhavn in Copenhagen, in 2015. To enhance vibrancy in the area, Nrep alongside the local public authority By & Havn (City & Port) formed a new company that bought all of the ground floors in the area from landowners, curating these spaces for a stronger community feeling. This included supporting the opening of smaller stores, a movie theatre and

access to high quality, affordable groceries for all residents.

Nrep also works to strengthen existing neighbourhoods. Tingbjerg was built on the edge of Copenhagen in the 1950s as a model community. Over the decades, however, Tingbjerg declined and became a place with a negative public perception and high socio-economic challenges related to unemployment, income and education. The City of Copenhagen partnered with residents, the local social housing companies and Nrep to revitalise the area by building new social infrastructure and local retail, introducing new housing options, improving public space and transforming perceptions of the area by highlighting its longstanding strengths.

Bringing new life to an old railyard



Building on our experiences in Nordhavn and Tingbjerg, we formed a partnership in 2021 with the Danish state real estate and railway companies to transform 50 hectares of old railyards in the centre of Copenhagen into a new vibrant neighbourhood. Jernbanebyen (The Railway District), is an ambitious project that will unfold over the next 10–15 years, expectedly creating homes for 9,000 residents and 4,000 jobs. It will be a mixed community, including an ambition of 25% social housing, new urban co-living models across generations and a mix of rental and ownership. →



“...a desirable neighbourhood with the necessary amenities, using fewer cars, less energy and with more efficient living.”

— Jesse Shapins Head of Urban Strategy & Design, Urban Partners

Community is at the heart of the Railway District development in Copenhagen – even before the rest of the district has been built. Creating a living neighbourhood, from the start, will underpin the eventual healthy mix of housing, leisure, retail, business and green space.

Every Wednesday, an old industrial building in a Copenhagen railyard becomes a bustling hub of activity and people.

Spor10 is an old railway customs house, situated between rail lines and a main road near the centre of the city. Construction of the planned new Jernbanebyen – or the Railway District – has not started yet, but Spor10 is already hosting a variety of organisations and forming the basis of a new, mixed neighbourhood for people of all ages and backgrounds.

“The Railway District is the largest central city urban regeneration underway in Copenhagen,” says Jesse Shapins, Head of Urban Strategy & Design at Urban Partners. “What excites me is that it’s an area which clearly had an important role when it was originally created, based on freight rail as part of an industrial economy.”

“We’re turning that into something that brings benefits to the modern city, with more people living in closer proximity, in a desirable neighbourhood with the necessary amenities, using fewer cars, less energy and with more efficient living.”

A place people love

The municipal plan for the Railway District, approved in 2019, is one of 22 global ‘Green and Thriving’ neighbourhoods, as defined by C40 and Urban Partners’ breakthrough programme. It will

include housing of all different types, mixed with schools, shops, workshops, offices and lots of green space. Everyone in the area will be close to nature and in a partially car-free area.

Urban Partners’ role, as a private investor and developer, is to work alongside the municipality as the initial backer of the project. There has been significant involvement from citizens and other stakeholders to put together a vision and plan to transform this brownfield site.

“The most important thing for us is to build a place which people love and where they want to be,” says Shapins. “What’s really powerful here is the long history of strong engagement with government and stakeholders, and around how to build community infrastructure into the project.” →



The Railway District

- Urban development in Copenhagen
- Southern part is 78,000 square metres, and combined area is 365,000 square metres
- Expected to be built from 2025 onwards
- Developer and owner Baneby Konsortiet, consisting of Nrep, Novo Holdings and Industriens Pension
- DSB Ejendomsudvikling A/S owns the remaining 287,000 square metres
- Architects: Masterplan, COBE



Spor10, Jernbanebyen offers communal dining – an affordable and healthy meal to all, which 200–500 people are attending each week.

A new home

Spor10, directly next to a metro station opening in 2024, provides social infrastructure, with programming anchored in diverse physical activities, nutritious food and social connections. It is already housing local associations that otherwise cannot find space in the city, such as Maker, which encourages the manufacturing of sustainable products; a roller skating and scooter community; a callisthenics group; organisations for older artists and ping pong for different age groups.

It is the first time such a “community first” approach has been taken to a development. Spor10 has

already hosted events such as the CPH Street Festival, with sport and activities, a summer party and the weekly meetings of the whole community each Wednesday, with the space and activities open to the public at no cost, and communal dining offering an affordable and healthy meal to all, which 200–500 people are attending each week.

Shapins attends regularly, with his family.

“There’s a whole range of incredible people, and now they have a home here,” he says.



Healthy food systems at local scale

“In line with our holistic approach to sustainability, we view healthy food systems as an integral part of place making. We have worked on this agenda at a local level, at eateries in our office buildings, through continued implementation of Planetary Health Guidelines, based on the Planetary Health Diet framework developed by the EAT-Lancet Commission. This work has amongst others reduced the carbon intensity of food in our Copenhagen office by 20% from 2021–2023.

With Spor10 at Jernbanebyen, we are seeking to scale this experience to a neighbourhood level. To track progress and store data, we have co-developed a reporting platform with FoodOp, for tracking metrics such as emissions and nutrition.”



— **Lena Lee Jørgensen**
Head of Food Systems,
Urban Partners



Employee impact: Giving back to our cities

The Tingbjerg Challenge is an annual event and a festive and active day for the whole family in the Tingbjerg neighbourhood northwest of Copenhagen. The day starts with races for children of all ages at two distances, followed by a children's festival with lots of fun activities.

Beyond investing in thriving neighbourhoods, we are committed to helping communities thrive by supporting local initiatives across all the places where we operate. →



Tingbjerg satisfaction survey

100%

found the mentor programme beneficial

97%

felt they had more knowledge about how they could achieve their dream job

94%

felt they had gained more confidence from the programme

Tingbjerg mentoring programme

Launched in 2021, Urban Partners' mentoring programme with Tingbjerg School works towards making a meaningful impact on the lives of young individuals. We believe in the power of personal connections, where an adult takes the time to sit down and ask: 'What do you want to do?' Our dedicated volunteers, comprising a diverse group of employees, are mentors to students, offering guidance and support. In 2023, 30 Urban Partners employees participated in the mentoring programme.

The structured process involves:

- Exploration – unveiling students' strengths and aspirations
- Investigation – opening students' minds to a myriad of opportunities
- Planning – providing assistance in finding internships, writing applications and formulating post-internship plans

Throughout the initiative, we prioritise instilling a growth mindset and self-belief in the young



people, making these principles fundamental to what we teach and share with them.

Atletico Malmi

In April 2023, Nrep introduced Noli Malmi, the first Noli Studios site in Northern Helsinki and the fourth in the Noli Studios lineup. Offering home comforts with hotel amenities for young home-seekers and travellers looking for more.

Malmi is a district that is one of the five strategic suburban areas where the city is working to prevent segregation. With the launch of each Noli Studios, Nrep is dedicated to supporting local businesses, introducing unique elements and enhancing the neighbourhood's appeal while improving its liveability.

"We didn't just want presence; we aimed for meaningful contribution," says Natalia Nikola, Head of Noli Studios and UMEUS, reflecting on the commitment. "In addition to our contribution towards helping local youths with hobby expenses through support for the football club, Atletico

Malmi, we collaborated with a nearby arcade game hall, Sugoi. This collaboration not only enhanced our guests' experience with vintage games in our lobby during the early stages but also served to promote and support a neighbouring small business."

Löparakademin

Urban Partners has been supporting a local non-profit organisation, Löparakademin (the Running Academy), for several years. Löparakademin supports the development of young people in Sweden's Million Programme public housing areas, using running as a tool to achieve social improvements.

The aim is to create natural platforms for integration and open up opportunities for both individuals and organisations to develop, through close collaborations with companies, residents, schools and associations. Partner activities in 2023 included a CV workshop hosted in the Nrep office as well as volunteering and participating during two running events, Skärholmsloppet and Kistalloppet.

Employee engagement

Guided by our values and driven by our purpose

Our values

Urban Partners’ culture is built on the premise that employees should bring their whole selves to work every day, to live and lead from our purpose. 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.

Urban Partners’ values are:



Always Learning



Making a Difference



Trust



Care

Our values are amongst others exemplified through our “check-in.” At Urban Partners, all meetings start with a check-in around the table to create a safe space. During the check-in, people can share how they feel, their intention for the meeting and if anything is preventing them

from being fully present. This paves the way for productive meetings with alignment on goals and agenda, as well as a safe space for everyone to be themselves. Check-ins are introduced during onboarding of new employees and are held across all levels of the organisation.

Employee wellbeing

Urban Partners uses Winningtemp Pulse, a survey which helps to create a basis for team dialogues and gain insights on the status of employee wellbeing, engagement and development opportunities. The survey is sent out weekly, data is collected in real time and answers are anonymous. The survey contains comments, which form the basis for team dialogues on wellbeing and areas of improvement.

In 2023, the Employee Net Promoter Score (eNPS), measured through WinningTemp was at a remarkable 31 (scores between 10 and 30 are considered good, and 50 as excellent).



Winningtemp results

97%

feel that Urban Partners long-term goals are meaningful and are committed to reaching them

96%

believe Urban Partners investments will improve the life of future generations

95%

are proud to work at Urban Partners

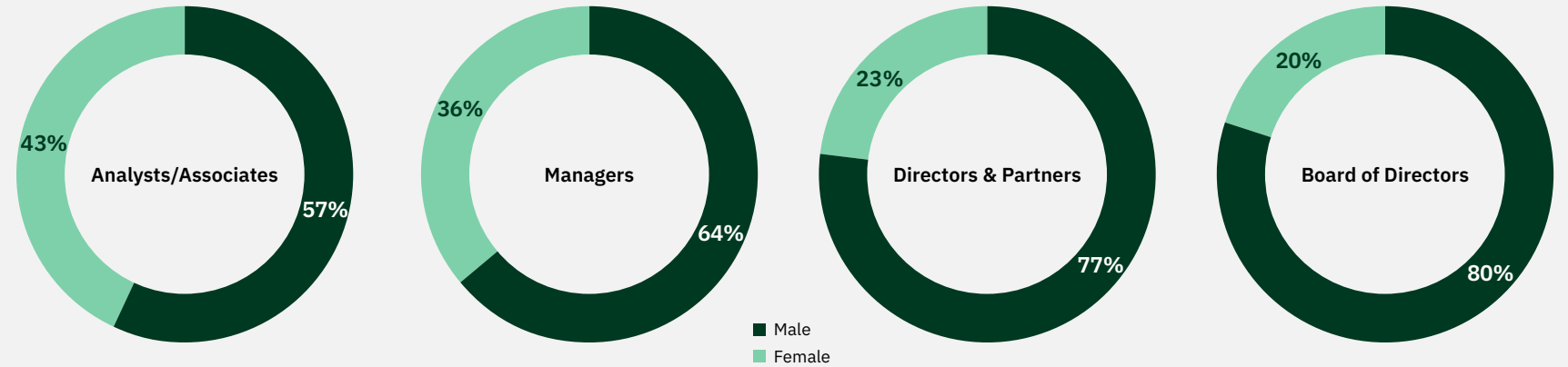
93%

feel respected by their colleagues

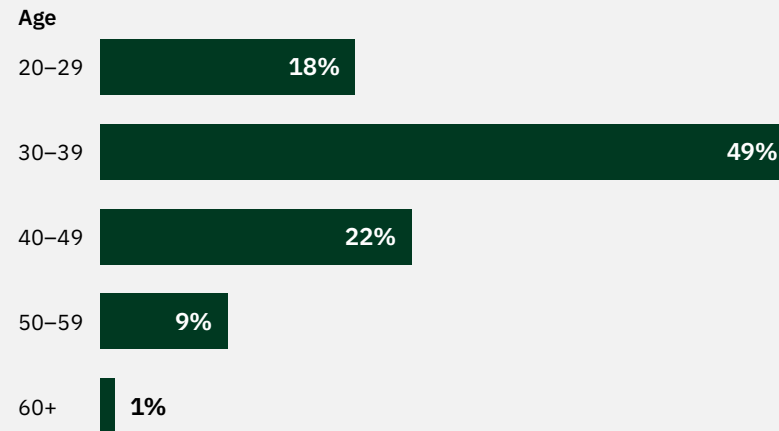


Diversity, equity & inclusion

Employee gender diversity, 2023



Generational diversity, 2023 (% of employees)



Hiring, split by gender, 2023 (share of females hired %)



Urban Partners' DE&I commitment is Fostering Inclusive Urban Futures Together. We hold ourselves accountable for embracing DE&I principles to create thriving cities, vibrant communities and an inclusive workspace. →



In 2023, Urban Partners became an official signatory of ILPA Diversity in Action (DIA) initiative.

Enhancing efforts related to Diversity, Equity and Inclusion

In 2023, a dedicated working group was established, focusing on DE&I and creating an inclusive workspace across Urban Partners, anchored with our co-CEO Jens Stender and Chief People Officer, Amin Amirian. The working group has conducted a thorough analysis of our current status and approach to DE&I, resulting in the development of a strategy, seeking to further integrate consideration of DE&I throughout the entire employee journey, from recruitment, through promotion, development and retention.

Initiatives implemented in 2023 included establishing consistent tracking in monthly leadership meetings of DE&I figures in hiring, promotions, and retention, building DE&I into onboarding sessions and leadership trainings, updating our DE&I Policy and launching Urban

Partners' first Employee Resource Group, 'The Unicorns'.

'The Unicorns' is a social community of Urbanites who are passionate about fostering a supportive and inclusive work environment – especially focused on the challenges LGBT+ minorities are facing. Internally they organise regular “care and share” sessions, where team members can connect on a personal level and provide support and sparring to each other, as well as initiate and organise engagement in both external and internal activities to help break down barriers for minorities. In 2023, the Unicorns hosted a panel discussion on “The Rainbow in the Danish Real Estate Industry.”

In 2023, Urban Partners became an official signatory of ILPA Diversity in Action (DIA) initiative. This brings together Limited Partners



Recruitment – Ensuring diversity in the pipeline

The Urban Partners Talent Acquisition Team is deeply committed to conducting an inclusive hiring process, with a focus on objectivity. Candidates undergo assessment based on professional and personal qualifications, involving multiple candidate meetings featuring a diverse panel of interviewers. A high-validity cognitive test and psychological assessment, administered by a certified Talent Acquisition Specialist, is a crucial aspect of every interview, to reinforce objectivity and mitigate bias in all recruitment procedures.

The focus ahead is to do even more to enhance the gender balance in our hiring, particularly at senior levels, by ensuring a structured approach to all recruitment, introducing unconscious bias training for all hiring managers and setting up guidelines embedding DE&I considerations for all hiring processes.

and General Partners, who are committed to advancing DE&I across their own organisations and the private markets community.

The ILPA commitment includes:

1. Having a DE&I strategy which is shared publicly
2. Having organisational goals in place to make recruitment and retention practices more inclusive
3. Tracking internal hiring and promotions by gender
4. Providing a DE&I demographic where available for new fundraising, in an ILPA template



Our approach to good governance and minimum safeguards

Minimum Safeguards is a crucial concept which lies at the heart of sustainable business practices. Defined by the European Commission's Platform on Sustainable Finance, these safeguards are designed to establish a foundational standard for corporate conduct across four key areas: taxation, fair competition, corruption and human rights. These areas are critical in ensuring that a company's operations do not just aim for economic gains but also uphold the highest standards of ethics and legality.

Urban Partners commits to aligning its operations with the Social Safeguards. By integrating these safeguards, we aim to uphold human and labour rights, foster sustainable and inclusive growth, and ensure that all our activities adhere to high ethical standards.

In 2023, Urban Partners proactively strengthened our commitment to ethical business practices by drafting and approving updated policies. These include the revised Supplier Code of Conduct, updated ESG Policies, a new DE&I Policy and we commenced the establishment of a dedicated Human Rights Policy.

Taxation

Tax compliance and governance are cornerstones of Urban Partners' operational integrity. We are committed to adhering to tax regulations across all jurisdictions where we operate. Urban Partners ensures compliance through a robust tax management process. When necessary, we consult with external advisers from reputable firms to navigate complex tax matters. →



Urban Partners Elevates Supply Chain Sustainability

We recognise the pivotal role that suppliers and supply chain dynamics play in our commitment to sustainability. Central to our approach is our Supplier Code of Conduct, which serves as the cornerstone of our engagement with suppliers and business partners, and delineates our expectations for ethical conduct, encompassing good working conditions, human rights protection, and environmental stewardship.

In our collaboration with suppliers, we take a proactive approach to address sustainability in the supply chain through several strategies:

- We engage in ongoing dialogues with key suppliers to address sustainability and ethical compliance challenges and opportunities.
- Periodic monitoring of suppliers and business partners in terms of screening for adverse media coverage, with a focus on ESG issues such as human rights violations.
- We include ESG clauses into contractual arrangements, formalising expectations regarding environmental and social responsibility and emphasising our collective dedication to sustainability.

Looking ahead to the next year, to improve how we work with our supply chain, we are implementing a monitoring system via an external platform which will enhance transparency and enable us to monitor that our suppliers adhere to our Supplier Code of Conduct. In addition, the platform allows us to screen and categorise each supplier based on associated risks allowing us to implement targeted actions reinforcing a supply chain that reflects our commitment to sustainability, responsibility and ethical business practice.

Fair competition

Urban Partners is dedicated to fostering fair competition as a fundamental aspect of our operations, aligning with our Code of Ethics and core values: Trust, Making a Difference, Care and Always Learning. We actively encourage a culture of transparency and accountability through our Values in Action culture, and we work every day to foster a culture of care where everyone is encouraged to speak up, allowing employees to raise concerns or seek guidance.

Anti-corruption and bribery

Urban Partners is dedicated to eradicating corruption and bribery. Our commitment is embedded in our Code of Ethics and Supplier Code of Conduct, supported by a comprehensive Anti-corruption and Bribery Policy. We strictly prohibit any form of bribery or corruption, whether within our organisation or in dealings with business partners. We conduct learning plans for all our employees focusing on corruption prevention, anti-money laundering and countering financing of terrorism. Furthermore, all employees shall always adhere to the principles as set out in the

Compliance Policy when carrying out business and performing their day-to-day tasks.

Urban Partners upholds a grievance mechanism through a whistleblowing hotline, providing a channel for all stakeholders, internal and external, to voice complaints, including those related to projects.

Human rights

In 2023, we examined the inherent challenges and potential human rights impacts in our different investment strategies. In this assessment we

identified that our real estate division, Nrep, inherently carried the most potential risks related to human rights impacts. To address this, we integrated a human rights impact assessment into our Delivery Model. This assessment now applies to all new construction projects as well as in acquisition and ownership initiatives within Nrep. Furthermore, we enhanced our efforts within the supply chain, conducting an assessment of our suppliers, evaluating industry practices, and identifying sustainability risks with the sourcing of materials, especially in high-risk industries.





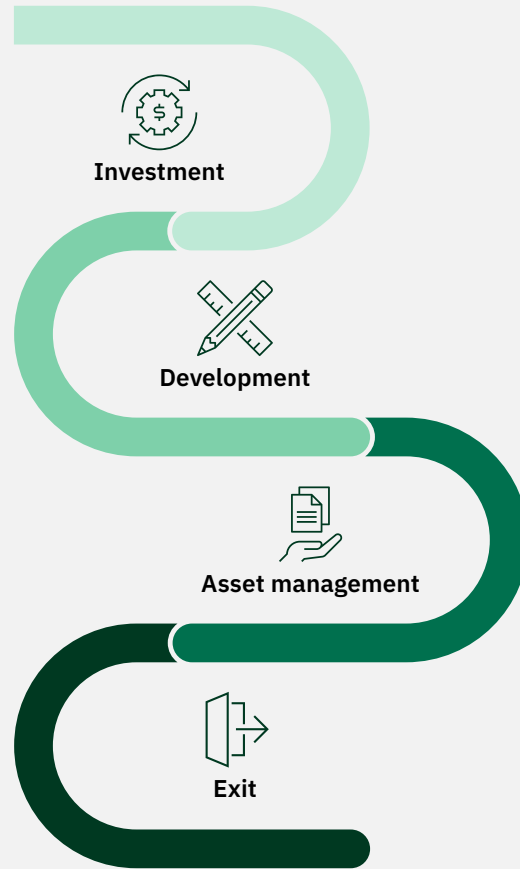
Nrep's delivery model

Sustainable Due Diligence (SDD)

Our SDD framework guides the mandatory sustainability analysis for investment cases, which are presented to the Investment Committee. It includes a detailed assessment of ESG risks and value creation opportunities, including e.g. decarbonisation and transition risks, physical climate risks, energy efficiency, ecosystem and biodiversity, health and community, data and governance and human rights.

Sustainable Action Plan for Standing Assets (SAPSA)

The requirements to Nrep's standing assets arise from Nrep's decarbonisation strategy along with our approach to meet ESG reporting standards which are essential from regulatory and strategic perspectives. All standing assets must have a decarbonisation roadmap (using the Nrep Climate Action Template). Our in-house portfolio and asset management teams are committed to following the action plan outlined in the decarbonisation roadmap to achieve our operational carbon targets, including energy efficiency.



Sustainable Development Performance Standards (SDPS)

In line with the SDPS, all new construction in Nrep must be aligned with the leading holistic sustainability certification schemes, LEED Gold, BREEAM Very Good or DGNB Gold at minimum. In addition, we have introduced mandatory design-stage life cycle assessment (LCA) for our new builds and retrofits, focusing both on construction and operation to achieve GHG reductions throughout the whole life of buildings. Nrep explores various levers to bring down embodied emissions at an early stage, such as optimising building design, i.e. maximising space utilisation, using low carbon, biogenic building materials, and focusing on design for disassembly and reuse of materials.

Exit

Sustainability outcomes (e.g. Taxonomy alignment, certifications and EPC) are assessed at exit, to ensure maximum value creation from ESG performance.

Nrep's delivery model serves as the foundation for integrating ESG into Nrep's investment, development and asset management process. It encompasses our sustainability purpose and vision translated into defined targets, providing clear guidance and methodologies that support decision making from the acquisition stage through the entire asset ownership period.

Climate Action Template

The Climate Action Template (CAT) is an internally developed assessment tool designed to evaluate the sustainability performance of Nrep's assets. Its primary function is to benchmark these assets against Nrep's ESG targets using the data available about the asset's energy characteristics. The CAT provides a comprehensive analysis of the asset's current performance, allowing users to plan and implement measures for improvement. Moreover, it offers insights into energy and emission performance in relation to our targets. The CAT is an instrumental resource that promotes informed decision-making and supports our commitment to decarbonisation and sustainability.



Decarbonising real estate

The real estate industry is responsible for 37%⁶ of global greenhouse gas (GHG) emissions. The absolute GHG emissions from buildings have grown by 1% per annum⁷ since 2015. The sector urgently needs better ways to construct and operate buildings and Nrep is committed to lead and accelerate this journey.

Nrep has long focused on implementing tools and systems aiming to decarbonise its assets. Initiatives across Nrep's real estate portfolio, to reduce operational and embodied emissions, include exploring ways of increasing the use of low-carbon materials in construction, a significant increase in on-site renewable energy production, energy efficiency transformation of low-performing standing assets and collection of real time utility meter data for around two-thirds of its buildings.

Aligning our decarbonisation targets to Science Based Targets

In 2023, we took an important step in our decarbonisation journey by starting to align our net-zero pathway with the Draft Buildings Sector Science-Based Target-Setting Guidance, which was published in late 2023.

The Science Based Targets initiative (SBTi), which drafted this guidance, is the most widely recognised framework for establishing a decarbonisation pathway, with over 8,000 companies already committed. The SBTi's goal is to enable companies worldwide to do what climate science requires of the global economy: to halve emissions by 2030 and achieve net zero before 2050. →



Extending Nrep's sustainability capabilities with a new dedicated team

In 2023, Nrep established its own sustainability team, which works as an extension of the Urban Partners' central sustainability team.

- Olli Fischer has taken on the role as Global Head of Sustainability and Construction. Olli has been with Nrep since 2017 and has held multiple senior roles across investment teams.
- The department includes construction management, project development and data operations with the common denominator of sustainability.

⁶ UNEP. 2022. Global Status Report for Buildings and Construction

⁷ IEA: Breakthrough Agenda Report 2023

+8,000

companies already committed to the Science Based Targets initiative (SBTi), the most widely recognised framework for establishing a decarbonisation pathway.

To be a true leader of the decarbonisation agenda, it is essential to both set third-party validated targets and work directly with the SBTi to further its reach in our sector. We expect to submit targets for validation in 2024, upon the finalisation of the SBTi Buildings Sector Guidance.

Bringing down operational and embodied emissions

Our focus remains unchanged in addressing both operational and embodied emissions. In the “Global North” operational emissions – emissions associated with energy used to operate the buildings – remain the key challenge to tackle, driving as much as 95%⁸ of emission reductions needed. However, for Nrep, embodied emissions – the GHG emitted during the construction process in relation to materials and construction – remain our largest

source of GHG emissions. We take a whole-life view on buildings emissions to tackle trade-offs and focus our efforts where we can have the most impact.

In alignment with the SBTi, Nrep is using the reduction pathways of the EU Carbon Risk Real Estate Monitor (CRREM) as a roadmap to net-zero operational emissions. Similarly, Nrep is using the draft SBTi 1.5°C pathway for the global buildings sector’s embodied emissions to set highly ambitious reduction targets. The global reduction pathways provide annual targets for energy and GHG intensity, aligned with the 1.5°C temperature increase scenario of the Paris Agreement.

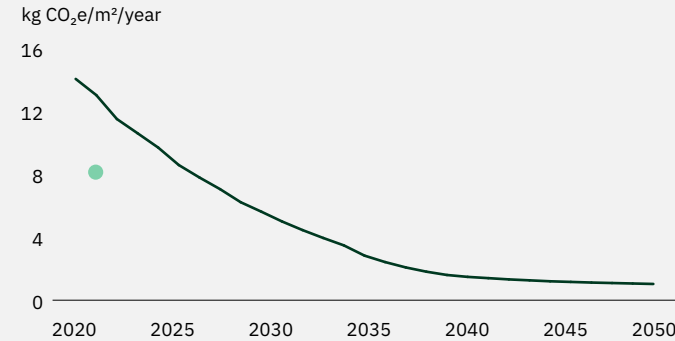
With all the action already taken, Nrep is well below the global reduction pathways (illustrated in the graphs to the right).

8 IPCC, WGIII - AR6, CRREM Global Pathways, IEA, Net Zero by 2050, IPCC, AR5, EMF, MPP & Systemiq analysis



Nrep operational and embodied emissions – Paris Agreement alignment

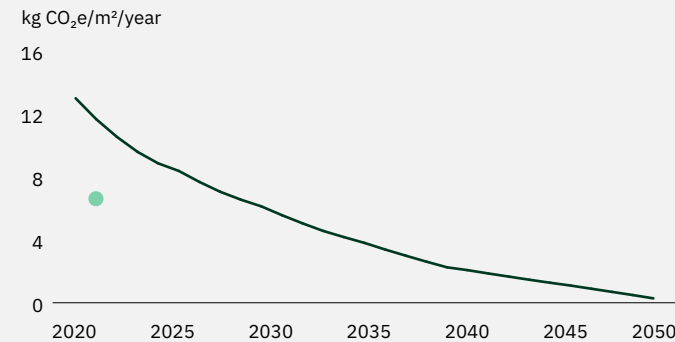
Average operational emissions versus the CRREM GHG pathway (location based)



CRREM reduction pathways provide annual targets for energy and GHG efficiency. The pathways are set to ensure that the performance of properties align with the 1.5°C temperature scenario of the Paris Agreement.

— CRREM GHG pathway**
■ Nrep performance

Average upfront embodied emissions versus the draft SBTi building sector pathway*



The SBTi draft reduction pathways provide annual targets for embodied emissions across different building typologies. The pathways are set to ensure that the emissions from construction of new buildings are aligned with the 1.5°C temperature scenario of the Paris Agreement.

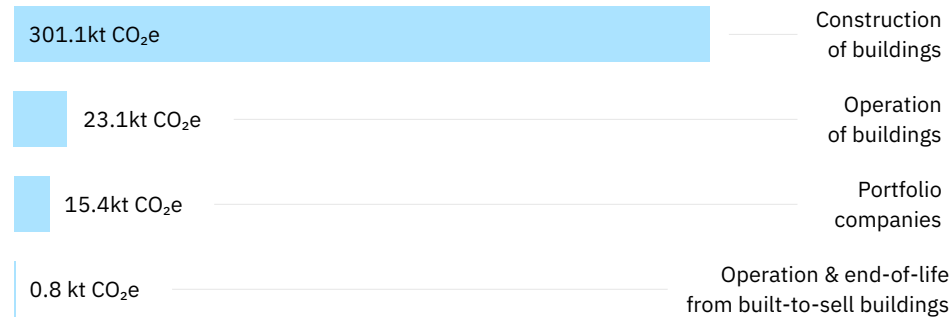
— SBTi Building Sector pathway (draft)**
■ Nrep performance

* SBTi Building Sector Guidance is currently only released in a draft version. The final guidance is yet to be released
** Weighted average based on portfolio composition in 2023

2023 Milestones

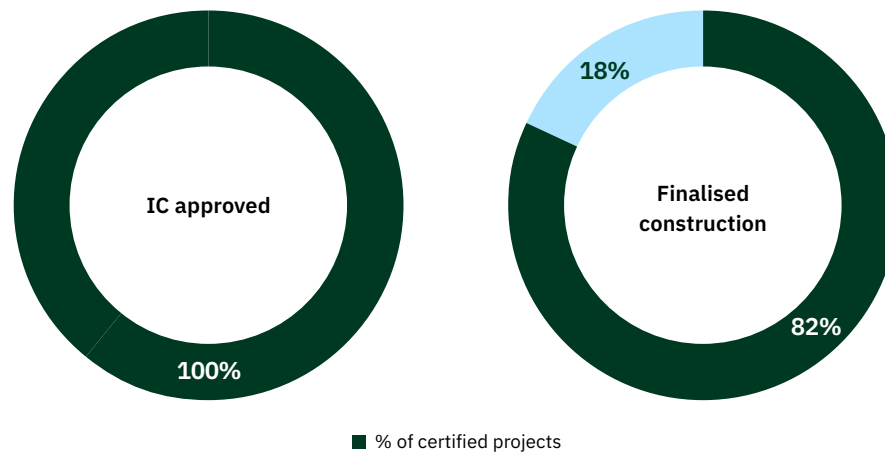
Milestone 1: Full disclosure of GHG Footprint

Nrep GHG emissions 2023



- We have established a robust methodology to annually measure and disclose our GHG footprint across Nrep’s funds so that we are now, and in the future, able to report a full disclosure of Nrep’s GHG footprint. The methodology is aligned with the SBTi’s Draft Building Sector Guidance, the GHG Protocol and PCAF.
- We are continuously focusing on improving data quality on developments through Life Cycle Assessment requirements for all developments.
- We are rolling out automatic metering for operational energy consumption on our standing assets.

Milestone 2: 100% holistic sustainability certificates for all new developments

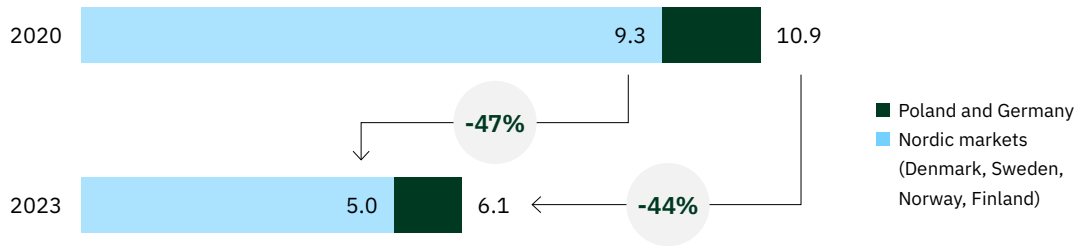


- 100% of Nrep’s own developments approved by our Investment Committee in 2023 were targeting LEED, BREEAM or DGNB certification.
- Of the buildings, which were finalised (construction end date) in 2023, 82% of own developments had achieved or were targeting a holistic sustainability certificate.
- As the target for certification was introduced at IC in 2022, and there is usually 2–3 years between IC approval and construction end date, we expect to reach 100% certified new builds within the next 2–3 years.

In 2021 we embarked on an ambitious decarbonisation journey. To ensure immediate action, we defined four key milestones for 2023. →

Milestone 3: 50% reduction in operational emissions from 2020

Operational emissions from 2020 to 2023
(market-based approach) (kg CO₂e/m²/year)



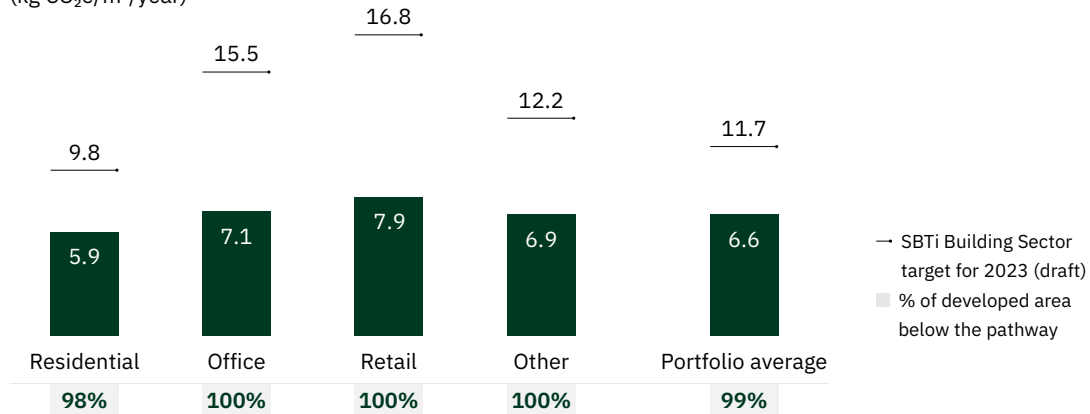
- From 2020 to 2023, Nrep has achieved a reduction of 44% in market-based operational emissions across all markets, and 47% for Nordic markets (Denmark, Sweden, Norway and Finland).
- Most significant reductions have been achieved by switching to renewable energy sources, both off-site and on-site. Procurement of electricity and district heating from renewable sources have

contributed along with market decarbonisation of energy supply. In addition, our continued large-scale investments in on-site solar PV and energy efficiency improvements during 2023 are driving impact at the asset level.

- Going forward, we will increase our focus on energy efficiency; reducing location-based emissions, in line with the SBTi Draft Building Sector Guidance.

Milestone 4: 30% reduction in upfront embodied emissions

Upfront embodied emissions benchmarked to SBTi Buildings Sector pathway (draft)
(kg CO₂e/m²/year)*



- In 2021, we set a target to bring down upfront embodied emissions, measured at the design stage, by 30%. To achieve this ambitious reduction in 2023, we introduced a requirement to conduct early stage Life Cycle Assessments for all new developments. We introduced an internal carbon fee and carbon quotas to ensure adequate action.
- Following global standards such as SBTi and GHG protocol we have transitioned to target and disclose actual upfront embodied emissions

at the year of completion – rather than at the design stage. We will be able to report on the 30% reduction target, once the projects designed in 2023 are completed.

- Our development projects completed in 2023 averaged 6.6kg CO₂e/m²/year (A1-A5). 99% of floor area developed were below the SBTi draft 1.5°C pathways as a result of our continuous commitment to bring down embodied emissions via design stage LCAs, optimised building design and use of low carbon materials.

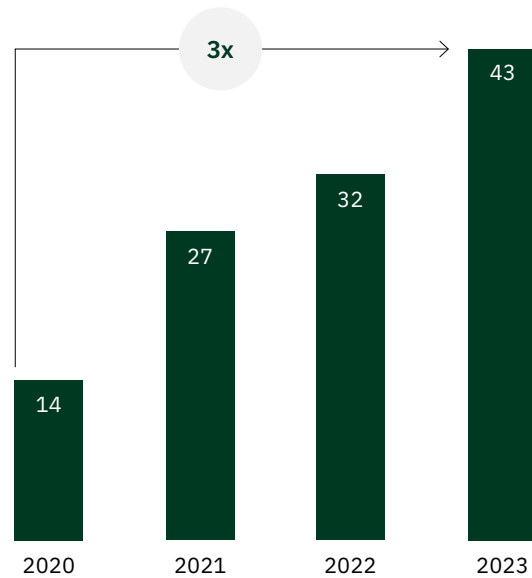
* Assuming a 50-year lifetime of all buildings

For a further in-depth description of data methodology, please see [Disclosures](#)

Additional 2023 results

Solar PV capacity (MW)

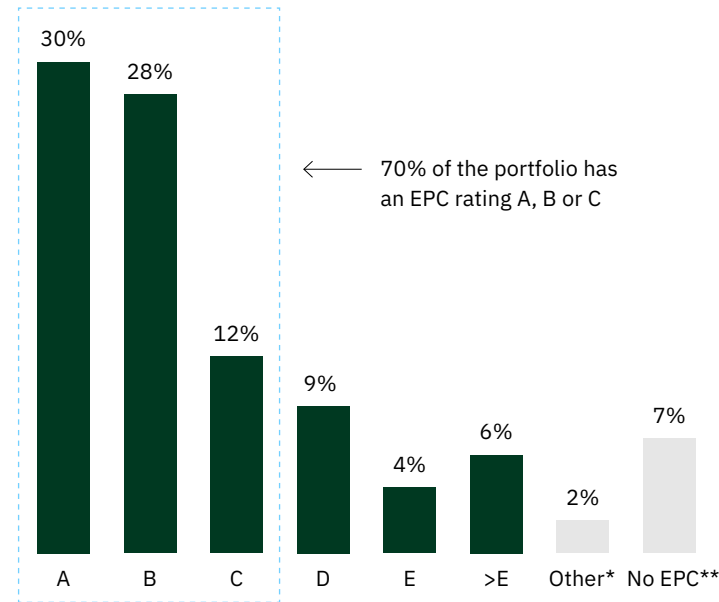
MW installed or in process to be installed



Nrep works with on-site production of renewable energy through the use of solar PV and geothermal energy. Nrep has in particular pioneered the commercialisation of roof top solar PV in the Nordics, setting multiple records in terms of installed capacity on our Logicenters assets. The installations have been enabled by new business models, such as energy communities, to ensure commercial viability.

EPC distribution

Share of portfolio (by floor area) by EPC rating

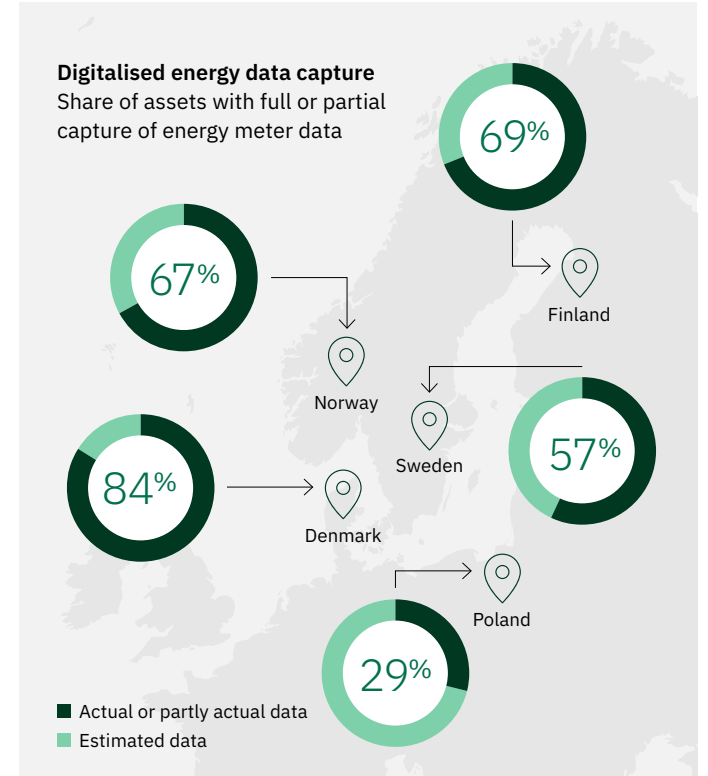


The EPC rating benchmarks the building's energy consumption against a pre-defined scale specific to countries and typologies. All assets must hold a valid EPC rating and strive to achieve min. EPC B or EU taxonomy alignment as part of the decarbonisation roadmap. The roadmap is used to estimate future performance based on current energy demand and planned future improvement.

* Assets with EPC rating following a different EPC scheme than A-G
 ** Assets with no EPC data or with EPC subject to renewal

Digitalised energy data capture

Share of assets with full or partial capture of energy meter data



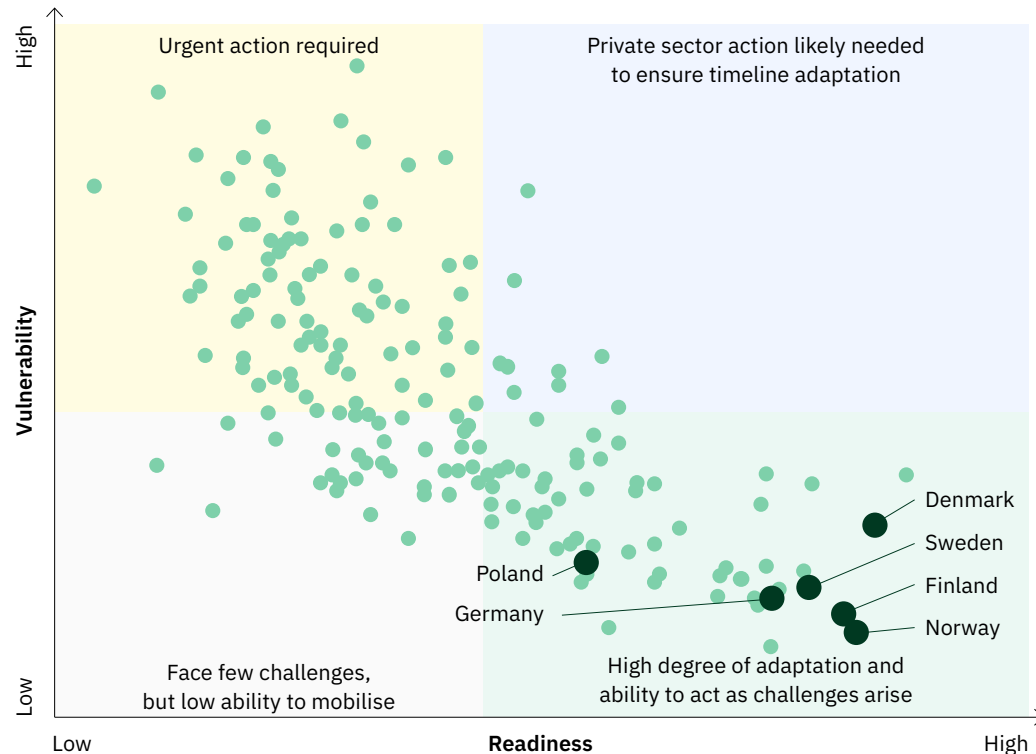
Nrep has implemented energy management platforms to gain access to high frequency energy data. In addition to effective energy management and more accurate energy reporting, the platform accelerates decarbonisation by supporting identification of inefficient energy use. We are continuously working to increase actual energy data coverage across markets.



Climate adaptation

Proactively managing climate risks across our portfolio

Comparative resilience of countries¹⁰



The frequency and severity of extreme climate events continues to increase. In 2023 alone, flooding affected 1.6 million people in Europe⁹. Increased physical climate risk has a range of business implications for players in the real estate sector, including higher insurance premiums, impact on market value, increasing risk of physical damage to assets and an impact on livelihoods and usability of assets. All of these are of significant importance to Nrep.

Several of Nrep’s markets are in “low risk” countries such as Denmark, Norway and Finland. This makes our funds less exposed to climate adaptation risk than those with assets located mainly in higher risk countries. However, no areas are completely free from the effect of climate change and as we continue to expand into new geographies, the need for a robust climate resilience strategy, building on years of working with the agenda, increases.

We have performed physical risk screening for several years to proactively address the risk of

climate change. We do so by leveraging the most recent and granular data to evaluate the risk of our asset portfolio today and in the future, in line with acknowledged climate simulation models (SSP1-2.6, SSP2-4.5 and SSP5-8.5).

Our climate risk platform, in combination with technical due diligence processes, is used to understand our exposure to physical climate risk for our standing assets and investment processes. In both cases, understanding the exposure allows for a timely assessment of vulnerability for assets with significant risk, subsequently outlining a plan for mitigating adaptation action which addresses the concrete risk.

Ensuring climate resilient and safe real estate assets is a key lever to increase asset value in the future. As physical climate risks continue to become more severe and frequent, society will continuously set higher requirements to resilience. At Nrep, we want to ensure we are well positioned for this change.

⁹ European Environment Agency: Responding to climate change impacts on human health in Europe: focus on floods, droughts and water quality (2024)
¹⁰ Notre Dame University Global Adaptation framework

Real estate projects that shoot for the moon

Nrep's Earth Shot projects are developments which seek novel, ground-breaking solutions for decarbonisation, addressing both embodied and operational emissions. In close collaboration with progressive industry partners, the Earth Shot projects seek to push the boundaries for what is possible in a commercially viable way – with lessons learnt that can be applied across the entire portfolio. →



“The residential Earth Shot is a great example of how far we can come, when we push boundaries and collaborate across the industry.”

— Nicole van der Star Investment Developer, Nrep

Just outside Stockholm, a new type of logistics centre has emerged – using organic materials such as wood and hemp, reducing upfront emissions by more than 50% compared to a traditional Logicenters building.

And in Copenhagen, a new residential building is under construction by the harbour. Most components usually fabricated with concrete – such as loadbearing structures and walls – are made from biogenic material, significantly decreasing the upfront embodied emissions compared to a “usual” six-storey building. The project is based on strong collaboration with amongst others the contractor, 5E Byg, Søren Jensen and Henning Larsen Architects, who are all equally committed to exploring ambitious sustainability solutions.

“These are ambitious projects and learning and inspiration for how we can do this in a much more systemic way,” says Eva Sterner, Head of Development Logicenters, which has developed the Swedish logistics centre.

Pulling all the levers

Reaching net zero in building construction, or embodied emissions, is extremely challenging. The ambition remains to get as close as possible by looking at each component and building method, considering what can be swapped out and replaced with something more sustainable.

“It’s about what levers we can pull. We are using traditional building methods to be able to scale and copy the development,” says Investment Developer Nicole van der Star, who is overseeing the residential Earth Shot project in Copenhagen.

“The aim is to take something that is complex and make it simple.”

Nrep was able to liaise with a supplier to even construct the bathroom interior from wood rather than concrete, which is highly unusual – the only concrete in the bathrooms, and above ground, is found at the bottom of the shower stalls.

“The bathrooms are just one instance of how we are pushing things. We have prefabricated bathrooms in a wooden construction from a known and trusted supplier and have the same guarantees as their concrete solution. A solution that is easy to copy,” van der Star explains.

A SiteCover roof and shelter will be used to keep things dry during construction, coming at a cost but also decreasing risk and carbon, →



Nordhavn, Urban Development

Residential

- 13,100 m², Resi to sell
- Located in new neighbourhood of Nordhavn, Denmark (10 minutes from central Copenhagen)
- Targets EPC A, DGNB Platinum & DGNB Planet certifications
- Construction consists of cross-laminated timber
- Plans to install heat pumps and rooftop solar PV
- Integration of recycled materials from demolished building in Nordhavn
- Primary building parts (façade, floor slabs, structure) designed for prefabrication, modularity and future disassembly/re-use
- To be completed in 2026



Bålsta Logistics

as less energy is needed for drying out the wood and no work days are lost to bad weather conditions – resulting in a compelling business case.

Dedicated experts

For Logicens, the target was the world’s most sustainable logistics building. As most developers do not make their data public, it is difficult to know for certain, but it has certainly broken new ground in substantially bringing down upfront embodied emissions.

“We looked at the biggest chunks of material in a logistics building – concrete, steel, the façade and roof elements and outdoor areas – and asked ourselves if we could keep the same layout, but change it to other materials?” Sterner says.



“It’s important to say that you can’t do this without experts in the team, who have a passion for sustainability and really want to make a difference.”

– Eva Sterner Head of Development, Logicens

For example, recycled asphalt and swapping to partly lignin oil reduces carbon emissions significantly at no additional cost. Optimising load bearing structures as the floor reduces carbon without compromising on load capacity. Next step is to reduce the cement within the concrete as it is the highest emitting factor in concrete.

“It’s important to say that you can’t do this without experts in the team, who have a passion for sustainability and really want to make a difference,” Sterner says. “I am extremely proud of the project. I did a PhD in 2002 on sustainability in procurement of buildings, so this has been near to my heart since I was in school.”

Logicens

- 21,000 m² lettable warehouse
- Located in a modern logistics hub in Bålsta, Sweden (50 minutes from central Stockholm)
- Targets EPC A and BREEAM Outstanding certification
- Hemp insulation in outer walls and roof
- Wood construction of load bearing structures and mezzanine
- Low-carbon construction, NollCO₂ certification achieved
- Solar PV, heat pump and battery storage implemented
- Designed for prefabrication, modularity and future disassembly/re-use
- 3 million people in 1 hour catchment area
- Completed in 2023



Leading the brown-to-green transformation



Comfort Hotel

Decisions taken now have a long-term impact on both the climate and value. Nrep has set out a strategy to decarbonise its entire real estate portfolio, including existing buildings – an ambitious target which can generate significant value for the company and its customers. →



“Bringing day-to-day operational emissions from the existing building stock to a level aligned with the goals of the Paris Agreement is an ambitious target. It’s technically solvable and our calculations show it is a good investment, and that’s why we dare to lean into it.”

– **Olli Fischer** Head of Sustainability & Construction, Nrep (right) &
– **Johan Hallgren Madsen** Head of Decarbonisation, Urban Partners

Existing buildings are a large part of the Nrep portfolio, and the emissions performance of many of these can be significantly improved. Globally, new construction constitutes less than a third of emissions from real estate, with the majority of emissions coming from the existing stock of buildings. To address this, Nrep has set out a strategic plan, seeking to align with Science Based Targets, which embeds the long-term financial as well as environmental benefits of the transition from brown-to-green assets.

“Bringing day-to-day operational emissions from the existing building stock to a level aligned with the goals of the Paris Agreement is an ambitious target. It’s technically solvable and our calculations show it is a good investment, and that’s why we dare to lean into it,” says Olli Fischer, Head of Sustainability & Construction, Nrep.

Long-term planning

A top-down estimate of Nrep’s current portfolio shows that to reach Nrep’s anticipated SBTi commitment would require a significant investment to transform more than 300 assets. The direct benefit of brown-to-green investment, mainly lower energy bills, goes to the tenant, but a longer-term view brings a different perspective. Financing costs are expected to be lower due to EU taxonomy alignment, lenders’ focus on net zero and access to brown-to-green funds. Greener buildings attract blue-chip tenants who are committed to net zero and when it comes to sale, assets will command a higher price. Dialogues with tenants mean some of the proceeds can return to the owner through higher rent.

One example is the recent acquisition of a logistics portfolio in Oslo consisting of 17 light industrial assets. An asset class which traditionally performs poorly in terms of energy efficiency. The joint

venture partner agreed to Nrep’s proposal for €12.9 million investment to make significant improvements and create value, and a plan and budget are now in place to renovate and improve energy efficiency significantly. By utilising abatement levers such as energy systems with ground sourced heat pumps and solar PV, the operational energy intensity is expected to reduce by ~70%, hitting the 2050 GHG emission target level of the Paris Agreement already by 2028.

“The challenge is about making the business case stack up,” says Johan Hallgren Madsen, Head of Decarbonisation, Urban Partners. “We haven’t cracked it yet for every one of our assets, as some categories are more difficult. We can have a direct conversation with an office or logistics tenant, but with residential it can be more complicated because you can be dealing with 300 different people. But we are getting there.”

We can solve this

One solution already in place is solar photovoltaic (PV) power, which is an integrated part of the Nrep business model. Tenants pay a slightly higher rent to cover installation and maintenance of rooftop solar, which is offset by lower energy costs.

Nrep made a proposal to logistics tenants, based on a financial benefit and significant reduction in operational emissions from improving properties with large-scale PV systems in return for a higher rent. A business case which convinced most tenants.

“We have taken the strategic decision to go all in on this because we believe net zero is coming faster than people think, and we can solve it as an active owner,” says Fischer. “Our approach is about making an impact, rather than just ticking boxes.”



Supporting people

We build real estate solutions based on customer-centric concepts, which solve problems and deliver value for residents. All Nrep solutions are different, because they address different problems and serve different needs. But at the heart of all our solutions is a combination of true customer insight and a clear concept that adds value – continuously insisting on seeing a user and a customer, rather than just a tenant.

Residential				Care	Office	Logistics
<p>Affordable student community-living Students face an extreme lack of affordable well-located student housing in all the Nordic capitals and main university cities.</p>	<p>Flexible serviced living Young people in the Nordic capital cities are struggling to find flexible studio apartments, combining privacy with shared facilities and thriving communities.</p>	<p>Multi-family rental Middle-income families struggle to find affordable rentals in the main cities, with good locations and well-thought-out floor plans.</p>	<p>Mixed-generation community living Loneliness and isolation are major contributors to poor health for seniors, and many young families are looking for community.</p>	<p>Homelike 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.</p>	<p>Serviced, flexible office spaces Future offices must cater for companies in change, offer services and work environments that are healthy and modern and support team collaboration.</p>	<p>Modern efficient logistics facilities As the demand for logistics continues to rise, it is essential to ensure that it is managed sustainably.</p>
<p>UMEUS provides modern community-based student living at affordable prices in the Nordic capitals and university cities.</p>	<p>Noli Studios services the growing need for flexible and socially connected studios in central locations.</p>	<p>Nrep's largest business activity is focused on providing affordable customer-focused rental apartments and row houses.</p>	<p>Plushusene is a multigenerational community-based living housing solution for active seniors and young families.</p>	<p>Altura partners with local municipalities to address the growing yet underserved need for quality care homes.</p>	<p>Our offices in central locations have been designed with users' needs in mind. They offer places where people feel good.</p>	<p>Modern efficient centers, pioneering sustainability and focusing on locations that minimise driving distances.</p>



A new way of living together

Nrep's Plushusene bring generations together in quality housing with good access to services and nature, where common activities and socialising are positively encouraged. The developments are very popular because they offer improved living for both senior people and young families, who benefit from each other's presence.

An elderly man moved into a new neighbourhood. He had various illnesses and was not in good shape physically.

Six months later, he had a regular follow up with his doctor, who asked what had happened – because all the indicators were significantly improved. The only thing which had changed was that he had moved into a Plushusene development, designed for mixed, modern community-based living.

“He was talking to people in the community every day, got healthy food, exercised and took long walks with neighbours,” says Michael Kongsbak, Manager, Real Estate Investments & Development at Nrep. “It was a really good solution for him and it is great for the municipality too as it reduces pressure on its services.”

New interests, new relationships

The idea of Plushusene started in 2018 and there are now seven sites, with three more in process. The original idea was to address loneliness among the elderly population. Analysis and surveys showed that they did not want to live only with other seniors, but close to families and young children as well. So it evolved into an intergenerational living concept, accommodating the needs of both families and the growing elderly population. Both segments may wish to move into new, low-maintenance, rental housing with time →



“Where Plushusene stands out is social sustainability. We did a big survey among tenants and 75% say they have new relationships and friends after moving in.”

— Michael Kongsbak Manager, Real Estate Investments & Development, Nrep

to focus on hobbies, health and social interaction. With Plushusene, Nrep intends to increase the life quality of its residents by creating a community where people can help each other, connect and combat loneliness in the elderly population.

Plushusene are a mix of row houses and apartments, close to nature with plenty of green space, and well connected to infrastructure, such as shopping facilities, schools and public transport. The location is typically on the edge of a city to get the mix of nature and urban. Many activities, including sports, play, creative workshops, associations and communal dining, happen in a common house and there is a host for each site who can support the community in organising activities.

“There are so many positive aspects to having moved to the Plushusene,” says Michelle

Korsspang, a resident in Tårnby, Copenhagen. “I have gained new close relationships who are open to my ideas and with whom I can share my interests. The best thing is when we inspire each other with positive commitment, both younger and older people.”

All sites and developments are, or will obtain, DGNB Gold certification, some also have energy-communities with rooftop solar, and two future sites will employ wooden structures to reduce CO₂ emissions.

“Where Plushusene stands out is social sustainability. We did a big survey among tenants and 99% of them feel safe in their current environment, living with us. And 75% say they have new relationships and friends after moving in. We see that the concept works,” says Kongsbak.

Homely, safe base

Plushusene are very popular. Potential residents apply and are interviewed about their interests. The concept brings everyday freedom into family life – for example, children can spend time in the community or taking part in activities or sports at the common house, and eat at the communal dining with other adults if their parents have to work late.

Everyone is familiar and looks out for each other. Older people can feel connected to families and take part in common activities, even taking up new hobbies. Biodiversity is encouraged with local plant species and integrated systems to retain rainwater, creating wet areas to enhance local biodiversity. A tailor-made app helps with coordination and communication.

In Ballerup, also on the edge of Copenhagen, the Plushusene have started a popular repair



café, where residents offer help and advice to neighbours on fixing a zip, lamp or kitchen appliance, and is proving popular.

“We would really like to support everyday life with more sustainable initiatives,” says Tine Weidemann, host on the development. “It could be really cool if, in the long term, we get a repair café in all our housing communities, which help each other and inspire each other across the locations.”

Nrep’s strategy to expand Plushusene, particularly in Copenhagen, is grounded in our urban vision. We aim to have 25 sites in the longer term.

As Korsspang, from the Tårnby development, says: “We have obtained the homely and safe base that I have long dreamed of providing for my children as a nurturing environment in their childhood.”



Financing tomorrow, today

Velo Capital (Velo) is Urban Partners' credit strategy focused on financing the green transition. As part of the Urban Partners platform, Velo Capital combines deep credit knowledge with Urban Partners' expertise, amplifying the platforms' collective impact across the real estate value chain.

Today, Velo advises four active funds focused on Germany, Sweden, Denmark and Finland,

with approximately €1 billion AuM. The funds advised by Velo provide mezzanine and whole loans to standing and transitional assets, as well as ground-up developments, across a range of real estate asset classes. These funds provide flexible, tailored financing solutions to support best in class borrowers and projects. In 2023, Velo held a first close on its fourth fund, Velo Mezzanine Credit Fund (VMC).

“We are driven by the vision and purpose of Urban Partners, to invest to help cities win the battles for our future. With our ESG-linked financing, we are dedicated to advancing the transition to more sustainable communities, creating a better, more resilient real estate sector.”



— Sanna Weiss
COO, Velo Capital

Velo's approach to sustainability

Velo integrates ESG metrics into its entire investment lifecycle. In the due diligence phase, potential investments are screened for reliable and up-to-date information on ESG performance and practices. The expected sustainability performance of target projects is carefully assessed to ensure investments align with defined sustainability objectives, as outlined in Velo's green framework.

The Velo Mezzanine Credit Fund (VMC), upholds a strong commitment to anchoring ESG requirements into loan agreements. VMC aligns with SFDR Article 8, reflecting its dedication to financing both new, certified assets and the transition of existing assets towards higher energy efficiency. →

Sourcing of opportunities: sustainability focus

- Focus on assets and borrowers aligned with Velo Capital's sustainability targets
 - Certified new developments & existing new builds
 - Transitioning projects, aiming to improve their environmental performance

Loan structuring: impact-linked value creation

- ESG targets anchored in loan agreement
- In-house monitoring of ESG KPIs during loan term
- ESG support to borrowers as needed and based on Urban Partners' experience and know-how

Exit: ESG action plan for new financing

- Impact measurement and management
- ESG outcomes assessed at exit, and documentation handed over to next lender
- Each asset prepared for bank financing via ESG transparency (e.g. Certifications and EPC levels)



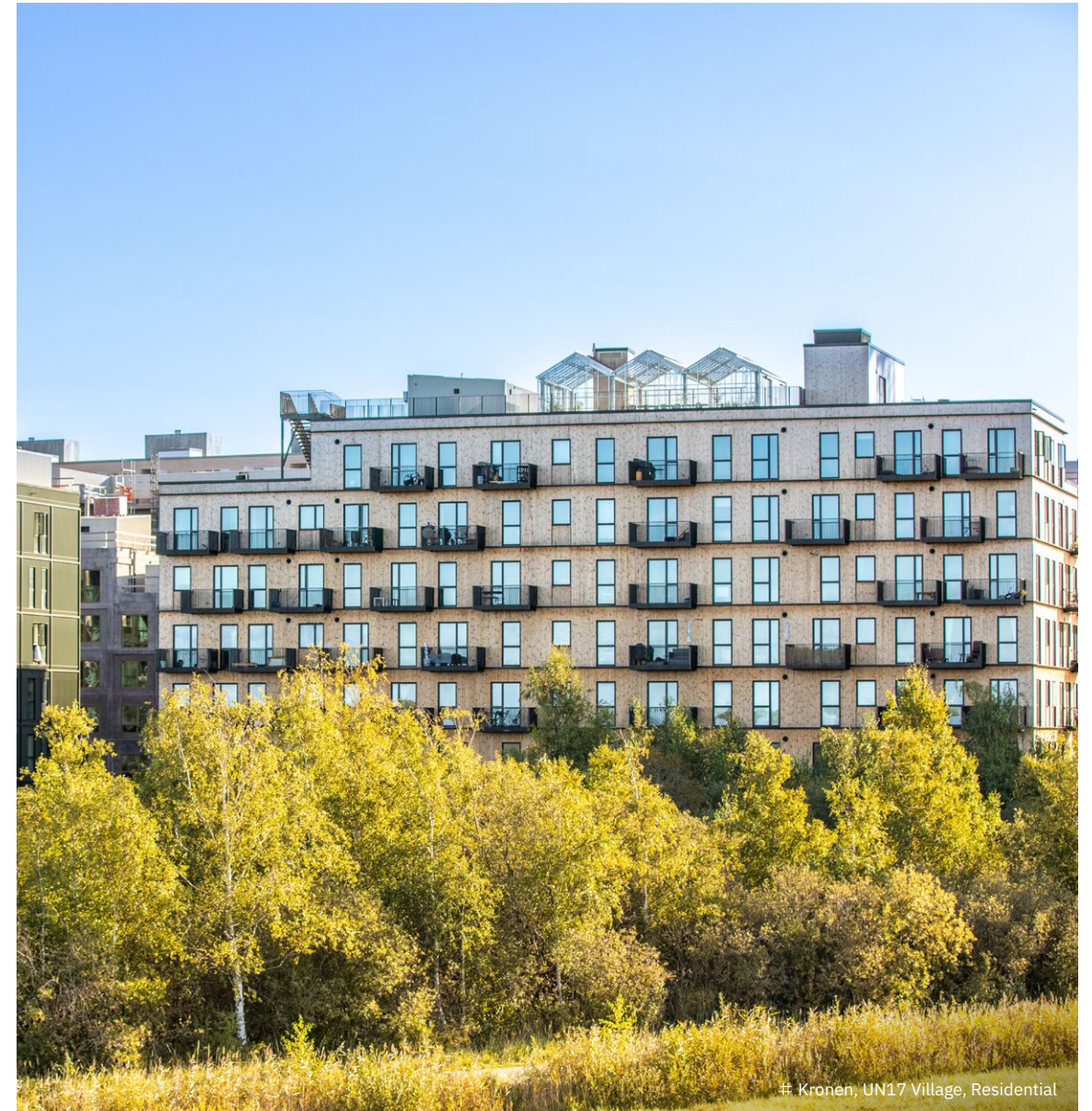


Assets must have a building certification of a minimum level (e.g. DGNB Gold), which is verified by the handover of the documentation.

To support the swift decarbonisation of real estate assets in line with 1.5°C Paris Agreement pathways, VMC uses the Carbon Risk Real Estate Monitor (CRREM) tool to steer investments. Additionally, the fund actively promotes the inclusion of green clauses in lease agreements to encourage renewable energy usage and energy consumption transparency.

VMC emphasises the holistic sustainability performance of assets. It encourages and prioritises certifications that signify a minimum level of sustainability, such as DGNB Gold, when evaluating new investments.

Managing climate risks is integral to VMC's strategy. Through comprehensive assessments, regional hazards and exposure to climate change conditions are evaluated, including potential extreme weather events and their impact on a specific location. The resulting data offers valuable insights to inform decision-making, enabling investors, borrowers, and future lenders to better assess and mitigate the physical risks associated with climate change.



Kronen, UN17 Village, Residential

Financing for a market-leading project



Lyyra, Urban Development

In 2023 VMC signed a whole loan agreement to fund a late-stage mixed-use development project in Helsinki.

Built on top of a metro stop in an excellent micro-location just five minutes from central Helsinki, the Lyyra project includes a mix of hotel, residential, retail, restaurants and cafes. The project, owned by a joint venture between Ylva and pension insurance company Varma, required financing to bring this project to life.

The resulting Lyyra loan agreement is a €40+ million construction loan with bespoke terms tailored to the needs of the project, borrower and business plan.

The project is targeting Leadership in Energy and Environmental Design (LEED) platinum, the highest level in the world's most widely used green building rating system. This loan provides a good example of how VMC capital can reward developers who incorporate emissions reduction into their business plans. →



“A well-designed green framework with built-in incentives has the potential to not only reward ambitious borrowers, but to also encourage others to aim higher.”

— Lesley Lanefelt Head of Nordic Investments, Velo

“On Lyyra, we had the opportunity to partner with a like-minded borrower on a fantastic project where we could provide flexible financing, in no small part because of the project’s rigorous focus on sustainability,” says Lesley Lanefelt, Head of Nordic Investments for Velo.

The extra mile

Velo is aiming to be at the cutting edge of progressive green financing, rewarding both ambitious borrowers, who are building sustainably, and influencing the market to increase the broader level of ambition.

“Working to send a consistent message about collaboration and how to advance financing of green projects is of benefit to society and the environment. We know that an asset with leading sustainability credentials is a liquid asset – and a liquid asset is a de-risked asset,” says Nicole Kusenbach, ESG Investment Lead at Velo.

There is a financial incentive in Velo’s loan agreements, which the borrower receives only if the project is built in as green a manner as was set out in the original business plan.

“The developer is in the driving seat – they are building it, not us, but we make sure we do everything we can to ensure that the eventual project is delivered as was promised. This requires staying close to the project through active monitoring and a strong partnership with the borrower,” says Kusenbach.

Velo can also support borrowers in making their projects more sustainable, for example by making best efforts to include green clauses in tenancy agreements and providing templates for such language. In the Lyyra project, this meant the use of green electricity.

As part of the Urban Partners platform, Velo leverages the full knowledge of the platform to maintain a market-leading ESG approach. This in turn provides investors and borrowers with additional confidence in knowing that when they partner with Velo, they gain access to the ability to anticipate possible market and regulatory changes.

“Many lenders think it is not possible to influence a borrower’s sustainability business plan because they are not the owners of the property, but we don’t see it that way,” says Lanefelt. “A well-designed green framework with built-in incentives has the potential to not only reward ambitious borrowers, but to also encourage others to aim higher. This is a key part of what we mean by progressive green financing and how we see that we, as lender, can accelerate the pace of change.”



Lyrya, Urban Development

The Lyyra project

- Hotel, residential and retail building located close to central Helsinki
- Targeting LEED platinum rated for sustainability
- Project completed, with hotel open and most residential and commercial tenants in place
- 97% utilisation rate for the demolition materials during development ensuring the minimised whole life carbon footprint
- Solar panels on the rooftop of the hotel asset supporting energy efficiency
- Energy efficiency rating 21% below the NZEB energy efficiency benchmark
- Committed to minimising operational emissions by using green electricity and district heating and cooling
- Rated energy class A, the Finnish Ministry of the Environment’s highest classification



2150



Investing to reshape urban environments

2150 is Urban Partners' venture capital strategy, investing in technology companies that seek to sustainably reimagine and reshape the urban environment. 2150's investment thesis focuses on major unsolved problems across the 'Urban Stack', which comprises every element of the urban environment, from the way our cities are designed, constructed and powered, to the way people live, work and are cared for.

2150 seeks to invest in companies and solutions that can reverse cities' negative impacts on the planet and accelerate positive impacts on prosperity. We view cities and urban technologies through the lens of four interconnected and interdependent layers:

- Enable
- Build
- Operate
- Experience

In 2023, we expanded our portfolio into developing markets and urban transportation, broadening our geographic and sectoral impact. Beyond investment, we have further prioritised engagement in policy and industry forums through networks like C40, the Venture Climate Alliance, the Cleantech Group and Startup Coalition. 2150 companies have already benefited from government initiatives, having raised €181 million in non-dilutive funding, of which €62 million is awards and grants.



“Our past year of investment is evidence of the role sustainable urban solutions can play in building the industries of tomorrow.”

— **Christian Hernandez** CEO, 2150



Experience

Allowing citizens to work, live and stay healthy and secure within the urban living environment.



Operate

Solutions to optimise urban assets, from sensor-equipped cities, buildings and facility management to urban logistics.



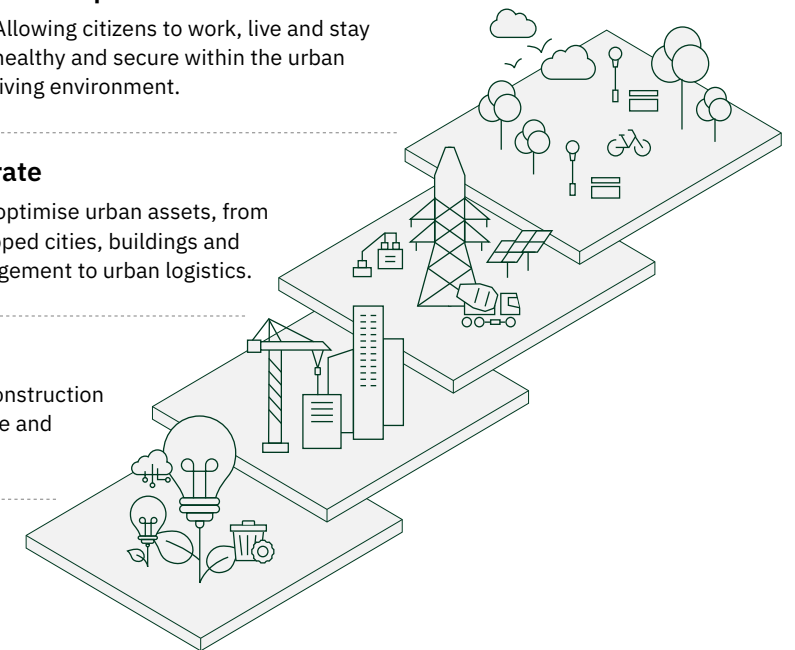
Build

Including planning and construction of buildings, infrastructure and production systems.



Enable

Enabling infrastructure technologies and platforms that allow urban areas to scale sustainably and resiliently.

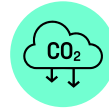


2150 Impact Principles

We developed the 2150 Impact Principles to ensure all our investment contributes to primary environmental outcomes. As an Article 9 fund under the EU's SFDR, all 2150 investments are environmentally sustainable. The Impact Principles are part of 2150's Impact Framework, updated this past year, that lays out a common approach to assess, measure and report the impacts and sustainability performance of our investments and portfolio.



Primary



Climate Action

Materially reduce or remove urban GHG emissions while preventing carbon lock-in, and supporting adaptation of systems to climate change.



Resource Responsibility

Reduce resource waste, support a circular economy and promote sustainable water use and protection.



Environmental Protection

Reduce and remove urban pollution, and protect and enhance biodiversity.

Co-Benefits



Social Resilience & Balance

Enable healthy, safe, liveable cities with healthy socio-economic balance, and increase access to economic opportunities.



Profit & Purpose

Deliver exponential impact and productivity outcomes as co-benefits beyond immediate impacts of operations.

Fundamentals



Good Governance

Companies that follow basic good governance principles, including adherence to minimum safeguards.

2023 portfolio overview

2150 made three new investments in 2023, bringing the portfolio to 17 companies.

Kelvin	1KOMMA5°	Vammo
Cooling & Heating	Affordable & Sustainable Housing	Urban Mobility
USA	Germany	Brazil
April 2023	September 2023	November 2023
Decarbonising heating and cooling in legacy buildings by combining thermostatic radiator enclosures, called Cozys, with heat pumps and thermal-storage to rapidly decarbonise.	Buy-and-build home decarbonisation company with an integrated digitised product offering to accelerate adoption of low-carbon energy systems in homes.	Electric 2-wheeler leasing and battery swapping network to accelerate EV uptake in Latin America to replace widespread, pollution-intensive ICE motorcycles.





Portfolio impacts



← Read more details on 2150's impact, in 2150's own [Impact report](#)

2023

Portfolio positive impacts

771,000^t

Total impact (CO₂e avoided)

31,100^t

Ownership adjusted (CO₂e avoided)

100%

has an ESG or sustainability policy

Resource savings

1,466,000

Energy savings (MWh)

144,700^t

Resource savings

6,018^{m³}

Water savings

Pollution prevention

109^t NO_x

Air pollution savings

4^t PM

Air pollution savings

Biodiversity

573

IUCN Red List Species
Detections

Diversity and employment

1,512

Jobs created in 2023

22%

portfolio staff
identifying as female

2,872

Total portfolio employment

24%

leadership identifying
as female

15%

Average unadjusted
gender pay gap

10%

of board identifying
as female

2150 portfolio company

1KOMMA5°: On a mission for a carbon-neutral future



One-stop shop for sale, installation and services related to solar, electricity storage and charging infrastructure.

Headquarters:
Germany

EU taxonomy objective:
Climate Change Mitigation

Contribution:
Direct Contribution

Impact KPI tracked:
tCO₂e reduced/year

Urban Stack:



Operate
Cooling & Heating



100,000
customers

75

locations, including Germany,
Sweden, Finland and Australia

Problem

Residential building energy use is responsible for ~6 Gt CO₂ per year, representing roughly 10% of global GHG emissions. Residential distributed energy assets – e.g. heat pumps, rooftop solar, residential energy storage, EV chargers – have the potential to decarbonise home energy use today. However, undersupply and fragmentation of the installer landscape slow home decarbonisation for even highly motivated homeowners. An estimated 40% of phone calls to European HVAC technicians go unanswered, while an estimated 50% of heat pump installer time is spent on tasks other than installing the heat pump. Meanwhile, new home decarbonisation startups struggle to reach impactful sizes, as scale typically comes only at the expense of ever-growing customer acquisition costs.

Solution

1KOMMA5° is a rising category leader with a 3-step strategy to accelerate home decarbonisation. First, 1KOMMA5° acquires leading installers of home energy assets, including solar, residential storage, heat pumps, etc. By owning the last mile distribution and building regional density, 1KOMMA5° aims to overcome the industry's profitable scaling barrier challenge. Second, 1KOMMA5° supercharges growth and operational efficiency of acquired companies through industrialisation of processes, procurement from OEM partners, and provision of a digital platform. Third, 1KOMMA5°'s "Heartbeat" home energy management system optimises self-consumption and trading of energy, improving customer payback periods on home energy assets while unlocking virtual power plants to help decarbonise Europe's grid. Through this strategy, 1KOMMA5° has the ambition to build and manage Europe's largest install base of decentralised residential renewable energy assets.



Disclosures

Key ESG data

	Unit	2023	2022	Change	% of 2023 emissions
Urban Partners GHG emissions					
Scope 1	tCO ₂ e	36.0	11.0	+227%	0.0%
– Mobile combustion	tCO ₂ e	36.0	11.0	+227%	0.0%
Scope 2 (location-based)	tCO ₂ e	107.3	129.0	-17%	0.0%
– Electricity (location-based)	tCO ₂ e	57.8	60.6	-5%	0.0%
– Electricity (market-based)	tCO ₂ e	0.7	0.5	+47%	0.0%
– Heating	tCO ₂ e	49.5	68.4	-28%	0.0%
Scope 3	tCO ₂ e	353,259.9	230,210.8	+53%	100.0%
C1: Purchased goods & services	tCO ₂ e	4,740.6	4,863.1	-3%	1.3%
C2: Capital goods	tCO ₂ e	301,077.9	194,504.1	+55%	85.2%
C3: Fuel- and energy-related activities	tCO ₂ e	67.8	77.7	-13%	0.0%
C4: Upstream transportation and distribution	tCO ₂ e	8.1	3.3	+146%	0.0%
C5: Waste generated in operations	tCO ₂ e	2.1	1.3	+57%	0.0%
C6: Business travel	tCO ₂ e	931.2	762.8	+22%	0.3%
C7: Employee commuting	tCO ₂ e	396.2	372.8	+6%	0.1%
C11: Use of sold products	tCO ₂ e	743.0	-	N/A	0.2%
C12: End-of-life treatment of sold products	tCO ₂ e	98.0	-	N/A	0.0%
C13: Downstream leased assets	tCO ₂ e	23,052.4	24,464.7	-6%	6.5%
C15: Investments	tCO ₂ e	22,142.6	5,161.0	+329%	6.3%
– Nrep	tCO ₂ e	15,398.0	-	N/A	4.4%
– Velo	tCO ₂ e	2,444.0	2,259.0	+8%	0.7%
– 2150	tCO ₂ e	4,300.6	2,902.0	+48%	1.2%
Total emissions (location-based)	tCO ₂ e	353,403.2	230,350.8	+53%	
Gross asset value (GAV)	Bn EUR	12.1	10.0	+21%	
Economic intensity	g CO ₂ e/EUR	29.1	23.0	+27%	

* SBTi Building Sector Guidance is currently only released in a draft version. The final guidance is yet to be released

	Unit	2023	2022	Change
Urban Partners employee metrics				
Employees	Headcount	711	665	+7%
Share of females, all employees	%	43%	41%	+2ppt
Share of females, BoD	%	20%	20%	0ppt
Nrep environmental KPIs				
Operational emissions (location-based)	kg CO ₂ e/m ²	8.1	10.3	-21%
CRREM alignment (GHG pathway)	%	84%	79%	+4ppt
Embodied emissions	kg CO ₂ e/m ²	6.6	6.5	+1%
SBTi Building Sector Pathway alignment*	%	99%	100%	-1ppt
Operational emissions (market-based)	kg CO ₂ e/m ²	6.1	N/A	
Operational energy	kWh/m ²	116.9	120.4	-3%
CRREM alignment (Energy Efficiency pathway)	%	67%	67%	+0ppt
Energy consumption (downstream leased assets)				
Electricity consumption	MWh	163,243	143,405	+14%
District heating	MWh	160,426	132,697	+21%
Natural gas	MWh	3,916	5,617	-30%
Fuel oil	MWh	986	1,033	-5%
District cooling	MWh	2,480	1,943	+28%

See next page for elaboration of results →

Key ESG data – continued

Urban Partners GHG emissions

Urban Partners' GHG emissions increased by 53% from 2022 to 2023. The increase is driven by a general increase in business activity, and by an increase in real estate construction activity. We measure economic emission intensity as total emissions relative to gross asset value (GAV). Our economic intensity increased by 27% in 2023. The increased economic emission intensity is primarily driven by the increase in real estate construction activity, reported in Scope 3, Category 2, Capital Goods. The following further details Urban Partners most significant sources of emissions:

Urban Partners corporate emissions

Scope 1:

- **Mobile combustion:** Emissions are generated from fuel combustion in a fleet of 10 corporate vehicles. The increase we have seen from 2022 to 2023 is due to improved data quality where '23 is based on actual mileage rather than assumed which was the case in 2022. We are assessing the potential to switch to zero emission vehicles.

Scope 2:

- **Office energy consumption:** Emissions are generated from energy consumption across 15 office buildings occupied by Urban Partners staff. We continue to source 100% renewable electricity in our own offices.

Scope 3:

- **C1 Purchased Goods and Services:** Emissions from purchased goods and services primarily originate from 3rd party professional services within consultancy and accounting and legal. This category also includes emissions from food and beverage served in our offices. We are engaging with our suppliers to increase their focus on emission reductions and encourage them to set science-based targets.
- **C6 Business Travel:** Our emissions from business increased from 2022 to 2023, primarily driven by an increase in FTEs. We are working to minimise business travel by conducting as much as possible of our cross-location interaction via online platforms.
- **C7 Employee Commuting:** 70% of our employee commuting is done by public transportation or bicycle. The increase in emissions from 2022 to 2023 is caused by an increase in FTEs and more detailed data tracking.

Emissions from Urban Partners managed funds (Scope 3)

Nrep

- **C2 Capital Goods:** This category represents upfront embodied emissions from construction of real estate assets. In 2023, Nrep finished construction of more than 900,000 sqm of real estate representing an increase of 53% compared to 2022. Nrep's emission intensity in 2023 of 6.6kg CO₂e per sqm p.a. is significantly below global benchmarks including SBTi draft embodied emissions pathways. Nrep's embodied emission intensity is largely unchanged from 2022.
- **C13 Downstream leased assets:** Downstream leased assets covers location-based in-use operational emissions from Nrep's real estate portfolio. Absolute emissions decreased by 6% from 2022 to 2023 despite an increase in sqm of assets under management of 20%. The emission intensity is reduced by 21% from 10.3 to 8.1 kg CO₂e per sqm p.a. The reduction is primarily driven by decarbonisation of our energy supply; on-site energy production from solar PV has increased significantly while we have seen lower emission intensity from both grid electricity and district heating. Nrep's ongoing efforts within energy management and brown-to-green asset transformations have contributed while we expect larger impact of those levers in the coming years. Commissioning of highly efficient new-builds is likewise contributing.
- **C15 Investments:** Emissions originate from Nrep's investments in its portfolio companies; 7R and Klövern. Nrep is working with portfolio companies to increase emissions data quality through use of life cycle assessments and better utility data capture. Nrep is supporting portfolio companies in the decarbonisation journey through sparring on solutions and execution while supporting them in setting ambitious science-based reduction targets.





Velo Capital

- **C15 Investments:** Emissions cover scope 1, 2 and 3 from buildings which are financed by funds advised by Velo Capital. The increase in emissions from 2022 to 2023 is largely driven by increased emission factors for German district heating and gas. Velo's fourth fund (VMC), upholds a commitment to anchoring decarbonisation requirements into future loan agreements.

2150

- **C15 Investments:** Emissions cover scope 1, 2 and 3 from 2150 portfolio companies. The increase from 2022 to 2023 is due to portfolio company growth and investments in additional portfolio companies. 2150 is working with its portfolio companies to support emission tracking, reduction, avoidance and removal.

Sustainable Development Goals

SDG	Key goals and targets	How Urban Partners contribute
	<p>Target 3.9 – Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<ul style="list-style-type: none"> At Urban Partners all of our own developments need to be certified as LEED Gold, BREEAM Very Good, or DGNB Gold (or better), demonstrating a holistic approach to sustainability that encompasses various aspects of environmental and human health including indoor air quality, energy and water efficiency, sustainable materials, and access to natural elements. In 2023, 100% of Nrep’s own developments approved by the Investment Committee were targeting at least a LEED Gold, BREEAM Very Good or DGNB Gold certification. The Kronen building in UN17 Village, a development by Nrep in Ørestad Syd, is further the first residential building in Denmark to receive the American certification WELL v2 platinum, which among other things prioritises a good indoor climate and materials with lower outgassing.
	<p>Target 7.2 – Increase substantially the share of renewable energy in the global energy mix</p> <p>Target 7.3 – Double the global rate of improvement in energy efficiency</p>	<ul style="list-style-type: none"> Urban Partners supports renewable energy generation through procurement of off-site green energy, installment of solar PV and geothermal energy on real estate assets and direct investments in companies aiming to accelerate the adaptation of renewable energy. In 2023, Nrep had installed or was in process of installing 43 MW of solar power across the portfolio. Urban Partners invests significantly in improvements in energy efficiency, both through our real estate portfolio (incl. asset level energy efficiency levers, such as high efficiency building envelopes, energy storage systems, electrified heating and cooling systems and energy management systems) and via direct investments in companies focusing on improving energy efficiency. By end of 2023, one third of the companies in the 2150 portfolio had energy efficiency in the real estate sector as core focus.
	<p>11 – Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>11.3 – Enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management</p>	<ul style="list-style-type: none"> Sustainable cities and communities are at the forefront of Urban Partners’ strategy, exemplified by our purpose statement “We invest to help cities win the battles for our future.” Urban Partners, through Nrep, has for many years focused on a community-anchored approach to urban development. Most recently this is exemplified by our project in Jernbanebyen (The Railway district), where there has been significant involvement from citizens and other stakeholders to put together a vision and plan to transform the area. The project is expected to create homes for 9,000 residents and 4,000 jobs. It will be a mixed community, including an ambition of 25% social housing, new urban co-living models across generations and a mix of rental and ownership.
	<p>Target 12.2 – Achieve sustainable management and efficient use of natural resources</p> <p>Target 12.6 – Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<ul style="list-style-type: none"> Urban Partners requires Life Cycle Assessments (LCAs) for all new developments, showcasing the building’s effect on the environment from extraction of raw materials to the construction phase, use and finally demolition and disposal. LCAs help us know what resources are being used inefficiently, and identifies opportunities to preserve them. Urban Partners publishes its annual GHG inventory in this Impact Report, and follows disclosure requirements as according to the Sustainable Finance Disclosure Regulation (SFDR) across all its funds.
	<p>13 – Take urgent action to combat climate change and its impacts</p> <p>Target 13.1 – Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<ul style="list-style-type: none"> Urban Partners actively addresses the reduction of greenhouse gas emissions and the mitigation of climate impacts. This involves the ambition to set targets aligned with the 1.5-degree Science Based Targets (We expect to submit targets for validation in 2024, upon the finalisation of the SBTi Buildings Sector Guidance). Urban Partners proactively conducts climate risk assessments to identify and mitigate both physical and transition risks associated with climate change.

Methodology

GHG accounting

Organisational boundaries and GHG accounting principles

Urban Partners classifies as Financial Institution with investment strategies within Private Equity Real Estate (Nrep), Real Estate Credit (Velo), and Venture Capital (2150) following applicable guidance from GHG Protocol, PCAF, CRREM and SBTi.

Urban Partners follows the operational control approach, accounting for business activities where Urban Partners has the operational rights and ability to make decisions related to the asset under discretionary mandates. The following funds are in scope for reporting: Nrep (NIP and NSF2-5), Velo (all funds), 2150 (all funds). Assets under management are accounted for pro-rata based on the share of the year it has been owned.

Activities covered in GHG reporting

The following activities have been deemed relevant within each scope of the GHG Protocol:

Scope 1 accounts for all direct emissions of Urban Partners where the company car fleet

and refrigerant leakage have been identified as material. Scope 2 emissions cover purchased electricity and heating at all Urban Partners corporate offices. Scope 3 emissions cover all material indirect emissions occurring in Urban Partners value chain including:

- C1 Purchased goods & services: IT services and consultancy services account for majority of spend
- C2 Capital goods: Upfront embodied emissions from construction of buildings. Construction activities are accounted for in the year of construction completion. All projects where an Nrep managed fund is involved in the construction phase or is the first owner of the building, are included
- C3 Fuel- and energy-related activities: Emissions related to extraction, production and transportation of purchased energy (electricity, fuels etc.) reported under Scope 1 and 2
- C4 Upstream transportation and distribution: Emissions from transportation services
- C5 Waste generated in operations: Waste generated on Urban Partners corporate office locations, e.g. food- or packaging waste
- C6 Business travel: Transportation of employees for work-related activities. Air travel account

for the majority of the emissions within this category

- C7 Employee commuting: Emissions related to how employees get to/from work
- C11 Use of sold products: Estimated future in-use operational emissions of developments that have been built to sell and completed in reporting year
- C12 End-of-life treatment of sold products: Estimated future end-of-life emissions related to demolition, transportation and processing of waste from developments that have been built to sell and completed in reporting year
- C13 Downstream leased assets: Emissions from use of buildings in the Nrep managed funds, i.e. energy consumption and refrigerant leakage
- C15 Investments: Scope 1, 2 and 3 emissions from portfolio companies in Nrep and 2150, and from real estate financing in Velo

Key metrics

Average unadjusted gender pay gap

The unadjusted gender pay gap compares the average pay for male and female across all levels and functions in the portfolio companies of 2150.

Certifications

The share of development projects with achieved or targeted certifications. Only projects where Nrep has been part of the whole building design phase are in scope. Primary certifications covered are DGNB, BREEAM, and LEED.

Digitalised data capture coverage

The digitalised data capture coverage is calculated as the share of buildings with automated collection of data from electricity and heating meters.

Upfront embodied emissions

The upfront embodied emissions are calculated using third-party life cycle assessments (LCA) covering construction phases in a building life cycle (A1-A5). For buildings where it has not been possible to collect an LCA, an estimate is applied using LCA data from comparable buildings in the same construction year.

Upfront embodied emissions are reported on per square metre basis and using a 50-year lifetime assumption of the building.

eNPS

The Employee Net Promoter Score (eNPS) is a scoring system to reflect employee satisfaction →

and loyalty to Urban Partners. Employees are asked to answer on a scale from 1-10 whether they would recommend Urban Partners. The eNPS is calculated as the share of promoters (employees scoring 9 or 10) minus the share of demoters (employees scoring 6 or lower). The final score ranges from +100 to -100.

Jobs created

Jobs created reflects the total number of new hires of the portfolio companies in 2150.

Operational emissions

The operational GHG emissions are calculated using the CRREM methodology applying a whole building approach including emissions from operational energy consumption and refrigerant leakage. The reporting is based on location-based accounting applying CRREM emission factors for electricity and emission factors published by national energy authorities for heating, cooling and fuels. Market-based emissions are accounting for the procurement of renewable energy certificates (REC), green district heating procurement, and excess production of renewable energy from solar PV.

Operational energy

Urban Partners is disclosing operational energy efficiency from real estate assets covering whole-building electricity usage, heating (district heating, gas or oil) and cooling. The accounting principles follow guidance from CRREM. Throughout the last couple of years, Urban Partners has been rolling out solutions to capture meter data from our real estate portfolio and complementing with national energy databases to obtain whole-building coverage. Any data gaps are accounted for through annualisation and estimates following the principles applied in the energy performance certificates.

Paris Agreement alignment

Urban Partners benchmarks in-use operational and upfront embodied emissions within the reporting period against CRREM GHG pathway and SBTi Building Sector Pathway (draft) to assess alignment with the 1.5°C threshold set out in the Paris Agreement. The methodology is based on a sector allocation of the global carbon budget supporting a net-zero economy in 2050. The emissions allocation to construction and operation of real estate is outlined as declining emission intensities for each year, typology and geography towards 2050.

The portfolio alignment is measured as the total operational and embodied emissions per square metre for each country and typology, that is below the respective pathways in the reporting period.

Positive impact

Portfolio companies in 2150 offer products that enable other industry players to track, optimise and reduce emissions. The reported positive impact such as “emissions avoided” and “resource savings” are calculated by comparing the difference in emissions or resource consumption of the product offered by the portfolio company to an equivalent conventional product.

Solar PV

The total Solar PV (photovoltaic) reflects the total installed and planned installations of solar capacity in megawatt (MW). The figure is cumulative, meaning that properties that have subsequently been sold are also included.

Total portfolio employment

Total portfolio employment reflects the total number of full-time employees in 2150’s portfolio companies.

Winningtemp results

Urban Partners are leveraging Winningtemp to monitor employee wellbeing. The programme regularly sends out surveys to all employees in Urban Partners asking everyone to answer on a four-point scale ranging from Strongly Disagree to Strongly Agree on questions related to topics like motivation, personal growth, company culture and leadership support. The KPIs presented in this report show the share of employees that either agree or strongly agree with the respective statements.

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Nordhavn, Urban Development

