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## Integration of sustainability risks in remuneration

This disclosure is applicable to Urban Partners Management Company S.A. and NREP AB (jointly referred to as “AIFM”), alternative investment funds managers belonging to the Urban Partners Group.

The Sustainable Finance Disclosure Regulation (SFDR)<sup>1</sup> defines sustainability risk as “an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment”. This statement describes how our remuneration policies are consistent with the integration of sustainability risks, as per Article 5 of the SFDR. The remuneration policies are directly governed and adopted by the AIFM boards of directors and applicable to the employees of the AIFM and any AIFM branches.

The remuneration policies promote sound and effective risk management and do not encourage risk-taking (including sustainability risks) which is inconsistent with the risk profile and sustainable investment objectives of the funds under the AIFM management. Remuneration policies and practices aim at encouraging responsible business conduct as well as avoiding conflict of interest in any relationship with clients.

The AIFM pays employees a combination of fixed and variable remuneration. Variable remuneration is discretionary and generally dependent on the performance of the individual, the individual’s business unit, the funds, the overall results of the AIFM and the Urban Partners Group. Compliance with all AIFM's policies and procedures, including policies and procedures relating to the impact of Sustainability Risks on the investment decision making process, shall be taken into account as part of that overall assessment.

Last review date: 21 March 2024

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<sup>1</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.