

Niam Credit

April 2023

Sustainability statement in accordance with the Disclosure Regulation (EC 2019/2088)

Niam Credit is a Nordic Real Estate credit fund offering financing solutions to a broad range of property segments across growth regions

Sustainability risk policy

In relation to investments of the Fund, Niam Credit consider relevant sustainability risks as described in EU Regulation 2019/ 2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (“SFDR”).

“Sustainability risks” refers to an environmental, social or governance event or condition that could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can lead to a deterioration of the borrower’s financial profile and/or degraded reputation of the underlying investment. Hence, these risks may have an impact on long term risk-adjusted returns for investors and the identification of these risks is therefore an integral part of the Portfolio Manager’s investment process and part of the overall risk management. The procedure for integration of sustainability risks is the following:

(1) Identify

To identify environmental sustainability risks, Niam Credit uses its proprietary sustainability risk assessment tool based on a scoring system for different risk categories including both physical risks and transitional risks. Each property receives a risk score for each risk category. The Portfolio Manager also analyses the due diligence performed by the borrower, including technical and environmental due diligence reports. In addition, the Portfolio Manager performs site visits on each of the assets to be financed.

Social risk factors are identified and considered through dialogue with borrower, property manager or other relevant actors. Such social risk factors can be e.g., indoor air climate, safety in the area and information of tenant perception of a specific asset.

Pertaining to governance risk factors, the Portfolio Manager performs KYC and AML analysis prior to any investment. Furthermore, all borrowers of a loan/ investment given by a Sub-Fund of the Fund are requested to sign an Investment Criteria Questionnaire containing sustainability factors. This Investment Criteria Questionnaire is used to confirm that no borrower or none of its parent companies, directly or indirectly, engages in e.g., activities in breach of UN conventions and

declarations on human rights, activities associated with corruption or uranium-based activities, including but not limited to, extraction, power generation and/ or power distribution.

(2) Assess

After identification of potential sustainability related risks, an assessment of materiality and potential mitigating factors is performed. This may include our own internal analysis and assessment, third party information as well as independent specialist advisors. The result is presented in the investment memorandum/credit memo provided by the Investment Advisor to the Board of Managers of the Management Company and is part of the overall credit approval process.

(3) Monitor

The sustainability risk assessment is renewed each year during the annual review process of the loan portfolio. The annual review process includes site visits and a new environmental risk assessment.

For further information on AIFM's sustainability risk policy please see following link

<https://www.crestbridge.com/sites/default/files/2021-04/Crestbridge%20Management%20Company%20SA%20%E2%80%93%20Sustainability%20Policy.pdf>

No consideration of sustainability adverse impacts

We are supportive of the aim of this requirement which is to improve transparency and understanding to investors of how investment decisions impact sustainability factors across society and the environment, and although we offer a certified framework for green and greening investments, identifying individual ESG targets for each loan, we currently do not consider PAIs. This is due to the lack of consistent, comprehensive, accessible, and accurate data from the underlying portfolio companies as well as the absence of a reliable monitoring system for the interpretation of the data that is available. Consequently, we will maintain the position of not considering PAIs until such time the necessary data and systems to be able to make these considerations meaningfully and report on them clearly are reasonably accessible. The Fund will review this position annually and will update investors without undue delay with relevant information, in the event that our position should change.

Transparency of remuneration policies

For information on AIFM's remuneration policy please see following link

<https://www.crestbridge.com/sites/default/files/2022-11/Crestbridge%20ManCo%20-%20Manual%20of%20Procedures%20-%20Common%20-%202022%20Remuneration%20policy.pdf>