



**Genesta Annual
Sustainability Report**

**20
21**





David C. Neil, CEO, Genesta

To us sustainability means understanding socio-ecological challenges in the bigger context

In all its dimensions, the war in Ukraine is not only a humanitarian crisis but is also producing alarming cascading effects on a world economy already battered by COVID-19 and climate change. We see the effects through record breaking inflation, continued supply chain disruptions and increased personal anxiety from the threat of war and political dysfunction. These issues, amongst others, are threatening the very basic fabric of modern-day life. It has never been more important for people to come together in support of our society's quality of life – for each to make their own contributions where possible. We at Genesta are working actively to support society with a business activity that combines responsible investment, intelligent technology, and functionality, and that is also conducive to social interaction and the conservation of resources.

Good quality of life is at the heart of the term 'sustainability' and combines ecological, social and economic objectives in a single concept. Genesta's idea of sustainable real estate,

therefore, integrates energy-efficient and smart installations, modern working environments, recreational areas, and leisure in the ways that are necessary in the digital age while simultaneously meeting the requirements for greater climate protection and social interaction.

We aspire to create the vibrant, livable spaces of the future

The real estate sector accounts for about one third of CO₂ emissions globally and is under considerable pressure to decarbonize. I strongly believe that this also presents a great opportunity for the sector to drive the transformation of our world towards a more sustainable society. To promote a high quality of life within our area of impact, we aspire to take on a pioneering role – and combine energy efficiency and the protection of resources with an atmosphere of well-being in the assets we own and operate. We combine environmentally friendly construction materials with a carefully balanced

tenant mix, green spaces and energy-efficient installations. This approach is supplemented by certification systems and internationally recognized standards that systematize sustainable construction and building operations.

Properties across all asset classes are important pieces of the puzzle in the city of tomorrow. We therefore launched our new GNRE Core Plus Open-Ended Fund in September 2022 which will also include our first residential asset, taking the next step towards a diverse sustainable investment practice. As I believe that crises like the coronavirus pandemic or the decarbonization of our society can only be managed collaboratively and in a spirit of partnership – with owners, tenants, and operators working together closely, we will enforce our collaboration with our new Investor ESG Forum, which will also be formed in 2022.

With a holistic approach we identify and manage every asset's individual needs

Regardless of the asset class, we have taken the decision in 2021 to implement Energy Efficiency and Decarbonization Pathway Models with support of CRREM for all our assets under management. This ambitious goal will be accompanied by detailed plans through the execution of energy audits, Taxonomy Alignment gap analysis and Life Cycle Assessment studies on all assets, as well as preparing climate risk analysis and mitigation plans. Internationally recognized standards such as TCFD and SBTi form the framework for our operations and OECD and ILO labor standards for our supply chain.

Enjoy the read and with best regards,

A handwritten signature in blue ink, appearing to read "David C. Neil".

David C. Neil,
CEO, Genesta



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1. Sustainability at Genesta

1.1 ABOUT THIS REPORT

Genesta's Annual Sustainability Report is published annually, this being the seventh sustainability report. This report covers the entire company's sustainability performance for the year 2021, including the ESG performance on fund level. This report also covers compliance with UN Global Compact principles. We want to ensure transparency by annually reporting on our sustainability-related activities and the ongoing development at company as well as fund level. As Genesta is not a listed company we do not publicly report about our financial performance, thus this report concentrates on environmental, social and governance (ESG) aspects. For us, reporting is an essential part of actively working with sustainability.

The report describes Genesta's approach and commitment to sustainability and corporate responsibility. We report in reference to the Global Reporting Initiative (GRI) Standards 2016. This sustainability report is available on our webpage www.genesta.eu. If you have any questions regarding our annual sustainability report or other aspects of our sustainability work, please contact:

Jenny Wittann (jenny.wittann@genesta.se) or
Dina Kusnezowa (dina.kusnezowa@genesta.dk).

MATERIAL ASPECTS AND REPORTING BOUNDARIES

The content, structure and assessment of material aspects of this report are based on different views that have been identified through various stakeholder activities and communication with Genesta's main stakeholder groups: Employees, tenants, investors and fund suppliers. Sustainability stakeholder and employee surveys form the basis of our materiality assessment. Both surveys were conducted in 2021 by Genesta. We also actively follow public debate about sustainability issues and trends in the real estate industry.

In 2021, we defined the following aspects as material to our continued sustainability involvement:

- Responsible investment
- Greenhouse gas (GHG) emissions
- Resource efficiency (energy, waste, water)
- Tenant health and safety
- Compliance
- Employee satisfaction

We participate in the annual GRESB Assessment with three of our funds (see chapter 2), which gives us valuable insights on material issues and development areas that we may need to focus on. This Annual Sustainability Report includes the managing company Genesta Nordic Property and our four funds: GNRE Fund II, GNRE III, GNRE Core Plus, GNRE Core Plus Open-Ended. In the case of Genesta, we are included both as the investment advisor and as the group entity acting as employer. Therefore, this report aims firstly to describe the sustainability performance of the funds and their properties and secondly the sustainability performance of Genesta as an employer.

EMISSION CALCULATION METHOD

In this report, we have calculated the intensities for like-for-like consumption and emissions normalized with the average occupied floor area during 2021. We disclose our emissions using two different calculation methods: location-based emissions are calculated by using the most recent national emission factors available for each Scandinavian country we operate in, and market-based emissions are calculated by using the most recent emission factors offered by the specific energy producers that supplies the properties.

Genesta's properties are not a significant source of Scope 1 emissions and currently, we are not able to report Scope 3 emissions. The corresponding emission reduction of the purchased certificates of origin are calculated using the local emission factors provided by the energy suppliers. We use the GRESB approach for like-for-like comparison and exclude assets that have been acquired or disposed during the last two years or have been under development or have undergone a major renovation during the reporting period (2020-2021). Our business model with short holding periods of the assets explains the limited number of assets included in the like-for-like comparison.



1.2 Genesta in Brief

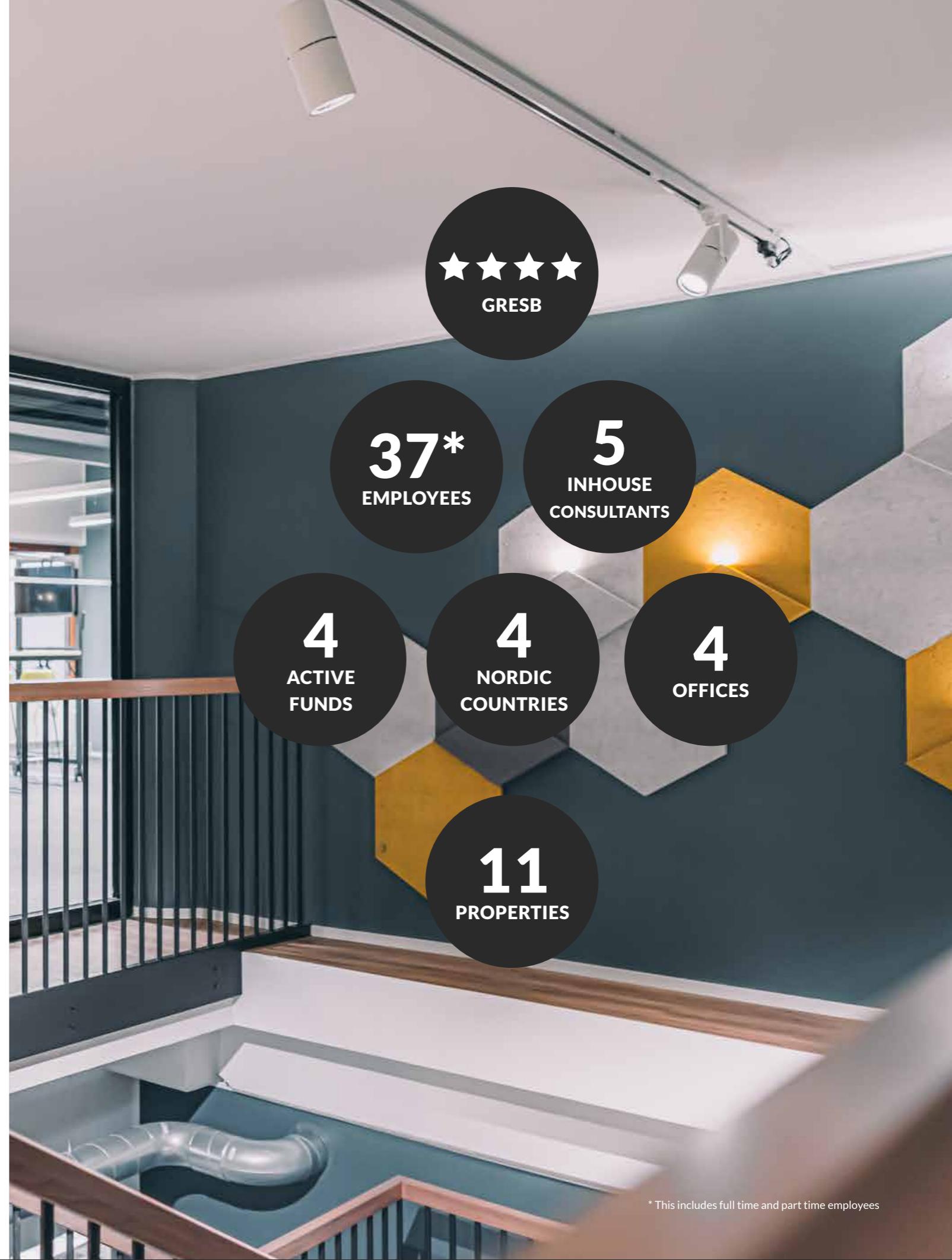
Genesta is dedicated to high-potential real estate investments in the Nordics and contributes locally to more sustainable property development.

Genesta is a private limited company registered in Sweden. We are an independent real estate fund and investment manager company specialized in real estate with offices in four Nordic countries: Sweden, Finland, Norway, and Denmark. Genesta's headquarters is in Stockholm, but we operate also locally through our offices in Helsinki, Copenhagen, and Luxembourg. Our 37 full and part time employees are responsible for all Genesta's key operations: analysis, acquisitions, and fund and asset management, which are supported by corporate functions. Additionally, we have 5 inhouse consultants working with various tasks.

At Genesta, we want to be the preferred partner for real estate investment in the Nordics and desired landlord for tenants. To achieve this target, we concentrate on improving tenant satisfaction, and creating value for our investors responsibly.

DEDICATED TO NORDIC PROPERTIES THAT CREATE SUSTAINABLE VALUE

As fund managers we are dedicated to achieving strong returns in a sustainable manner. We invest in well-located real estate assets in the Nordics and enhance investment returns through active asset management. In the end of 2021, we managed four real estate funds: an operational value-add fund (GNRE Fund II), an operational core plus fund (GNRE Core Plus), a value-add fund (GNRE Fund III). In September 2021, we launched a second operational core plus open-ended fund (GNRE Core Plus Open-Ended). In total, 11 properties were managed through these funds in the end of 2021 with Fund III still being in the investment stage.



* This includes full time and part time employees

1.3 Our Values

At Genesta, we are driven by our passion for properties, managed with dedication and deep knowledge of the Nordic real estate market. These values are inherent in everything we do: They describe what we stand for, how we work and how we interact with our key stakeholders. Our values have been prepared as a joint effort between our employees and management. Senior management promotes these values, leading by example, following them by their spirit, and expecting the same from others.

PROACTIVE

We believe in showing initiative and taking responsibility. Our clients have come to us for quality and results – a high level of professionalism, innovation ability and strong local presence. To meet these expectations, we encourage active teamwork, continuous learning and good partnership.

PASSIONATE

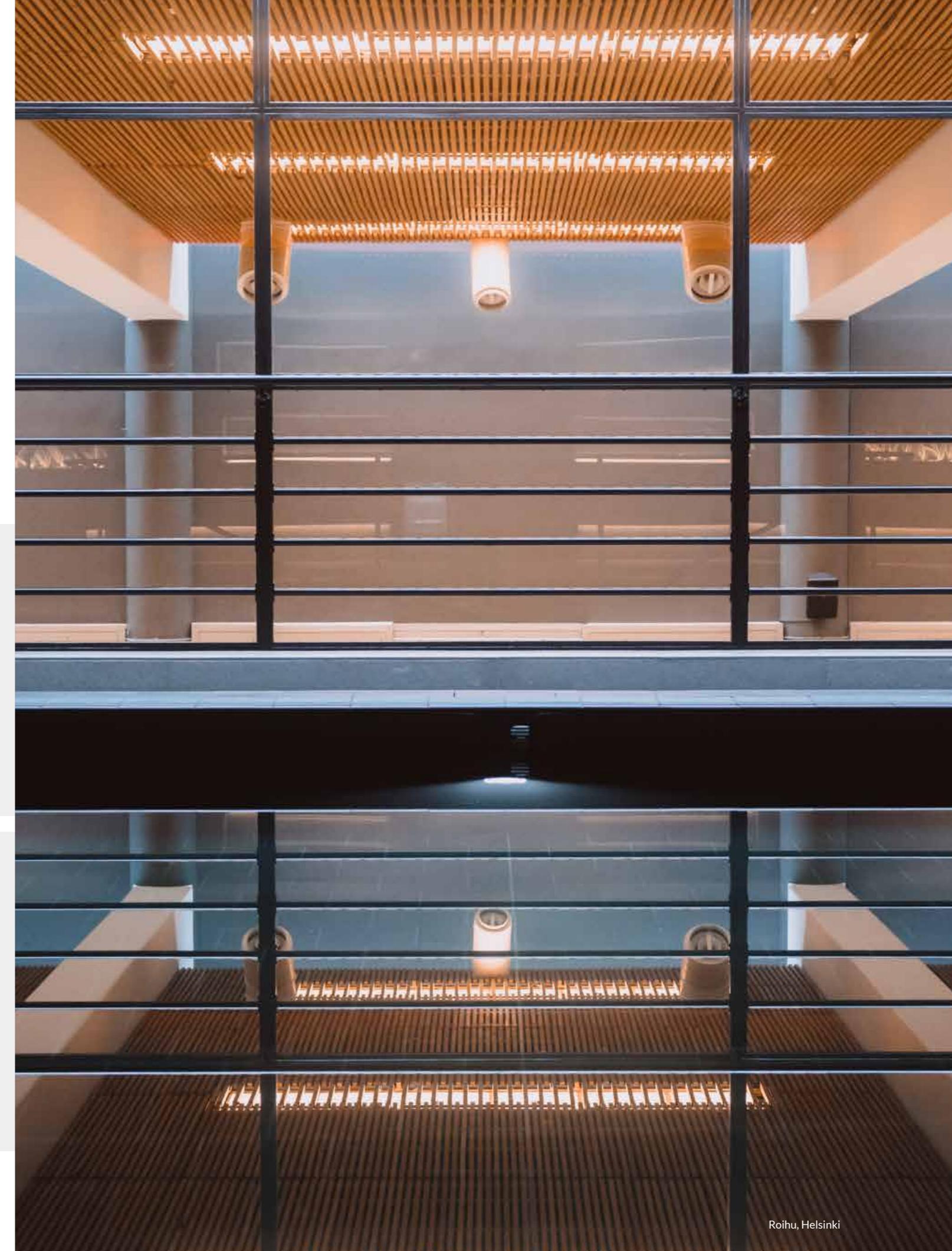
We are an ambitious “can do” company. We get inspiration from professional challenges, and we are triggered by high expectations. But, above all, we have a passion for results. We believe that success is inevitable for a company with a strong reputation for delivering on its promises, which is what motivates the people working at Genesta every day.

RESPECTFUL

Our business can only thrive when built on transparency and founded on trust. Therefore, we believe in treating our clients, business partners and our own people with fairness, openness, and respect. By supporting each other and sharing ideas, we will achieve our vision and bring enjoyment into our work.

DIVERSE

Each and every one makes a difference. To serve our clients and support our mission, we encourage diversity – of people, opinions, and ideas. We believe that a diverse and engaging environment inspires people to reach their highest potential, ignites real teamwork and attracts the best new talent.

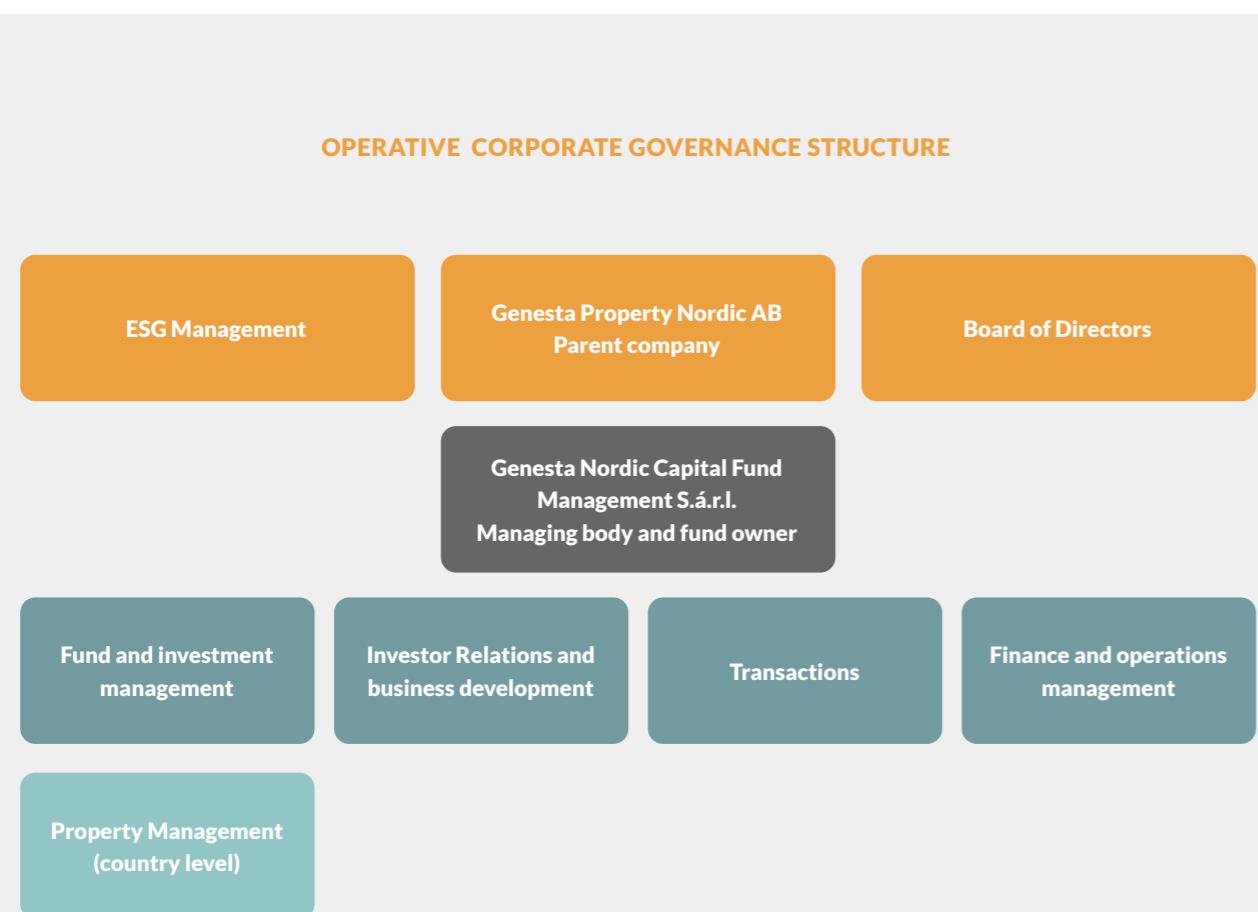


Roihu, Helsinki

1.4 Governance

Genesta's governance and management of operation is executed through two companies, Genesta Property Nordic AB and Genesta Nordic Capital Fund Management S.á.r.l. Genesta Property Nordic AB is the parent company of the Genesta group, based in Sweden. Genesta's Board of Directors are responsible for Genesta's sustainable investment practices.

Genesta Nordic Capital Fund Management S.á.r.l. is the Management Company, which is the managing body of the four funds. The Management Company delegates asset management and investment advisory services to Genesta Property Nordic AB and its affiliates. Genesta Property Nordic AB and its affiliates make recommendations to the Management Company regarding the acquisition, asset management and disposal activities of the funds.



A solid governance and transparency are vital for Genesta's business operations and recognized as a value as well. Compliance and ethical business conduct are enforced through all our operations. Genesta's values and Code of Conduct act as basis for our governance structure and work.

In addition, our sustainability work is guided with the following policies and principles.

- **Genesta's Code of Conduct:**
Describes how we conduct business and what we expect of our business partners. It is our guidebook for putting our values into practice.
- **Genesta's Code of Ethics:**
As Part of our responsible investment approach, this guides how we do business responsibly and that we treat our stakeholders fairly and ethically.
- **Responsible investment policy:**
Reflects our holistic approach to ESG matters and sustainable business practices that apply to Genesta as an organisation, fund managers, real estate owner as well as investors in real estates.
- **Best Execution Policy:**
Describes a set of steps that we take to obtain the best possible result for our clients in all our operations.
- **Transparency Policy:**
Refers to how we disclose factual information to reduce public risks.
- **Conflict of Interest Policy:**
Sets boundaries around potential employee and board member conflicts that may arise to prevent legal liabilities and discordance between Genesta and our employees.
- **Fraud and Corruption Management Policy:**
Identifies the minimum requirements and responsibilities for the governance, prevention, detection, and the response to suspected fraud and corruption within Genesta.
- **Fund-specific ESG targets:**
Includes our policies within ESG topics such as Health and Safety, Quality, Diversity and Sustainable HR management.

You can review our policies in further detail on our [website](#).

Sustainability policies and the documents mentioned above cover and are applied in all Genesta's business operations. In addition to these, all Genesta operations are guided by a set of hands-on policies and procedures defining both responsible parties within Genesta and our service providers, and our management approach on matters such as Corporate Governance, Health and Safety, Risk Management and Compliance, and Sustainability throughout the whole investment cycle from acquisition to disposal.

We are committed to the highest standards of ethical behaviour. We comply with all national laws and regulations where we operate. We use Lawly, a digital SaaS Service for overall HSEQ, to manage our compliance with applicable laws and regulations.



KB32, Copenhagen

1.5 Our Sustainability Strategy

Climate change is one of the most urgent global challenges. According to the Buildings Global Status Report¹ for 2021, the building and construction sector accounted for 36 % of global final energy consumption and nearly 40 % of energy-related CO₂ emissions. Therefore we, as a market participant in the real estate industry, have an important role in the transition towards a low-carbon future.

Responsible and sustainable operation is a basis for everything we do. Sustainability has been an integral part of all our operations for years. For us sustainability means risk management, taking sustainability into account in every decision and being able to provide our investors with strong risk-adjusted returns. Our sustainability priorities are identified and reviewed in collaboration with our stakeholders. These priorities build a foundation for setting appropriate and adequate sustainability targets and measures for both Genesta and the funds.

ENVIRONMENTAL STRATEGY

Improving energy efficiency at the properties:

We invest into energy efficiency improvements such as LED lighting, building automation and efficient HVAC (heating, ventilation and air conditioning) systems. To minimize our carbon footprint, we use green electricity in all our properties. When feasible, we invest into on-site renewable energy production and offer our tenants a possibility to buy onsite renewable energy. We aim to certify most of our properties to verify the environmental performance and sustainable management practices. Our properties are equipped with e-car charging possibility to enable sustainable commuting.

Environmental awareness of tenants, suppliers, and service providers:

We aim for a behavioral change among our stakeholders, tenants, and business partners. We recognize the need to improve our communication and interaction with tenants; we want to help them to act more sustainably.

Providing tenants with feedback data on waste recycling, energy, and water consumption:

We are aware of the importance of giving feedback to tenants about their sustainability performance. Our target is to have automated energy and waste metering in all new assets.

¹ Developed by the Global Alliance of Buildings and Construction (GlobalABC), the report tracks the buildings and construction sector progress towards meeting the Paris Agreement goals, based on key indicators for energy use, emissions, technologies, policies, and investments globally. Source: WBCSD, [https://www.wbcsd.org/Programs/Cities-and-Mobility/Sustainable-Cities/Transforming-the-Built-Environment/Decarbonization/news/Construction-industry-needs-whole-life-carbon-understanding-to-hit-netzero-new-report-shows](https://www.wbcsd.org/Programs/Cities-and-Mobility/Sustainable-Cities/Transforming-the-Built-Environment/Decarbonization/news/Construction-industry-needs-whole-life-carbon-understanding-to-hit-net-zero-new-report-shows)

SOCIAL STRATEGY

Health and safety of tenants and property users: We have a zero-injuries policy. We reinforced our H&S taskforce to implement planned operations, to identify and assess any H&S risks systematically and to develop H&S management further.

Wellbeing of employees: Wellbeing of employees is considered as one of the most important factors of success. We offer extensive occupational healthcare, nurse diversity and growth on an individual employee level. We support our employees in combining private life, parental duties and professional life by offering flexible working hours and the possibility of working remotely. For continuous improvements the employee satisfaction survey is conducted annually.

Tenant satisfaction: Measuring and continuous improvement of tenant satisfaction ensures our business continuity. We strive for a deeper customer focus and enhanced tenant interaction in our business operations.

Uphold Human and Labour rights: At Genesta, we respect internationally recognized human and labour rights. Our Code of Conduct confirms our commitment to human and labour rights. We expect our suppliers and partners to honour human and labour rights, as stated also in our Code of Conduct. Genesta is a signatory of UN Global Compact and we are committed to its principles covering bribery and corruption, human rights, labour, and the environment.

GOVERNANCE STRATEGY

Business ethics, integrity, and transparency: Solid governance and transparency are vital for Genesta's business operations and recognized as a value as well. We are committed to the highest standards of ethical behavior. Compliance and ethical business conduct are enforced through all our operations.

Risk assessment and risk management: A special risk management process is implemented and under continuous development to detect, measure, manage and follow in an adequate manner all the risks of each new investment or material changes for existing investments. Precautionary principle in terms of ecological responsibility is applied. Sustainability and Health & Safety (H&S) risk assessments are carried out periodically on fund properties.

Anticorruption: At Genesta we have zero tolerance towards corruption and bribery. Genesta's Code of Conduct states that we do our best to prevent all activity that might be related to corruption. The Code of Conduct outlines the gifts or favours shall not be given or accepted, if there is a risk that the act might influence business decisions. The Code of Conduct applies to all Genesta's employees. We also expect our business partners to follow the laws and regulations related to anticorruption. In 2021 there were no non-compliances regarding legislation on bribery or corruption.

Read more about our sustainability priorities on our [website](#).



ART8N, Stockholm

In 2021 we have updated our sustainability targets based on the identified priorities. These targets are set for each of the aspects (environmental, social, governance). The targets concern the entire company, and they help us to focus our sustainability work.

ASPECT AND TARGETS	PROGRESS
Environmental <ul style="list-style-type: none"> • Comply with the UN Global Compact • To commit to support the UN Sustainable Development Goals (SDGs) • To continuously improve the scores in GRESB 	<ul style="list-style-type: none"> • Relevant SDGs have been aligned with our investment strategy and fund targets. We continue the work to define concrete actions • GNRE Fund II achieved four stars in the GRESB Real Estate Assessment • 4 Breeam In-Use certifications were achieved (Bulevardi, Fabianinkatu, S3 and KB32) • Developed a Pathway to Net Zero
Social <ul style="list-style-type: none"> • Conduct an annual employee satisfaction survey • Conduct development discussions • Aim for a zero accidents score 	<ul style="list-style-type: none"> • An employee satisfaction survey was carried out in 2021 • 100 % of our employees have a development discussion • Genesta's own employees: 0 accidents, Tenants: 2 accidents.
Governance <ul style="list-style-type: none"> • Publish a Responsible Investment Policy • Become a PRI signatory 	<ul style="list-style-type: none"> • We are conducting business according to our new Responsible Investment Policy • We became a first-time reporter on the UN Principles for Responsible Investment (UN PRI) and expect feedback in 2022

ADDITIONAL DISCLOSURES UNDER THE SFDR

In spring 2021, the EU Sustainable Finance Disclosure Regulation (SFDR) came into force. The objective of this regulation is to reorient private capital flows towards sustainable investments. As an Alternative Investment Fund Manager (AIFM) Genesta has embraced the requirements the SFDR and has commenced to formally implement the regulation into fund and investment management practices. Genesta Nordic Capital Fund Management S.à r.l. ("Genesta"), Genesta's Luxembourg alternative investment fund manager, makes the following disclosures in accordance with Articles 3(1) and 5(1) of the Disclosure Regulation: Sustainability risk policies, Investment decision making, Policies and codes guiding decision making, Investment cycle, Managing climate change related risks, Remuneration policy, Remuneration policy, Policies to Identify and Prioritise Principal Adverse Sustainability Impacts, Principal Adverse Impact on Sustainability Factors and a Statement on Principal Adverse Impact on Sustainability Factors. More information can be found [here](#).

ALIGNING GENESTA WITH THE EU TAXONOMY

The EU Taxonomy is part of the EU Sustainable Finance Management Plan and aims to define environmentally sustainable investments. For an activity to be considered sustainable under the taxonomy regulation, it must contribute significantly to at least one of the six identified environmental objectives:

- climate change mitigation
- climate change adaptation
- sustainable use and protection of water and marine resources
- transition to a circular economy
- pollution prevention and control
- protection and restoration of biodiversity and ecosystems

In addition, it must avoid significant damage to any of the other environmental objectives. There are requirements relating to social aspects such as human rights and the working environment. Genesta is not covered by the reporting requirement under the Taxonomy Regulation as the company has fewer than 500 employees, however, because of stakeholder expectations, we will voluntarily disclose information under the EU Taxonomy regulation starting in 2022.



Bulevardi 21, Helsinki

1.6 Our green Tenant Programme “Greenesta”

Greenesta is meant to inspire and enable our tenants to act in a more sustainable way. Greenesta means that both Genesta and our tenants commit to working together for a better environmental performance. Genesta aims at being a sustainable landlord and we want to enable and encourage sustainable behavior in our premises. We wish to increase awareness of our tenants about the sustainable operations and areas of improvements.

We support our tenants' own sustainability journey by providing high-quality, sustainable business premises, sharing information, and mutually improving sustainability performance. Our goal is to offer only green leases in the future. When a tenant signs a lease with us, they sign up to co-operate with us towards better sustainability performance. In 2021, we also put a lot of effort to ensure tenant safety.

The Greenesta programme is flexible, and the tenant can choose their goals and targets. The green lease is not legally binding. The main idea is that Genesta supports the tenant, e.g., through the possibility to commute in a sustainable way, recycle their waste and save water and energy in a more holistic approach. Genesta gives the tenants support and guidance by energy saving campaigns, waste recycling tips, etc.



Genesta's approach to climate change related risk management and value generation process.

1.7 Conducting responsible investment

The objective of Genesta's fund management practices is to achieve strong risk adjusted returns in a sustainable manner. The key elements in reaching this are sound and responsible investment and management processes, and strong governance through the entire lifecycle of an investment. We are committed to adhere to our values, corporate governance best practices and ethical business behavior and we strive to prevent corruption in all its forms.



Norra Hamnen Kubiklager, Malmö

We became a signatory to the UN Principles for Responsible Investment (PRI) in March 2020 and are committed to the six principles reflecting responsible investment practices. We report annually to PRI on sustainability in our investment process and our development regarding the responsible investment approach. However, the results from the reporting in 2021 are postponed to June 2022. PRI is also delaying the opening of the next PRI reporting period until early 2023.

In May 2020 we published Genesta's Responsible Investment Policy. The policy reflects our holistic approach to ESG matters and sustainable business practices that apply to Genesta as an organization, fund manager, real estate owner and investor. The Policy describes Genesta's climate change related risk management and incorporation of responsible investment practices into Genesta's everyday business, fund, and property management. The policy is our key method to manage investments in a sustainable way.

DRIVE ESG PERFORMANCE THROUGH RESPONSIBLE INVESTMENTS

Our overall vision is to make the existing building stock more sustainable. Our long-term environmental goals are in line with the targets of the Paris Climate agreement. To meet this goal, we acquire properties that we can develop to perform better. We include ESG-aspects into each investment process and the investments go through a comprehensive due diligence process. Before any decisions are made, a detailed business plan, that includes development of the ESG-performance, is prepared to assure ESG-matters are incorporated into the property development plan before the acquisition of the property. Investments are managed according to the investment cycle which is described in our Responsible Investment Policy. It is essential to analyse gaps and weaknesses in the ESG performance to recognize the development potential.

PRE-PHASE

ESG Due Diligence: all properties following a ESG DD policy. The due diligence process includes evaluation of technical and environmental performance to identify the key development areas and ESG-related risks.

PHASE 1

Acquisition: Development of a sustainable business plan with ESG-targets. The sustainability policy has been designed to allow for variations between different funds. In general, each fund will set its own "level" of sustainability in accordance with its stated objectives, Genesta's requirements and the investor's demands.

PHASE 2

Development: Mitigate negative risks and enhance positive impacts, create value through risk management.

PHASE 3

Ownership: Assure performance and engage stakeholders into sustainable building management and use - active monitoring of environmental performance KPIs and active tenant engagement.

PHASE 4

Selling sustainable asset with increased value - assurance of sustainable product at exit and verification of rectified acquisition due diligence findings.

A robust risk management process is implemented and under continuous development to detect, measure, manage and follow in an adequate manner the risks of each new investment or material changes for existing investments. Precautionary principle in terms of ecological responsibility is applied. By considering physical and transition risks we increase the resilience of our properties against climate change. We see that an efficient climate change mitigation and adaptation process is away for us to generate value whilst reducing risk.

Further details on each investment phase, the responsible activities we conduct as well as applicable policies can be found in the following table:

RESPONSIBLE INVESTMENT CYCLE				
PHASE	Acquisition	Development	Ownership	Exit
	Acquire properties and develop a sustainable business plan with ESG-targets	Mitigate negative risks and enhance positive impacts, create value through risk management	Assure performance and engage stakeholders into sustainable building management and use	Sell sustainable assets with increased value
ACTIVITIES DURING EACH PHASE	Definition of technical & environmental status and impacts Identify and review relevant climate stress factors and their economic impacts Identifying key areas for development and value creation Develop a business plan for the whole owning period	Implementation of business plan Rectifying issues discovered during acquisition process Improving of building performance Lowering energy consumption Lowering operating costs Increasing tenant satisfaction and wellbeing	Active monitoring of environmental performance KPIs Assuring sustainable building management Active tenant engagement and encouraging building user's sustainable behavior	Assurance of sustainable product at exit Verification of rectified acquisition due diligence findings
POLICIES IMPLEMENTED	Acquisition Master Process: Corporate Governance in Acquisitions Health and Safety in Acquisition Risk Management and Compliance in Acquisition Sustainability in Acquisition Business Planning and Budgeting: Corporate Governance in Business planning and budgeting Risk Management and Compliance in Business Planning and budgeting Sustainable Business Planning and budgeting	Construction: Corporate Governance in Construction Health and Safety for Construction Risk Management and Compliance in Construction Sustainable Construction	Property Operations: Health and Safety in Property Operations Managing Property Manager & Property Manager Agreement Risk Management and Compliance in Property Operations Sustainable Property Operations Stakeholder Engagement Guide Leasing Operations: Corporate Governance in Leasing Health and Safety in Leasing Risk Management and Compliance in Leasing Sustainable Leasing	Disposal Master Process: Corporate Governance in Disposals Health and Safety in Disposals Risk Management and Compliance in Disposals Sustainability in Disposals
RESPONSIBLE TEAMS	FIC, VaRC, ExCo Transaction team <ul style="list-style-type: none">• Due diligence service providers Investment Management/ "IM" Team <ul style="list-style-type: none">• Specialist for construction, H&S, sustainability	IM Team <ul style="list-style-type: none">• Specialist for construction, H&S, sustainability	IM Team <ul style="list-style-type: none">• Specialist for construction, H&S, sustainability• Building managers	Transaction team IM Team

RISK TYPE	WHAT?	IMPACT ON REAL ESTATE	GENESTA MITIGATION PLAN
PHYSICAL RISKS	Changes in weather patterns	Increased temperature <ul style="list-style-type: none">• Shift in energy use: Decrease in heating, increase in cooling• Requirements for HVAC systems and capacity change	Evaluation of physical risks is integrated in the technical due diligence process and annual follow up process of rectification measures
	Increased precipitation	<ul style="list-style-type: none">• Increased need for drainage capacity• Increased need for runoff water storage and buffering• Durability of façade materials	Sustainable Construction Guide includes climate risk mitigation and adaptation measures by addressing energy efficiency issues, water consumption, sustainable commuting and material selection aspects
	Decreased rainfall, water scarcity, water stress	<ul style="list-style-type: none">• Water availability	
	Increased wind	<ul style="list-style-type: none">• Peak structural loads for the building• Danger and discomfort	
	Flood and increased sea levels	<ul style="list-style-type: none">• Challenging the building structures and systems	
	Extreme weather events	Hurricanes / Cyclones <ul style="list-style-type: none">• Danger for occupiers• Damage for building and its surroundings• Supply chain disruptions	Geographical location of the portfolio in low-risk areas in consideration to extreme weather events and selection of local products and services
	Wildfires	<ul style="list-style-type: none">• Danger for occupiers• Impacts of air quality• Damage for building and its surroundings	
RISK TYPE	WHAT?	IMPACT ON REAL ESTATE	GENESTA MITIGATION PLAN
TRANSITION RISKS	Shift to low-carbon or carbon-neutral economy	Regulation and requirements for energy efficiency and lower emissions <ul style="list-style-type: none">• Higher tax rates for low performing properties• Compulsory improvements on energy efficiency	Continuous follow-up of ESG-related political discourse and decision-making to assure Genesta's requirements are well ahead of regulatory requirements
	Changes in service and material markets	Availability and costs of materials and energy <ul style="list-style-type: none">• Increased operating costs due to higher energy costs• Increased construction costs due to higher raw materials costs	ESG-matters integrated into business operations
	Client demands	Market requirements for sustainable premises <ul style="list-style-type: none">• Low performing properties may decrease occupancy and rent rates• Opportunities for companies that contribute to climate mitigations	Continuous improvement of energy efficiency and carbon intensity to manage risk of increased costs Active stakeholder engagement and green leases

Table: Evaluation of climate change related risks and their influence on Genesta's business and properties.

1.8 Genesta as an Employer

Genesta aims to be a responsible and engaged employer. Our employees are an important success factor for us. We believe that a diverse and engaging environment inspires people to reach their highest potential, ignites real teamwork and attracts the best new talent.

We value diversity, equal opportunities, and continuous professional development. As outlined in our Code of Conduct we have zero tolerance for discrimination. Diversity, community involvement and health and safety are also covered in our employee and management manual. In addition, employee satisfaction is a material topic to us that we follow up upon through annual surveys and development processes. We also actively foster diversity, equity, and inclusion (DEI) among our employees.

Our management manual specifically contains the overriding objective of increasing the percentage of women in leadership positions, and promotion of a culture that values DEI and flexibility.

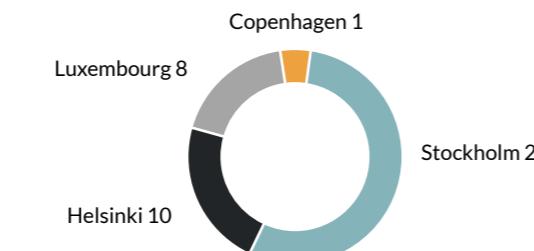
In 2021 Genesta had 32 full-time employees, 5 part-time employees and 5 inhouse consultants working in Sweden, Finland, Denmark, and Luxembourg.

GENDER DISTRIBUTION



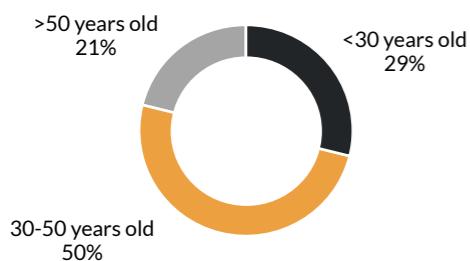
Includes full time and part time employees, and inhouse consultants.

EMPLOYEES, GEOGRAPHICAL DISTRIBUTION



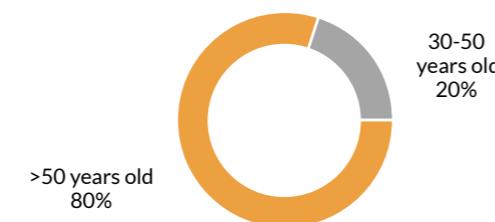
Includes full time and part time employees, and inhouse consultants.

AGE DISTRIBUTION



Includes only Genesta's own full and part time employees.

DIVERSITY OF THE BOARD



Board of Genesta Nordic Capital Fund Management S.à r.l. consist of 5 men and 1 female.

SUPPORTING OUR EMPLOYEES' HEALTH AND WELL-BEING

Genesta invests in the well-being of the personnel by offering occupational health care and complementary health insurance (in Finland, Sweden, and Luxembourg). Full time employees are also offered a health maintenance program which aims to support and provide an incentive to our employees to take part in sports activities.

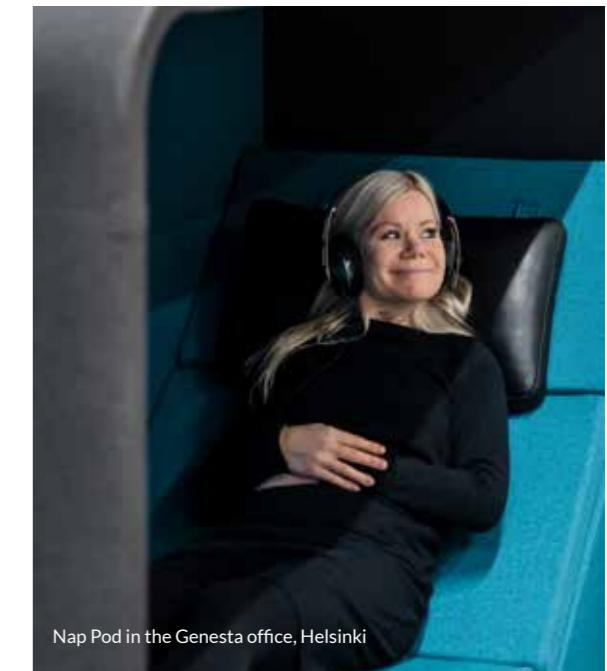
We want to provide a modern and attractive working environment. We believe that when employees can influence their own day and duties, they are more satisfied and efficient. We provide flexible working hours which means that employees have control over their own time schedule and can more easily balance work and personal lives.

In 2021, we have continued to follow each country's guidelines and recommendations in regard to the COVID-19 pandemic. Hence, most of our employees have worked remotely. We have helped them to adapt to the new working environment by offering working equipment that can be used while working remotely. We have also continued our weekly walk and talk meetings across Genesta. These meetings have provided social interaction as well as outdoor exercise.

We have a zero accidents policy and do our utmost to provide a safe and rewarding working environment. We continuously evaluate our health and safety practices and develop our safety processes. In 2021, we were proud to achieve our set zero accident goal as there were no work-related accidents among Genesta's employees.

To improve and support the overall health of our employees we provide activities such as yoga and swimming and online gym classes to our employees. Employees are also provided monetary health contribution.

	Training days	Absence days due to sickness	Injuries
2019	88	99	0
2020	82	43	0
2021	90	15	0



FOSTERING AN ACTIVE EMPLOYEE DIALOGUE AND MANAGING EMPLOYEE SATISFACTION

Employee satisfaction is one of the most important success factors for us. We monitor employee satisfaction annually to understand our employees' opinions and learn what are the most important topics for them. The survey is an important tool to help us develop our activities accordingly and identify areas of improvements.

The annual employee survey was carried out in the end of the year 2021. As previous years the response rate was 100 %. Of those respondents, 73 % were satisfied (very satisfied or quite satisfied) with their employment, which is higher compared to last year (63 %). 79 % of the respondents are motivated in their daily work, compared to 73 % in the last survey. Even though the employees were happy with flow information during the corona period and most of the employees (73 %) had good experience working from home, only 6 % of the employees did not feel comfortable working from home.

One of the highlights of the employee survey was that the employee opinion on Genesta's sustainability had increased to 4,12 (3,97 in 2020). Employees were asked to give a sustainability grade to Genesta using a scale 1 to 5, where 5 is extremely sustainable.

The results of the employee surveys are clearly communicated to all personnel. Action plans and goals are set in the teams and their progress is followed regularly. Based on the employer survey results from 2020, in 2021 we focused on making our decision-making process clearer and more transparent. This year we also focused on clear communication.

Discussions with our employees and hearing their thoughts and expectations has high importance in taking care of our employee satisfaction. Each year career and development discussions, so-called Value Creating Discussions (VCDs) are held at least once a year to each employee. These discussions are about personal development and are designed to support personal growth and work-wellbeing. In the discussions the employee and the supervisor set together personal development goals and targets for the coming year. These targets will be followed throughout the year. All Genesta employees have their own personal ESG targets.

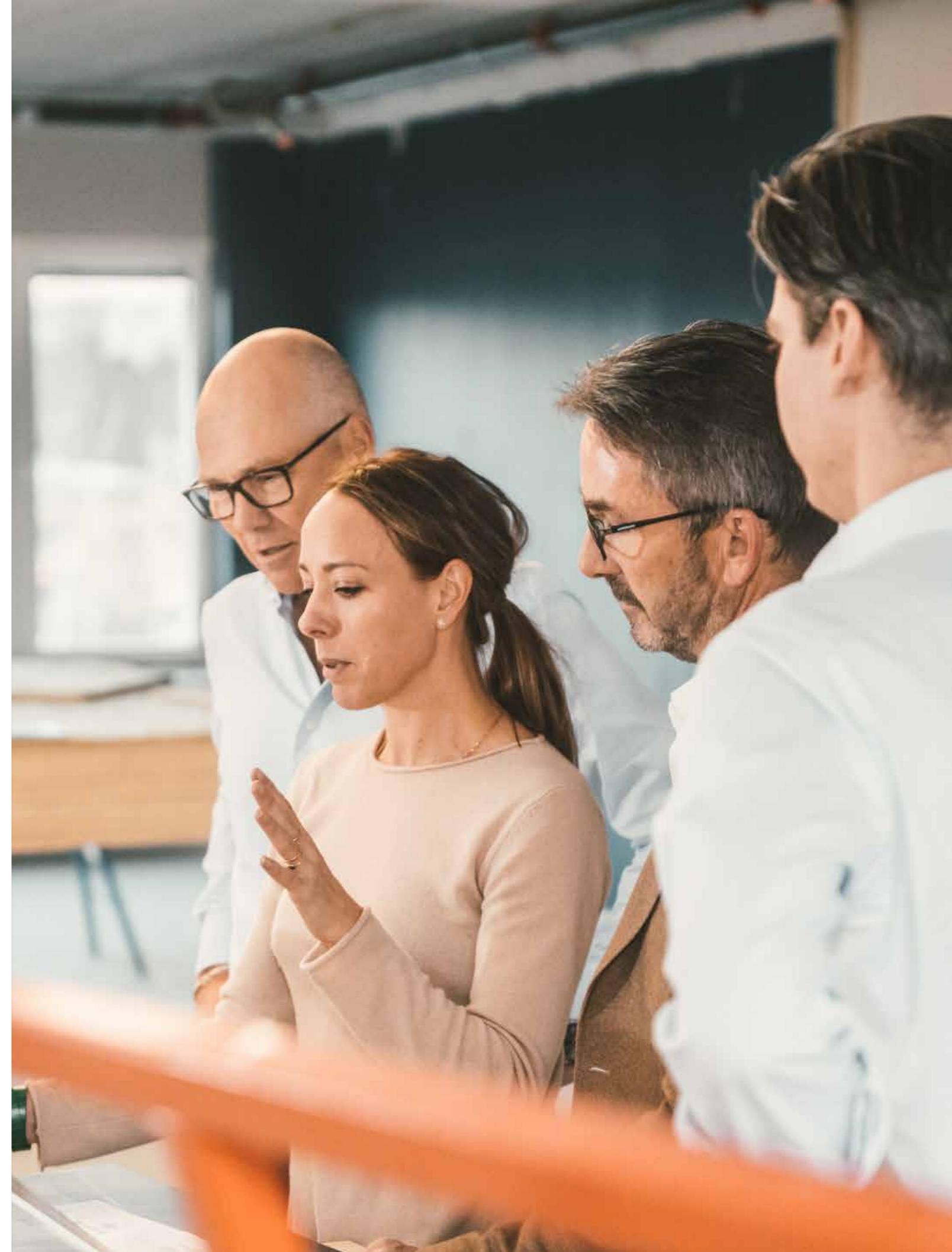
HEALTH AND SAFETY IS A TOP PRIORITY

We have a zero-accident policy, covering especially our tenants and employees, and do our utmost to provide health and safety environment. We continuously develop our safety processes and practices based on the feedback of our own employees, consultants, tenants, partners, and visitors. To manage health and safety compliance data we use the digital LAWLY tool. The LAWLY database tool includes both up-to-date regulations as well as our own requirements for health and safety practices.

Each standing investment is visited and inspected at least once a year and each construction project once a month by a safety consultant. The inspection is done according to Genesta's Health and Safety property guide. The safety consultants make observations monthly of possible health and safety risks and plans for corrective action when needed. The majority of the findings are related to fire safety and emergency preparedness. Due to the COVID- 19 pandemic some of the visits were done virtually and emergency practices were postponed.

The number of improvements, accidents and near-misses are followed and reported to the management team. In 2021 we implemented totally of 78 health and safety improvements. During 2021 two (2) accidents occurred and four (4) near-miss cases were reported on fund-level.

To increase our tenants' health and safety we have installed a defibrillator in all our buildings located in Finland and Sweden.



1.9 Stakeholder Engagement

We work in close cooperation with various stakeholders and aim for an open and transparent relationship with them. We strive to meet our stakeholders in accordance with our values. In 2021 the meetings and other communication with our stakeholder groups were mainly organized online due to the COVID-19 pandemic. As part of our sustainability work, we identify and evaluate our stakeholders, their needs as well as expectations. The stakeholder analysis is done internally.

STAKEHOLDER	DESCRIPTION	OUR ACTIONS
SHAREHOLDERS	Shareholders	<ul style="list-style-type: none">• Annual meetings• Quarterly results, especially on ESG• Ongoing dialogue
CUSTOMERS/TENANTS	Tenants and building occupants	<ul style="list-style-type: none">• Close communication with customers through various channels• Increase customers environmental awareness and sustainable operations of the premises• Fair and predictable pricing
EMPLOYEES	42 employees ² in Sweden, Finland, Denmark, and Norway	<ul style="list-style-type: none">• Motivating and inspiring work• Active communication• Career opportunities
BUSINESS PARTNERS	Suppliers from whom we purchase	<ul style="list-style-type: none">• Conduct fair business according to our various policies
SOCIETY	Regulators, general public	<ul style="list-style-type: none">• Active member of associations• Donations to Children's Cancer foundation, WWF and Spin of Hope.

²Including part time and full time and inhouse consultants

TAKING CARE OF OUR TENANTS

Our goal is to be a sustainable and desired landlord for tenants. To achieve this, we continuously work towards improved tenant satisfaction and aim to understand our tenants' needs better. We understand that active tenant engagement is in the core of building trust and improving tenant engagement. Therefore, we meet our tenants regularly and do our best to have an open and ongoing dialogue with them.

We regularly monitor overall tenant satisfaction and plan actions accordingly. In 2021 we conducted a tenant satisfaction survey with KTI Property Information Ltd. The average response rate was 100 % and the total satisfaction rate was 3.77 out of 5. The result was slightly higher compared to the last years' result (3.54). The survey also includes sustainability related questions: The question about how important sustainability aspects are to your company when making decisions regarding premises scored 4.15 out of 5. The question about the satisfaction regarding landlord's current sustainability performance scored 3.84 out of 5. Both indicators scored higher than in 2020 and the survey results inform our contentious tenant engagement.

In addition to the tenant satisfaction survey, a tenant safety survey is carried out annually. The inquiry is sent to all the tenants' representatives. The purpose of the survey is to support health and safety work on properties and help tenants to identify their own health and safety improvement points. The information gained from the survey is also used to maintain and update the property rescue plan.

We continuously evaluate health and safety of our premises and take corrective actions as soon as deficiencies are detected. In 2021 two (2) accidents and four (4) near miss cases were reported.

GIVING BACK TO THE COMMUNITY

We want to support the society and make concrete actions. We cooperate with different entities which focus on social and environmental issues. In 2021 Genesta donated to Children's Cancer foundation, WWF, and Spin of hope. Genesta also joined the Food4Heroes initiative, a platform that brings together several restaurants in Stockholm to provide daily meals to the health care and non-profit organizations in the Swedish capital. About 13,000 free food boxes have so far been delivered to our medical heroes fighting COVID-19.

OUR SUPPLIERS

Through a systematic purchasing process, we choose suppliers with care, ensure cost-effectiveness and a high quality of execution. Supplier selection is part of our risk management process with a specific focus on ethical business conduct and the avoidance of corruption and conflicts of interest. We aim to contract local suppliers for operations and maintenance contracts. Our contractors are required to comply with the local legislation. Our key suppliers are consultants, asset managers, service providers and constructors.

1.10 Case 2021 - The Block: Refurbished to Promote Sustainable Tenant Actions

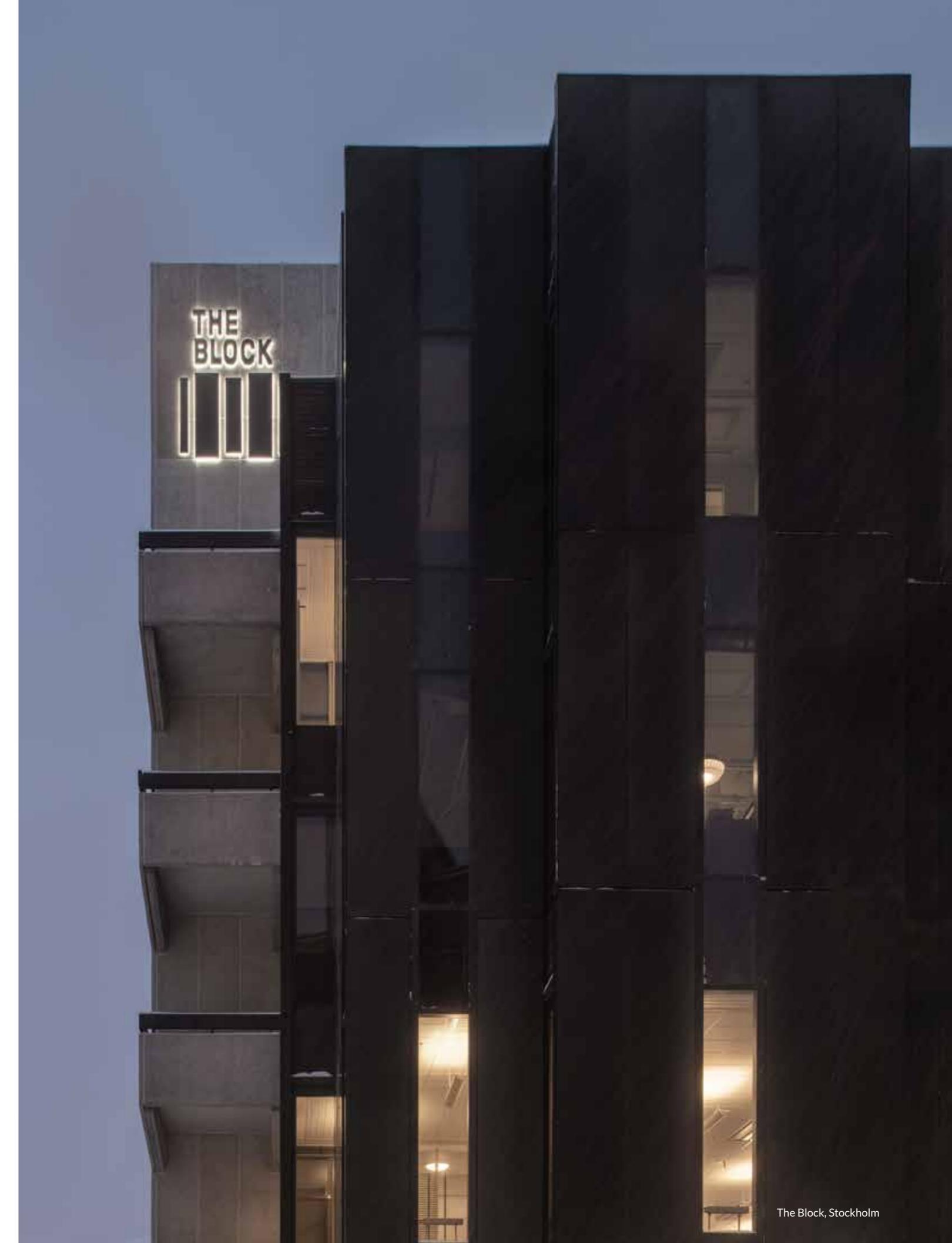
The Block is a proud building located in Solna, north of the Swedish capital Stockholm, with a rich history from the 70's. The 13,500 sqm office property was acquired by Genesta in summer 2018. During our management, it underwent a significant refurbishment and rebranding. Genesta also managed to significantly improve its sustainability performance. The building was certified with BREEAM In-Use certification with level "Very Good" in 2020.

HIGHER SUSTAINABLE PERFORMANCE

The garage area was reallocated to accommodate new practical functions, such as changing rooms with lockable cupboards, showers, and WC, as well as a bicycle room with a generous number of bicycle parking spaces and a quick-fix station for repairs and maintenance. 18 car chargers were also installed to promote low carbon commuting. In the refurbished lobby we installed a lobby screen with daily sustainability tips to our tenants. We also improved the building's ESG performance by installing new water and energy efficient systems.

STRONG IDENTITY

For many years, The Block was either a historic architectural landmark, or a modern living hub and meeting place. We wove together the two to a strong identity that emphasizes the building's brutalist character but also added softer and practical values. The unique character was preserved also in the lobby, mixed up with new warm colors, metals, textiles and plants to add an organic feeling and create an inviting atmosphere.



The Block, Stockholm

2. Sustainability at Fund Level

Climate change is one of the key challenges the planet and humanity are facing today. The speed of global warming has increased rapidly, and we are already seeing the consequences of fossil fuel dependency – such as droughts, wildfires, and floods. These and other negative environmental impacts will only intensify without urgent action. Genesta's overarching target is to improve the sustainability and the energy efficiency of all our funds to contribute towards reaching the Paris Agreement targets, limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C.

In 2021 we continued to implement a variety of energy efficiency-related upgrades, such as high-efficiency equipment installations, ventilation and heating system improvements and building automation upgrades. In addition, Genesta's metering policy and guidelines were updated during the fourth quarter of 2021 to ensure more accurate measurement with adequate detail and frequency. Compliance with different regulatory, ESG standards and other reporting frameworks relies on accurate metering and management of the data. The Metering Principles and Guidelines should be followed when a building's metering system or building management system is renewed. These guidelines and principles should be considered also when a building will be renovated or when a new building is acquired. The installation of automated electric meters and submeters for tenant spaces and major equipment and the connection of these meters to the central Energy Management

System (EMS) is mandatory and will be completed as a matter of priority. We also focused a great deal on sustainability communication and training. Throughout the year we held several training sessions on Genesta sustainability principles and targets for our own staff and property managers (see chapter 1.8).

TOOLS TO DEVELOP FUND LEVEL SUSTAINABILITY

Genesta's Sustainable Construction Guide is one of our key tools to guarantee that sustainability is put into practice at our properties and that we meet our sustainability targets. It provides hands-on guidance to our construction team on measures and practices that should be implemented. The guide complies with the green certification criteria which makes the certification processes easier and ensures that our refurbishments are planned in line with certification requirements.

The GRESB Real Estate Assessment is also an important tool for us to monitor and evaluate our sustainability work. The tool enables us to measure our practical efforts to promote sustainability on a fund level. Genesta participated in the GRESB assessment with three funds in 2021. GNRE Fund II received four stars, GNRE III received three stars, and GNRE Core Plus received three stars. The assessment is based on the reporting year 2020 and evaluates responsible management, risk management, reporting, carbon footprint, energy, water and waste consumptions, data coverage, environmental certifications, and stakeholder engagement.

SUSTAINABILITY TARGETS FOR OUR FUNDS

Our overall vision is to make the existing building stock more sustainable. We have set targets and goals regarding portfolio performance on environmental topics, as well as health and safety. The targets and goals are set on three levels:

- Asset Manager
- Fund
- Asset



Charge



Green Electricity



On-site renewables



Energy Efficient



Water Saving



Recycle

2.1 GNRE FUND II

Genesta Nordic real estate fund II FCP-SIF (“GNRE Fund II”) is a specialized investment fund structured as a common contractual fund, registered in Luxembourg and being operational since June 2015.

In 2021 Genesta sold one property: the Swedish 19,600 sqm logistics property Verkö 4 in Malmö was sold in Q1 2021. It was acquired in February 2019 and has since been upgraded with tenant improvements and higher sustainability performance. In 2020, the property was awarded with the BREEAM In-Use Very Good certification.

Properties assigned to Genesta Nordic Real Estate Fund II at the end of 2021 were:

- Arninge Centrum (also: Anlos 2)
- Bulevardi
- Fabianinkatu 9 (also: Fab9)
- Hämeentie
- Porkkalankadun Torni (also: Roihu)
- Svea Artilleri (also: Fastighets AB Knall)

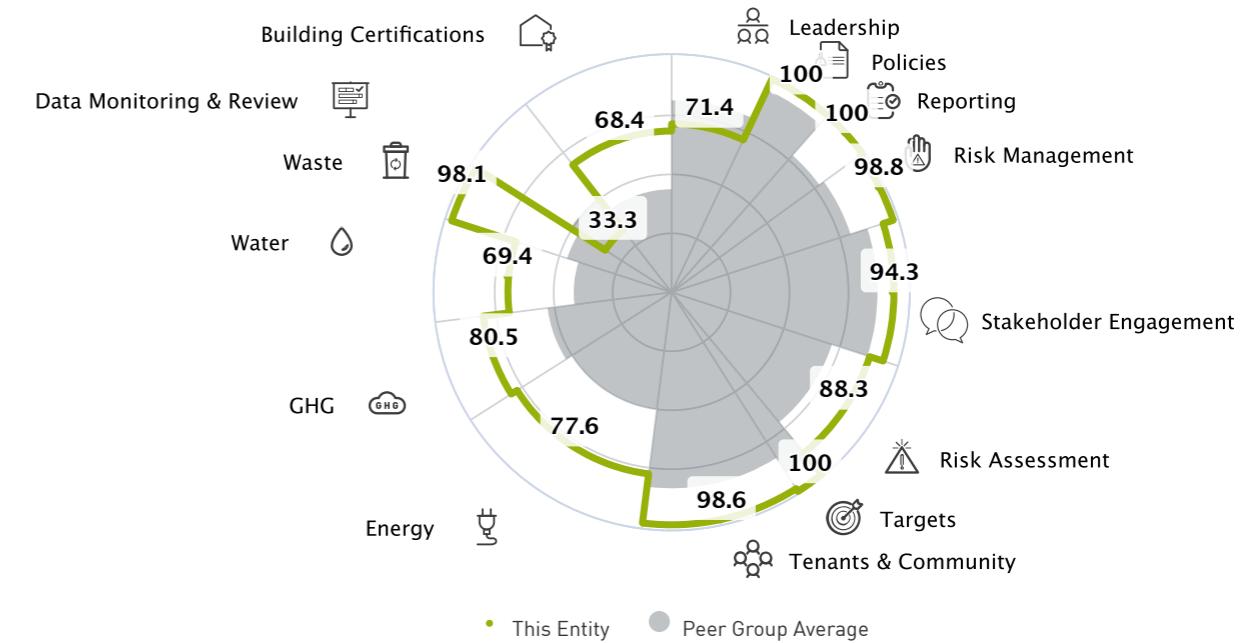
2.1.1 SUSTAINABILITY TARGETS FOR FUND II

The Fund is Genesta's second value-add fund focusing on the Nordic region. GNRE Fund II's strategy is to provide institutional investors with exposure to value-add office property investments in Stockholm, Copenhagen, Helsinki, and Oslo. The fund also invests in retail and logistics properties in large metropolitan areas in the Nordic region.

GOALS FOR THE FUND'S LIFETIME	ACHIEVEMENTS IN 2021
Achieve five stars in the GRESB Real Estate Assessment	Participated for the 6th time. Achieved four stars (82 out of 100 points) and a Green Star designation.
Improve the overall environmental performance of the portfolio	Variety of energy efficiency improvements: <ul style="list-style-type: none">• Building automation system renewals in Bulevardi, Roihu and Hämeentie.• LED installations in every TI improvement, renewed in Bulevardi, Roihu and Hämeentie.• Modernizations and improvements in heat recovery and heating systems (HVAC) in all properties.• On-site solar energy studied in one property.
Certify 70 % of the properties	Three buildings awarded BREEAM In-Use certifications: <ul style="list-style-type: none">• Fabianinkatu 9 building achieved an Excellent-level.• Bulevardi 21 achieved an Excellent-level.• There are ongoing BREEAM In-Use certification projects for Svea Artilleri that started in 2021 (still under construction, certification planned for 2023) and the Roihu buildings.• 83,3% of the properties (5 out of 6) are certified.
Make buildings better and smarter: <ul style="list-style-type: none">• Follow Genesta Sustainable Construction guidelines• Implement automated measurements• Encourage sustainable commuting• Assess and implement renewable energy options• Implement indoor air quality measurements	Sustainable Construction Guide: <ul style="list-style-type: none">• Guide specification used as procurement specifications for renovations and TIs. Energy metering improvements have been done as a part of TIs Indoor Air Quality: <ul style="list-style-type: none">• Indoor air quality monitoring under development.• CO₂ meters and temperature metering were installed in Finnish assets.
Implement Greenesta programme: <ul style="list-style-type: none">• Green leases across the portfolio• Sustainability cooperation with tenants	At the end of 2021 Fund II had 9 green leases in place: <ul style="list-style-type: none">• 7 green leases in Arninge Centrum.• 2 in Svea Artelli.

2.1.2 GRESB RATING

Genesta's GNRE Fund II participated in the Global Real Estate Sustainability Benchmark (GRESB) for the sixth time in 2021. The fund reached 82 points (out of 100), 4 stars and a Green Star designation. GRESB average score was 73 points, and peer group's average was 67 points. The fund achieved 3rd place out of 15 in its predominant peer group. The strengths of Genesta's GNRE Fund II in the GRESB Assessment were sustainability management and reporting, risk management as well as stakeholder management.



The graph above shows the detailed score for Fund II.



2.1.3 ESG PERFORMANCE

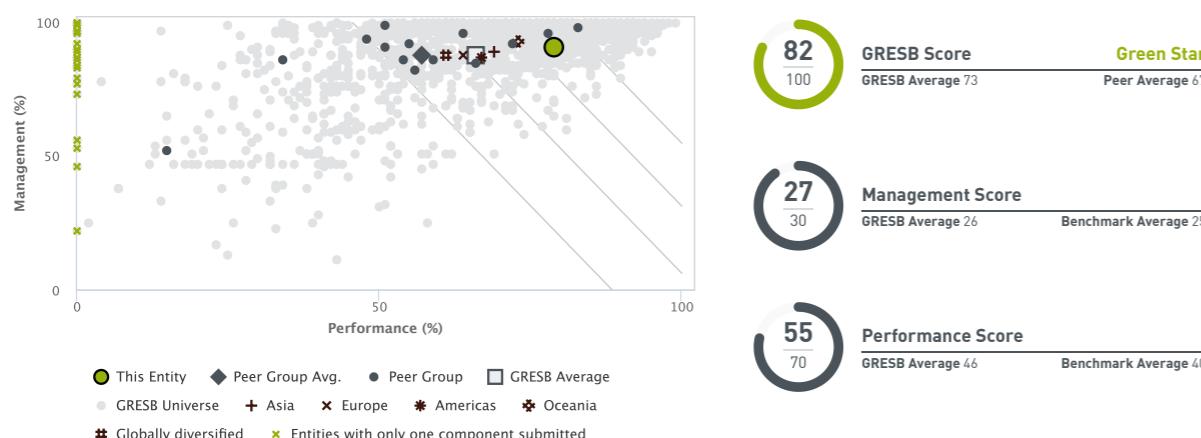
Environmental Performance

The absolute energy and water consumption, CO₂ emissions, and waste generated at the properties illustrate the concrete environmental impacts of the Fund. However, due to continuous changes in the portfolio, occupancy rates and renovations, they are not descriptive for assessing development of the fund's overall sustainability performance.

Energy Consumption: The energy consumption of our properties consists of district heating, cooling and electricity.

ABSOLUTE CONSUMPTION			
	2021	2020	2019
Energy			
Electricity (MWh)	3 871	7 951	4 411
District heating & cooling (MWh)	9 743	14 236	9 824
Absolute energy intensity (MWh/m ² occupied)*	0.26	N/A	N/A
Water			
Water (m ³)	26 068	34 432	22 904

*Only properties that were under Genesta's ownership during the whole year of 2021 were included in the absolute energy intensity calculations



Like-for-like (LFL) data provides a more accurate comparison of the performance between years. We report a like-for-like comparison in line with the GRESB methodology, and only assets that meet certain criteria, for both current and previous reporting years (2020-2021), are eligible for inclusion in the LFL calculations. This means that assets that have been acquired or disposed of during the last two years or have been under development or have undergone a major renovation during the reporting period (2020-2021) are excluded. Short holding periods of the properties explain the small number of assets included in the like-for-like comparison. Like-for-like data is calculated both for occupied floor area and gross floor area.

LIKE-FOR-LIKE PERFORMANCE		2021	2020	2019	PROPERTIES INCLUDED*
Energy	Electricity (kWh/m ² occupied)	53,3	48	62	3
	District heating (kWh/m ² occupied)	116	103	151	3
	District cooling (kWh/m ² occupied)	11	19	14	3
Water	Water (l/m ² occupied)	9 838	6 850	N/A	3

³Only properties where (1) data availability covers the full year, (2) data coverage is positive, (3) data coverage is the same (within 1% threshold), and (4) the asset is classified as a Standing Investment will be included in the LFL calculations.

* The properties Bulevardi, Hameentie and Arninge met the LFL criteria and are included in the calculations.

In 2021, we saw an increase in the LFL energy and water usage. The higher heating is partly related to a longer and colder winter in the Nordic region. We are evaluating the reasons behind the increased water usage.

RENEWABLE ENERGY		2021	2020	2019
MWh	Renewable energy purchased (off-site)	5 334	6 266	6 955
	Renewable energy produced (on-site)	N/A	N/A	17

Emissions

We report our Scope 2 greenhouse gas emissions using two different calculation methods as recommended by GHG Protocol and GRESB. First, the national emission factors (the location-based method) are used to provide globally comparable data, and second, the energy producers' factors (the market-based method) to be able to present the concrete emissions generated by the properties in GNRE Fund II.

ABSOLUTE GREENHOUSE GAS EMISSIONS		2021	2020	2019
CO₂-eqv	Scope 2: Market-based CO ₂ emissions (t)	1 503	1 960	2 993
	Scope 2: Location-based CO ₂ emissions (t)	1 639	1 765	2 876
	Absolute GHG intensity (tCO ₂ -eqv/m ² occupied)*	0.03	N/A	N/A

*Only properties that were under Genesta's ownership during the whole year of 2021 were included in the absolute GHG intensity calculations

LIKE-FOR-LIKE EMISSION INTENSITY		2021	2020	2019
CO₂-eqv	Market-based, kg/m ² occupied	26	18	28
	Location-based, kg/m ² occupied	27	20	29

We saw an increase in the LFL emission intensity, partly due to an increase in water and energy usage on site. We are evaluating the reasons behind that increase.

WASTE		2021	2020	2019
Total waste (t)		183	335	547

Social Performance

At the end of 2021 Fund II had 9 green leases in place with tenants; 7 green leases in Arninge Centrum, and 2 in Svea Artelli.

2.2 GNRE FUND III

GENESTA NORDIC REAL ESTATE FUND III FCP-RAIF (“GNRE Fund III”) is a reserved alternative investment fund structured as a common contractual fund, registered in Luxembourg and being operational since May 2019.

In Q2 Genesta acquired the office property Pinnacle/Ferring/Neroport located in Ørestad City, Copenhagen. The 32,704 sqm multi-let building will be transformed into a modern and sustainable property to suit the future demand from office tenants.

Properties assigned to Genesta Nordic Real Estate Fund II at the end of 2021 were:

- Repslagaren 34 (also: Art8n, Slagreparden)
- Filmstaden 23 (also: Filmsjärnan)
- Pinnacle (Ferring/Neroport)

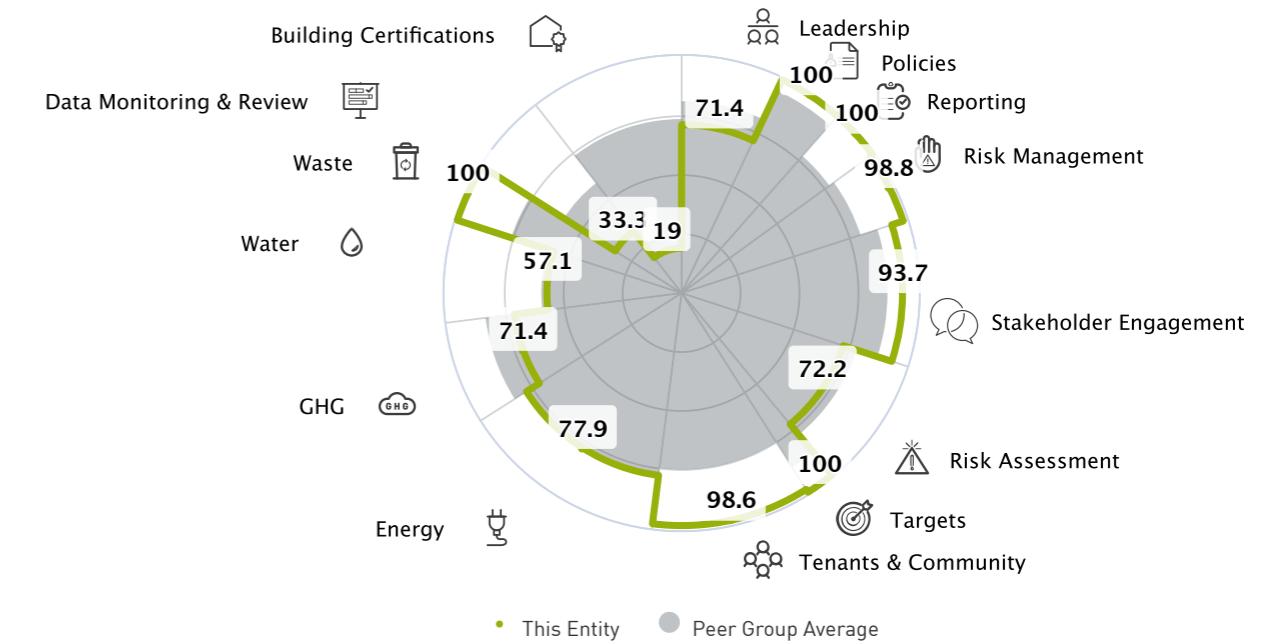
2.2.1 SUSTAINABILITY TARGETS FOR FUND III

The fund is Genesta's third value-add fund focusing on the Nordic region and its first acquisitions were conducted in the beginning of 2020. GNRE Fund III's strategy is to provide institutional investors with exposure to value-add office property investments in Stockholm, Copenhagen, Helsinki, and Oslo. The fund also invests in retail and logistics properties in large metropolitan areas in the Nordic region.

GOALS FOR THE FUND'S LIFETIME	ACHIEVEMENTS IN 2021
Achieve five stars in the GRESB Real Estate Assessment	Participated for the first time in the 2021 GRESB Real Estate Assessment. The fund achieved 74 points, 3 stars and a Green Star designation.
Improve the overall environmental performance of the portfolio	<ul style="list-style-type: none">• Metering policy planned and started as well as update of BMS system at Repslagaren 34.• Smaller adjustments on heat recovery and heating (HVAC) systems at Filmstaden.
Certify 70 % of the properties	<ul style="list-style-type: none">• Pre-assessments for certification were done in 2021 for Filmstaden and Pinnacle.• BREEAM certification planned for Filmstaden and Repslagaren for 2022.
Make buildings better and smarter: <ul style="list-style-type: none">• Follow Genesta Sustainable Construction guidelines• Implement automated measurements• Encourage sustainable commuting• Assess and implement renewable energy options• Implement indoor air quality measurements	Sustainable Construction Guide: <ul style="list-style-type: none">• All TIs and CapEx done according to the guideline (Filmstaden)• HVAC is updated. Some TIs still ongoing. Study for BREEAM is done. (Filmstaden)• All light changed to LED (Filmstaden)• Bicycle racks installed including changing rooms. (Filmstaden)• Property managers trained on Genesta sustainability policy and principles (Filmstaden)• Lobby screens are installed (Repslagaren)
Implement Greenesta programme: <ul style="list-style-type: none">• Green leases across the portfolio• Sustainability cooperation with tenants	Installation of e-car chargers ongoing (15 e-car chargers are being installed + some that were already installed by the previous owner), around 20 in total (Repslagaren).
	After offering green leases from the year 2020 onwards, 2 green leases were signed in Repslagaren 34 and 4 in Filmstaden.

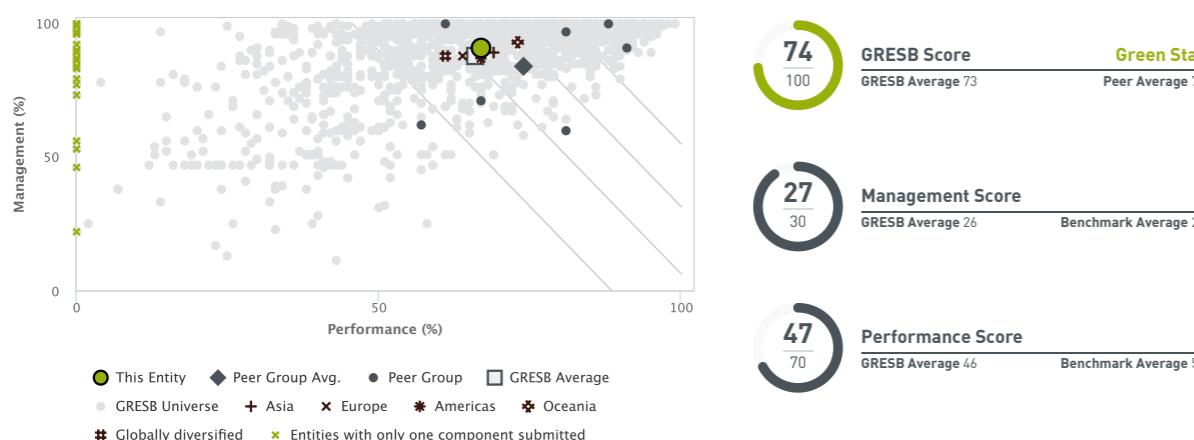
2.2.2 GRESB RATING

2021 was the first year the GNRE Fund III participated in the GRESB Real Estate Assessment. The Fund achieved 74 points, 3 Stars and a Green Star designation. The fund achieved fifth place out of eight in its predominant peer group. The strongest aspects of the GNRE Fund III in the GRESB Assessment were sustainability management and reporting, risk management as well as stakeholder management.



The graph above shows the detailed score for Fund III.

GRESB Model



2.2.3 ESG PERFORMANCE

Environmental Performance

The absolute energy and water consumption, CO₂ emissions, and waste generated at the properties illustrate the concrete environmental impacts of the fund. However, due to continuous changes in the portfolio, occupancy rates and renovations, they are not descriptive for assessing development of the fund's overall sustainability performance.

Energy Consumption: The energy consumption of our properties consists of district heating, cooling and electricity.

Especially for the newly bought properties, tenants started to move in 2021, thus increasing the absolute consumption of energy, water and related GHG emissions. No renewable energy was produced on site, yet, but this is planned for the future.

ABSOLUTE CONSUMPTION		2021	2020
Energy	Electricity (MWh)	841	353
	District heating & cooling (MWh)	2 113	302
	Absolute energy intensity (MWh/m ² occupied)*	0.25	N/A
Water	Water (m ³)	16 010	9 737

*Only properties that were under Genesta's ownership during the whole year of 2021 were included in the absolute energy intensity calculations

RENEWABLE ENERGY		2021	2020
MWh	Renewable energy purchased (off-site)	1 140	959
	Renewable energy produced (on-site)	N/A	N/A

Energy Consumption: The energy consumption of our properties consists of district heating, cooling and electricity.

Emissions

We report our Scope 2 greenhouse gas emissions using two different calculation methods as recommended by GHG Protocol and GRESB. First, the national emission factors (the location-based method) are used to provide globally comparable data, and second, the energy producers' factors (the market-based method) to be able to present the concrete emissions generated by the properties in GNRE Fund III.

ABSOLUTE GREENHOUSE GAS EMISSIONS*		2021	2020
CO₂-equiv	Scope 2: Market-based CO ₂ emissions (t)	52	13
	Scope 2: Location-based CO ₂ emissions (t)	244	75
	Absolute GHG intensity (tCO ₂ -equiv/m ² occupied)**	0.005	N/A

*Pinnacle not included in the calculation due to lack of data

**Only properties that were under Genesta's ownership during the whole year of 2021 were included in the absolute GHG intensity calculations

WASTE		2021	2020
Total waste (t)		10	N/A

Social performance

At the end of 2021 Fund III had 6 green leases in place with tenants; 2 green leases in Repslagaren 34, and 4 in Filmstaden.



2.3 GNRE Core Plus

GENESTA NORDIC REAL ESTATE CORE PLUS FCP-RAIF (“GNRE Core Plus”) is a reserved alternative investment fund structured as a common contractual fund, registered in Luxembourg and being operational since June 2018. GNRE Core Plus is Genesta’s first core plus fund. At the end of 2021 the fund consists of one property - Solåsen, located in Sweden.

In 2021 Genesta sold Styckjunkaren 3 (S3/The Block) – the 13,300 sqm office property located in Solna. Under Genesta’s management the property has been upgraded with improved sustainability performance, high quality office premises and modern and efficient common areas.

Properties assigned to Genesta Nordic Real Estate Fund Core Plus at the end of 2021 were:

- Solåsen

2.3.1 SUSTAINABILITY TARGETS FOR CORE PLUS

GNRE (Genesta Nordic Real Estate) Core Plus’ strategy is to provide top tier institutional investors with access to core plus office property investments in Stockholm, Copenhagen, Helsinki, and Oslo. The fund also invests in retail and logistics properties in large metropolitan areas in the Nordic region.



Arninge Centrum, Stockholm

GOALS FOR THE FUND'S LIFETIME

Achieve five stars in the GRESB Real Estate Assessment

Improve the overall environmental performance of the portfolio

Certify 70 % of the properties

Make buildings better and smarter:

- Follow Genesta Sustainable Construction guidelines
- Implement automated measurements
- Encourage sustainable commuting
- Assess and implement renewable energy options
- Implement indoor air quality measurements

Implement Greenesta programme:

- Green leases across the portfolio
- Sustainability cooperation with tenants

ACHIEVEMENTS IN 2021

Participated for the second time. The Fund received 76 points and achieved three stars.

Variety of energy efficiency improvements:

- Adjustments to the mechanical systems to improve energy efficiency.
- LED installations.
- Low-flow fixtures installed.

BREEAM In-Use certification process started for Solåsen

Sustainable Construction Guide:

- Guide specification used as procurement specifications for renovations and TIs.

Indoor Air Quality:

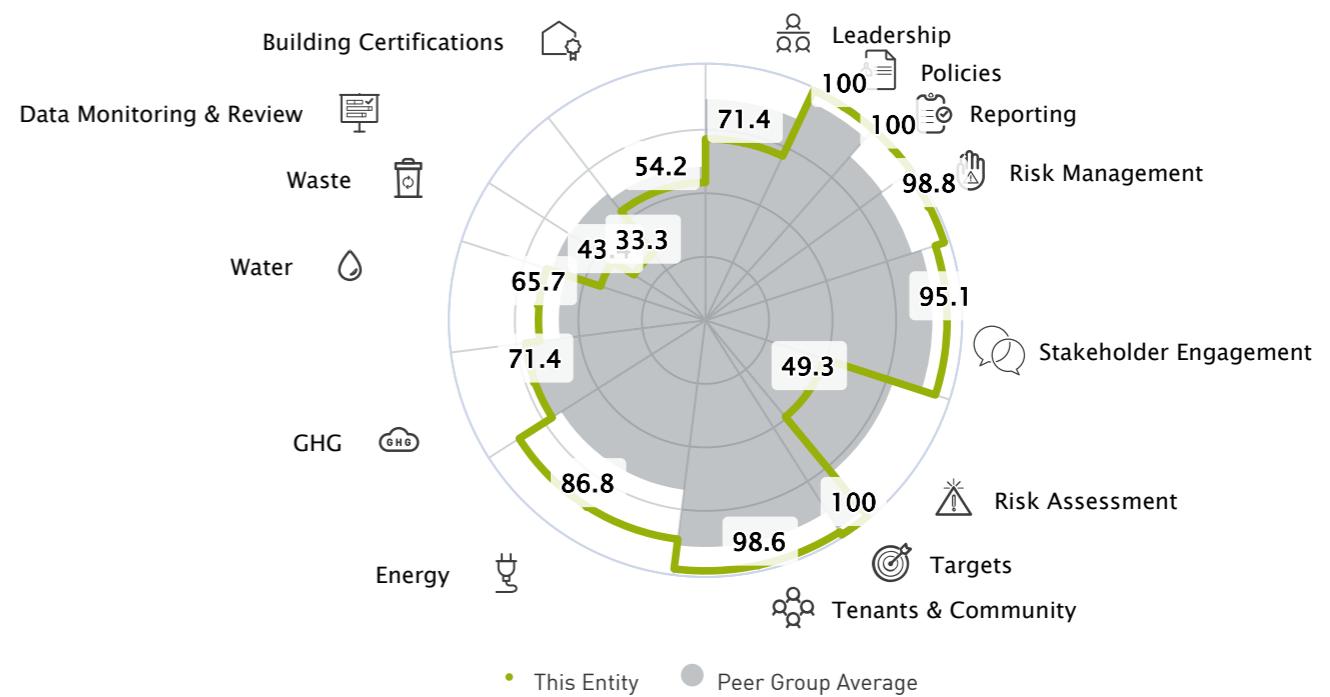
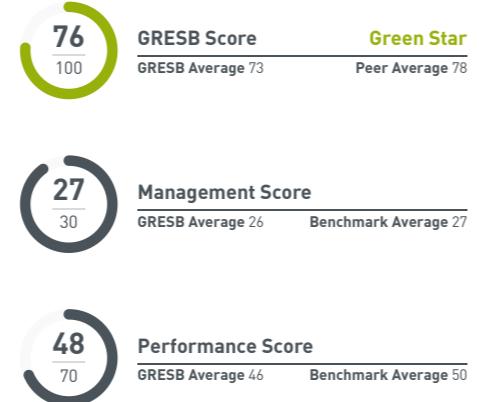
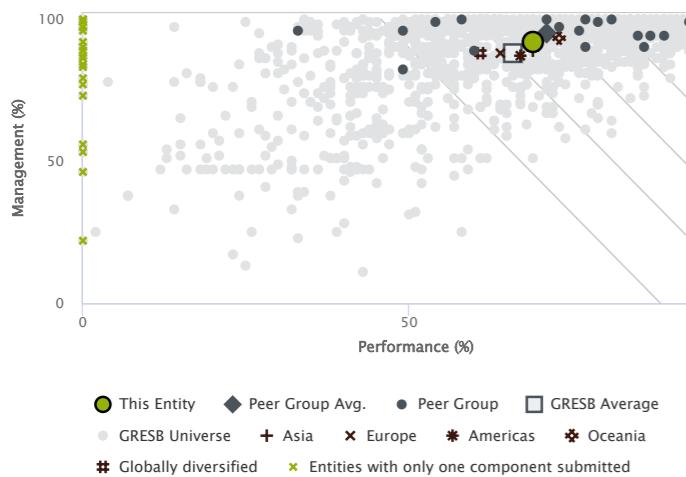
- Obligatory indoor air quality monitoring ongoing in one property.

As of 2021, green leases are offered to all new tenants of the new property, Solåsen.

2.3.2 GRESB RATING

GNRE Core Plus achieved the rating of 3 stars from the GRESB Real Estate Assessment in 2021. This was the second year GNRE Core Plus fund participated in GRESB. The fund received 76 out of 100 points in total. The highest scores were received in management section form reporting, risk management and stakeholder engagement. Performance section received high scores in target setting and in tenants and community work. We still need to improve our performance, especially in data monitoring and review, building certification and risk assessment.

GRESB Model



The graph above shows the detailed score for Core Plus fund.

2.3.3 ESG PERFORMANCE

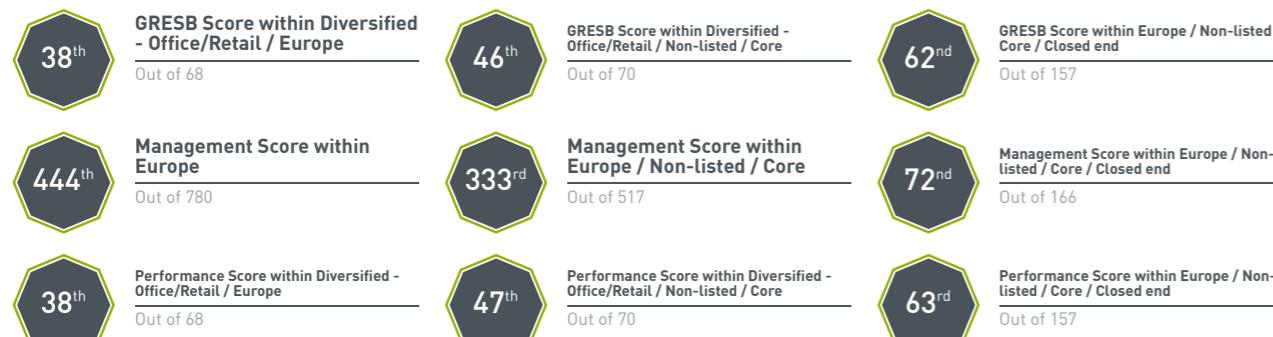
Environmental Performance

In 2021, one property in GNRE Core Plus held a BREEAM In-Use certification. In Sweden, Styckjunkaren 3 (S3/The Block) was awarded BREEAM-In-Use 'Very Good' in 2020.

The absolute energy and water consumption, CO₂ emissions, and waste generated at the properties illustrate the concrete environmental impact of the fund. Overall, the absolute consumption of electricity and water within the fund was similar to 2020. We saw an increase in heating, partly due to a colder and longer winter in the Nordic region, resulting in an increase of related GHG emissions.



Rankings



ABSOLUTE CONSUMPTION

	2021	2020	2019
Energy			
Electricity (MWh)	1 154	1 554	1 709
District heating & cooling (MWh)	2 445	2 085	2 122
Absolute energy intensity (MWh/m ² occupied)*	0.05	N/A	N/A
Water			
Water (m ³)	9 217	9 243	9 591

*Only properties that were under Genesta's ownership during the whole year of 2021 were included in the absolute energy intensity calculations

RENEWABLE ENERGY

	2021	2020	2019
MWh			
Renewable energy purchased (off-site)	3 563	3 603	1 709
Renewable energy produced (on-site)	N/A	0	0

Emissions

We report our Scope 2 greenhouse gas emissions using two different calculation methods as recommended by GHG Protocol and GRESB. First, the national emission factors (the location-based method) are used to provide globally comparable data, and second, the energy producers' factors (the market-based method) to be able to present the concrete emissions generated by the properties in GNRE Core Plus.

ABSOLUTE GREENHOUSE GAS EMISSIONS		2021	2020	2019
CO₂-eqv	Scope 2: Market-based CO ₂ emissions (t)	85	63	51
	Scope 2: Location-based CO ₂ emissions (t)	291	147	145
	Absolute GHG intensity (tCO ₂ -eqv/m ² occupied)*	0.002	N/A	N/A

*Only properties that were under Genesta's ownership during the whole year of 2021 were included in the absolute GHG intensity calculations

Waste

In Solåsen the tenants are responsible for managing waste generated by their own operations. Therefore, the data on waste generated at the properties is not available.

Social performance

At the end of 2021 GNRE Core Plus did not have any green leases yet, new ones are expected for 2022.

2.4 GNRE Core Plus Open-Ended

GENESTA NORDIC REAL ESTATE CORE PLUS is a fund registered in Luxemburg. The assets in the Genesta Real Estate (GNRE) Core Plus Open-Ended fund were acquired on Sep 30, 2021, the properties were built in 2013. Based on the initial due diligence process in 2021, improvement measures will be implemented from 2022 onwards.

The assets are all BREEAM-SE certified, achieving a Very Good-level certification as well as an energy efficiency rating of B.

Properties assigned to Genesta Nordic Real Estate Fund Core Plus at the end of 2021 were:

- Vattenbrunnen
- Hälsobrunnen



Vattenbrunnen and Hälsobrunnen, Stockholm

2.4.1 SUSTAINABILITY TARGETS FOR CORE PLUS OPEN-ENDED

GOALS FOR THE FUND'S LIFETIME	ACHIEVEMENTS IN 2021
Achieve five star rating within 3 years of its first submission to GRESB	Did not yet participate in the GRESB Real Estate Assessment.
Improve the overall environmental performance of the portfolio	Initiatives identified in 2021 to improve the sustainability performance of the assets include: <ul style="list-style-type: none"> Enhanced submetering of electricity and water. Potential Solar panel installation study was conducted, roof top installation is possible on one building. External wall installation study is planned for 2022. Major renovations are planned for one asset.
Certify 70 % of the properties	All assets are already BREEAM SE Industri 2013 certified, on a Very Good level.
Make buildings better and smarter: <ul style="list-style-type: none"> Follow Genesta Sustainable Construction guidelines Implement automated measurements Encourage sustainable commuting Assess and implement renewable energy options Implement indoor air quality measurements 	Initiatives identified in 2021 to improve the sustainability performance of the assets include: <ul style="list-style-type: none"> LED lighting and motion sensors added to the multilet property. E-chargers for cars installed. Air quality measurement for office spaces. Screen in the lobby of the building.
Implement Greenesta programme: <ul style="list-style-type: none"> Green leases across the portfolio Sustainability cooperation with tenants 	After offering green leases from the year 2020 onwards, tenants received their first/second green lease reports.

2.4.2 GRESB RATING

For 2021, the fund did not yet participate in the GRESB Real Estate Assessment. A participation is planned once the fund has a minimum of 4 assets for a full year. The fund's goal and objective shall be a GRESB 5-star rating or the equivalent within 3 years of its first submissions to GRESB. In addition, a EU taxonomy alignment will be considered as part of the business plan in 2022. As of now, one building has an EPC level rating C that meets the EU Taxonomy requirements. The other building has a lower, insufficient energy efficiency rating.

2.4.3 ESG PERFORMANCE

Environmental Performance

The absolute energy and water consumption, CO₂ emissions, and waste generated at the properties illustrate the concrete environmental impacts of the fund. However, due to continuous changes in the portfolio, occupancy rates and renovations, they are not descriptive for assessing development of the fund's overall sustainability performance.

ABSOLUTE CONSUMPTION		2021
Energy	Electricity (MWh)	101
	District heating & cooling (MWh)	250
Water	Water (m ³)	157

RENEWABLE ENERGY		2021
MWh	Renewable energy purchased (off-site)	328
	Renewable energy produced (on-site)	N/A

Energy Consumption: The energy consumption of our properties consists of district heating, cooling and electricity.

Emissions

We report our Scope 2 greenhouse gas emissions using two different calculation methods as recommended by GHG Protocol and GRESB. First, the national emission factors (the location-based method) are used to provide globally comparable data, and second, the energy producers' factors (the market-based method) to be able to present the concrete emissions generated by the properties in Core Plus Open-Ended.

ABSOLUTE GREENHOUSE GAS EMISSIONS		2021
CO₂-equiv	Scope 2: Market-based CO ₂ emissions (t)	1
	Scope 2: Location-based CO ₂ emissions (t)	8

APPENDIX II:
GRI Content Index

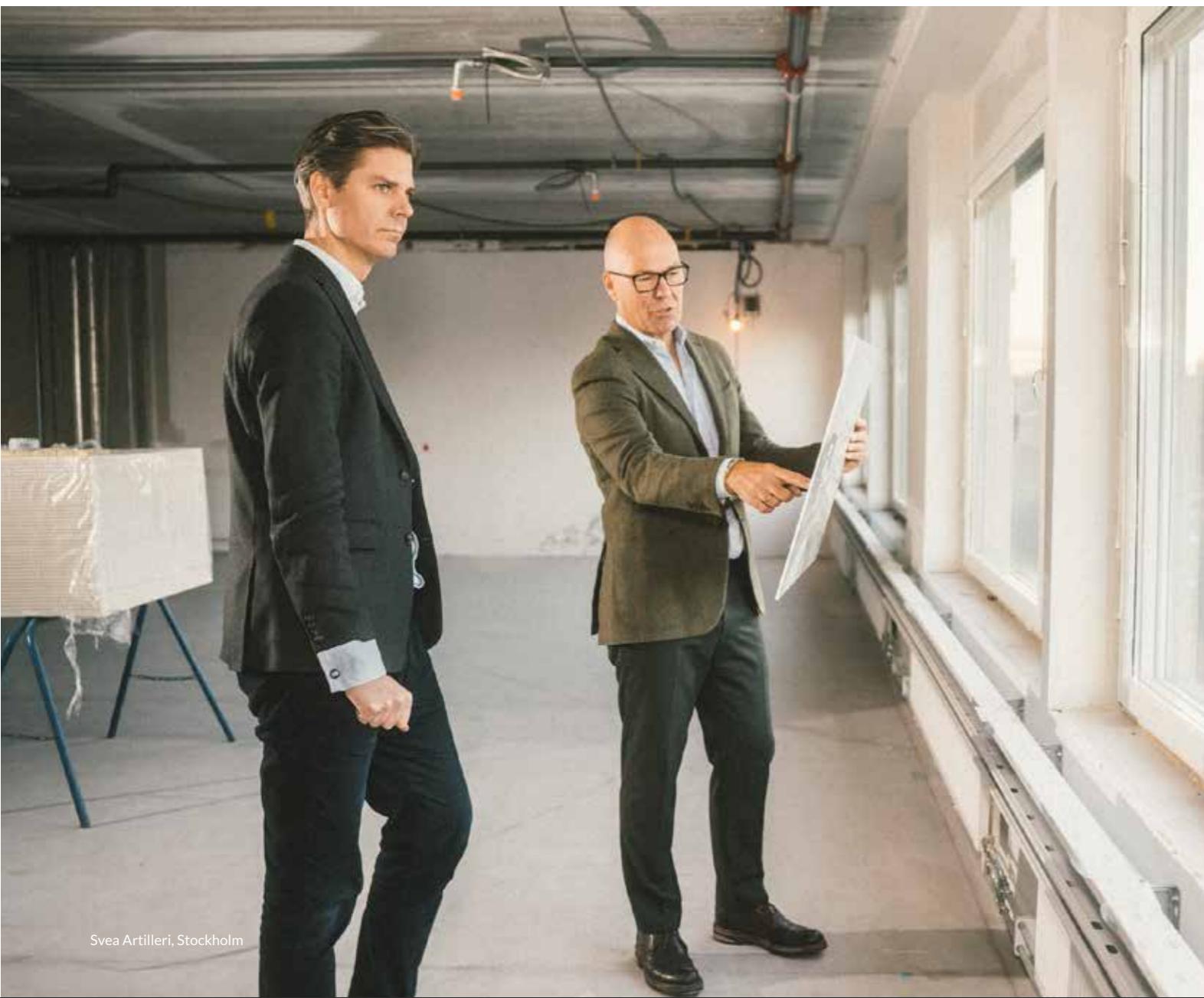
Waste

Tenants are responsible for managing waste generated from their own operations.

Data on waste generated by tenants is therefore not available.

Social Performance

At the end of 2021 GNRE Core Plus Open-Ended had 3 green leases in place.



GRI DISCLOSURE	INREV	GENERAL DISCLOSURES	PAGE	COMMENT
Organizational profile				
102-1		Name of the organization	12	
102-2		Activities, brands, products, and services	8	
102-3		Locations of headquarters	8	Stockholm, Sweden
102-4		Locations of operations	8	Nordic countries (Denmark, Finland, Norway and Sweden)
102-5		Ownership and legal form	8	
102-6		Markets served	8	
102-8		Information on employees and other workers	26-28	
102-9	ESG - LTS 1.1 R	Supply chain	30-31	
102-11		Precautionary principles or approach	13-16	
102-13		Membership of association		Please refer to our website: https://genesta.eu/investors/governance
Strategy				
102-14	ESG - LTS 1.1 R	Statement from a senior decision-maker	2-3	
102-15	ESG - LTS 1.1 R; ESG - LTS 1.2 R	Key impacts, risks, and opportunities	13-21, 24-25	
102-16		Values, principles, standards, and norms of behavior	10,13	
Governance				
102-18	ESG - LTS 1.2 R	Governance structure	12	
Stakeholder engagement				
102-40		List of stakeholder groups	30	
102-41		Collective bargaining agreements		The information is not available for the period under review
102-42		Identifying and selecting stakeholders	30	
102-43	ESG - LTS 2.1 BP	Approach to stakeholder engagement	30-31	
102-44	ESG - LTS 2.1 BP	Key topics and concerns raised	30-31	
102-45		Entities included in the consolidated financial statement		Please, see fund specific financial statements on our website: https://genesta.eu/investors/funds
102-46		Defining report content and topic boundaries	6	

GRI DISCLOSURE	INREV 2016	DISCLOSURES	PAGE	COMMENT
Reporting Practice				
102-47	ESG - LTS 1.1 R	List of material topics	6, 15-16	
102-48		Restatements of information		Restatements were marked accordingly
102-49		Changes in reporting		No changes in reporting during 2021
102-50		Reporting period		1.1.2021-31.12.2021
102-51		Date of most recent report		10.6.2021
102-52		Reporting cycle	6	Annually
102-53		Contact point for questions regarding the report	6	
102-54		Claims of reporting in accordance with the GRI standards	6	
102-55		GRI content index	57-59	

Management approach				
GRI DISCLOSURE	INREV 2016	DISCLOSURES	PAGE	COMMENT
103-2	ESG - LTS 2.1 R; ESG - ANN 1.1 (objectives)	Governance structure	12-13	

Economic				
GRI DISCLOSURE	INREV 2016	DISCLOSURES	PAGE	COMMENT
201-1		Direct economic value generated and distributed:		Please, see fund specific financial statements on our website, https://genesta.eu/investors/funds
205-1	ESG - LTS 1.2 R	Operations assessed for risks related to corruption	13	
205-2	ESG - LTS 1.2 R	Communication and training about anti-corruption policies and procedures	13	
205-3		Confirmed incidents of corruption and actions taken		No incidents of corruption in 2020.

Organizational profile				
GRI DISCLOSURE	INREV 2016	DISCLOSURES	PAGE	COMMENT
302-1		Energy consumption within the organization		The amount is not significant, therefore not reported.
302-2		Energy consumption outside of the organization	39, 46, 51, 55	
302-3		Energy intensity	39, 46, 51, 55	
302-4	ESG - ENV 1.1R	Reduction of energy consumption	39, 46, 51	
303-1	ESG - ANN 1.1, ESG - ENV 2.1	Water withdrawal by source	39, 46, 51, 55	
305-2		Energy indirect (Scope 2) GHG emissions	39, 46, 51, 55	
306-2		Waste by type and disposal method	41, 46, 52	

GRI DISCLOSURE	INREV	GENERAL DISCLOSURES	PAGE	COMMENT
Social				
401-2		Benefits provided to full time employees that are not provided to temporary or part-time employees	27	
403-2		Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities	27	
404-1		Average hours of training per year per employee	27	Total training days reported
404-3		Percentage of employees receiving regular performance and career development reviews	28	100%
405-1		Diversity of governance bodies and employees	26	





Filmstaden, Solna

FOR FURTHER INFORMATION,

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