



Genesta ESG Update

2018

Genesta ESG Update 2018 is a public disclosure of Genesta's sustainability performance in 2018. Additionally, GNRE Fund II publishes a GRI compliant annual sustainability report for its investors and participates in GRESB Real Estate Assessment.



Antinkatu 1, Helsinki



Fabianinkatu 9, Helsinki



Dronning Mauds gate 15, Oslo



Bulevardi 21, Helsinki

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Bulevardi 21, Helsinki



Mariboegate 13, Oslo



Letter from the CEO

We believe that addressing the environmental, social and governance matters of our operations in a sustainable way leads to strong returns and continuity of our business. Genesta's goal is to manage funds in an efficient and sustainable way, which increases buildings' economic value while significantly reducing their carbon footprint and improving their environmental performance. This means integrating sustainability into the whole holding period of the assets: from the acquisition phase to property development and maintenance, and finally to asset disposal.

CONCRETE ACTIONS TOWARDS SUSTAINABILITY

We want to develop our assets to be genuinely effective in terms of sustainability. Green building certificates do not only enable us to verify and communicate our sustainability performance through internationally recognized systems, but also help us to attract high-quality tenants committed to sustainability and to broaden the potential buyer base. We assess certifiability of all acquired assets and set certification



David C. Neil, CEO,
Genesta
Property Nordic AB

targets for all our funds. Our first fund, GNBRE was divested with 50 percent of the portfolio being certified. With GNRE Fund II, we have increased our target and aim to certify 70 percent of the portfolio. First steps were taken in 2018, when GNRE Fund II achieved its first green building certificates: three BREAAAM In-Use certificates on level Very Good.

Acquired assets go through a comprehensive assessment, in which we identify the most urgent and effective sustainability measures that suit that particular asset's profile and characteristics. Standard development practices that we apply on all our assets are twofold: some of them aim to promote sustainable use of the buildings, while others focus on developing assets' technical performance.

Antinkatu 1, Helsinki

Without an accurate data monitoring system, it is impossible to verify the actual impact of implemented measures. Therefore, we install automatic energy measurements in all assets as a default. Energy monitoring is both the basis and the proof of building improvement measures that aim to enhance energy efficiency and thus reduce maintenance costs and environmental impact. The key energy efficiency measures include changing to LED lighting, modern HVAC technology and smart building technologies.

Once the building's technical performance is updated and its functions are optimized, importance of user behavior increases. Our office buildings include advanced cycling facilities and electric car charges, and good locations provide an excellent public transportation network.

GREEN LEASES MAKE SUSTAINABILITY A COMMON GOAL

Sustainability of real estate business requires strong commitment from every actor. In our sustainability performance, tenants' commitment to sustainability and sustainable use of the property is a key factor. We encourage and steer our tenants' behavior at the property through active interaction and communication. Additionally, we offer a Green Lease opportunity to all our prospective tenants. We have on-going Green Lease negotiations and are hoping to finalize them in 2019.

GNRE FUND II ACHIEVED FOUR STARS IN GRESB REAL ESTATE ASSESSMENT

We are pleased to see that we are on the right track with GNRE Fund II. The strong sustainability performance of the portfolio awarded the fund a four-star rating in GRESB Real Estate Assessment in 2018. The result gives us confidence in continuing our sustainability work and we are looking forward to keeping the good level in GRESB rating also next year. Our new fund, GNRE Core Plus, will participate in the GRESB benchmark for the first time in 2019.

ACTIVE FUND MANAGEMENT AND A NEW FUND IN 2018

During 2018, GNRE Fund II expanded with four assets, two in Finland, and one in both Sweden and Denmark. Additionally, its first two projects, Antinkatu 1 and Dronning Mauds gate 15, were completed, and Hämeentie 11 will be finalized in the beginning of 2019.

We also did the first acquisitions with our new fund, GNRE Core Plus: Styckjunkaren 3 and Solåsen in Sweden. In GNRE Core Plus, the ownership periods will be longer, which gives us an opportunity to develop our sustainability measures further, as well as to focus more on sustainable building operations.

REACHING HIGHER IN 2019

We aim to improve tenant satisfaction and engagement through two initiatives that will continue in 2019. Pilots in three of our assets showed us that monitoring indoor air quality enables us to manage and improve indoor climate conditions proactively and thus offer better working spaces for our tenants. Additionally, we aim to strengthen interaction with our tenants and enhance our tenants' awareness of their sustainability performance by installing interactive screens at the assets.

Our tenants show a growing interest in reducing and recycling waste in their operations. To support them in their sustainability work, we are seeking to take a more active role by taking full ownership of waste management in all our assets. This enables us to provide vast and consistent recycling facilities to our tenants.

The feasibility assessments conducted in 2018 indicated that solar power is an economically sound investment. Therefore, we are excited to take steps towards climate-friendly energy supply by installing the first solar panels of GNRE Fund II during 2019. We will also continue assessing solar power potential of the fund's other assets.

We are looking forward to improving sustainability performance of the existing funds and acquiring assets for our third value add. With our track record we are confident to set even higher sustainability goals and follow our mission; making the existing building stock more sustainable.

Stockholm, 31 of May 2019

Genesta in Brief

Our vision is to be the preferred partner for real estate investment in the Nordics and make the existing building stock more sustainable.

Genesta is a private limited company registered in Sweden. We are an independent real estate fund and investment manager company specialized in commercial real estate in four Nordic countries: Sweden, Finland, Norway and Denmark. Genesta's investment strategy is to acquire well-located real estate assets and enhance investment returns through active asset management.

We are a vertically integrated organization where professionals use a hands-on approach to ensure the quality of Genesta's key functions – analysis, acquisitions, and fund and asset management, which are supported by corporate functions like marketing, sustainability, human resource management and best practice. Genesta's headquarters is located in Stockholm, but we also operate through our offices in Helsinki, Copenhagen and Luxembourg. At the end of the year 2018 Genesta employed 28 full-time and two part-time employees. Additionally, we have 13 in-house consultants working for different fund and asset level tasks.

The objective our fund management practices is to achieve strong 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 acquisition cycle.

GNRE FUND II
GENESTA NORDIC REAL ESTATE FUND II FCP-SIF ("GNRE Fund II") is a specialized investment fund structured as a common contractual fund¹, registered in Luxembourg and being operational since June 2015. The Fund is Genesta's second value-add fund focusing on the Nordic region.

GNRE CORE PLUS
GENESTA NORDIC REAL ESTATE CORE PLUS FCP-RAIF ("GNRE Core Plus") is a reserved alternative investment fund structures as a common contractual fund, registered in Luxembourg and being operational since June 2018. GNRE Core Plus is Genesta's third fund and its first core plus fund.

¹ FCP - Fond commun de placement



Antinkatu 1, Helsinki

Governance

Good governance is central in achieving our corporate objectives and discharging responsibilities to our stakeholders in a transparent and accountable way. Our values steer our operations and corporate culture, and our governance structure and risk management practices give us tools to achieve excellent results.

GENESTA'S VALUES ARE THE HEART OF OUR OPERATIONS, COMPANY CULTURE AND BUSINESS RELATIONS

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.
- 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. In a company of experts, 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.

BUSINESS ETHICS

We are committed to adhere to our values, corporate governance best practices, ethical business behavior and compliance with economic, social and environmental laws and regulations. We strive to prevent corruption in all its forms.

The most central policies steering our operations are Genesta’s Code of Ethics and Code of Conduct. Code of Ethics is the basis of our commitment to the highest standards of ethical behavior. Each and every person working at Genesta is expected to maintain a strong commitment to fair dealings, honesty, legality, non-discrimination and a safe environment. Code of Conduct sets the standards for dealing ethically with employees, investors, customers, regulatory bodies and the financial and wider community.

We have also implemented a Conflict of Interest (“Col”) policy which aims at minimizing the risk of clients’ and investors’ interests being prejudiced and ensuring that clients’ and investors’ interests are safeguarded in case of a conflict. The Risk Manager is responsible for the Col process, the documentation of possible conflicts of interest and internal reporting.

During the reporting period, no fines or other penalties have been imposed on Genesta, its funds or its properties for non-compliance with law and regulations with regard to business operations, marketing, or breach of environmental legislation and regulations. Genesta, its funds or its properties have not been part of legal proceedings related to restriction of competition and therefore no related actions have been taken either.

² the Commission de Surveillance du Secreteur Financier
³ Audit, Risk and Compliance Committee



Risk Management

The Management Company implements a risk management process that includes detecting, measuring, managing and following up all the risks of each new investment or material changes for existing investments in an adequate manner. The Management Company ensures that the risk profiles of the funds are relevant in light of the size, portfolio's structure, strategies and investment objectives of the particular fund, as provided for, among other things, in the Issuing Document and in compliance with all relevant laws and CSSF² circulars (e.g. SIF law of 2007, RAIF law of 2016 and the AIFMD law of 2013 Law and the Circular of September 2018 amongst others).

The ARCC³ is responsible for reviewing, and reporting to the Fund Board, the internal control and risk management systems of the Management Company and assessing the information presented by management. In addition, the ARCC regularly assesses whether Management Company’s compliance plan, internal financial control systems, risk management policies and risk management systems are adequate.

The Management Company’s Risk and Compliance Manager is responsible for daily risk and compliance processes across the business and monitors the efficiency of the management company’s risk management framework on an ongoing basis with review of Key Risk Indicators performed on a quarterly to annual basis. The aim is to ensure that appropriate procedures, staff education and reporting arrangements are in place to support the risk management framework.

Sustainable Business

A sustainability approach is integrated into our operations with a dedicated team of five part-time consultants led by Genesta’s CEO.

A sustainability approach is integrated into our operations with a dedicated team of five part-time consultants led by Genesta’s CEO. The ESG team’s most important goal is to help the funds to safeguard investors’ interests, set its strategy, form targets and implement required changes both at the portfolio-level and at the assets. The ESG practices are supported by Genesta’s guidelines, policies and established practices that secure quality, manage risks and give directions and guidance on responsible and ethical business.

GENESTA’S SUSTAINABLE CONSTRUCTION GUIDE defines our standard sustainability improvements on assets level. The guide provides hands-on guidance to our construction team on how to fulfill our sustainability policies and targets.



Our sustainability priorities steer our work and are incorporated into our business strategy. These priorities are based on active interaction with our stakeholders. These priorities are the basis of the funds practical sustainability targets.

| | |
|--|---|
| | ECONOMIC RESPONSIBILITY AND GOVERNANCE |
| 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 | 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 H&S risk assessments are carried out periodically on fund properties. |
| | ENVIRONMENTAL RESPONSIBILITY |
| Improving energy efficiency at the properties | Managing, measuring and improving the energy efficiency of fund properties is our key, long-term sustainability objective. |
| 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 to give feedback to tenants about their sustainability performance and thereby helping them to proceed. Our target is to have automated energy and waste metering in all new assets. |
| | SOCIAL RESPONSIBILITY |
| Health, 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. |
| Wellbeing of tenants | 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. |

Stakeholder Engagement

Genesta’s and the funds’ stakeholders are those individuals, groups of individuals and organizations that can affect Genesta’s business and/or could be affected by their activities and decisions. Stakeholder engagement is a process to engage relevant stakeholders as part of a clear purpose to achieve accepted outcomes. We strive to meet our stakeholders in accordance with our values and we aim for active and open dialogue with them.

We identify various internal and external stakeholder groups of Genesta and the funds with formal or informal relationships. The relationships may be characterized by attributes of dependency, responsibility and/or influence. Key stakeholders are employees, tenants, investors, business partners and industry associations. The following table summarizes our stakeholder groups and the engagement level.

| STAKEHOLDER GROUP | ENGAGEMENT ORGANIZATIONAL LEVEL | ENGAGEMENT PROJECT OR ASSET LEVEL |
|--------------------------------|---------------------------------|-----------------------------------|
| Investors | x | — |
| Employees | x | — |
| Tenants and building occupiers | — | x |
| Suppliers ⁴ | x | x |
| Authorities | x | x |
| Banks and creditors | x | x |
| Industry associations | x | — |
| Educational institutes | x | — |
| Media | x | x |

⁴Property managers, project managers, contractors, accountants, consultants and other service providers.

TENANTS AND BUILDING OCCUPIERS

We continuously work towards improved tenant satisfaction and aim to understand our tenants’ needs better. Our aim is to engage tenants with the funds’ sustainability work, increase awareness about the sustainable operation of premises and how we can support tenants’ own sustainability work by providing high-quality, sustainable business premises, share information and mutually improve sustainability performance.

SUPPLY CHAIN

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.

INDUSTRY ASSOCIATIONS AND SOCIETY

Being an active member of the fund and investment management is an important part of our sustainability work. Active membership of domestic and international associations and initiatives, open interaction with stakeholders, and participating in events are our main tools to develop the industry towards sustainability, transparency and fair dealings. Genesta is a member of the following associations and initiatives:



Position in the Reporting Committee



Fellow: Allan Strand Olesen



The Finnish Association of Building Owners and Construction Clients



Danish Property Federation Appointed Delegate



IPD/MSCI Property Indices



Genesta as an Employer

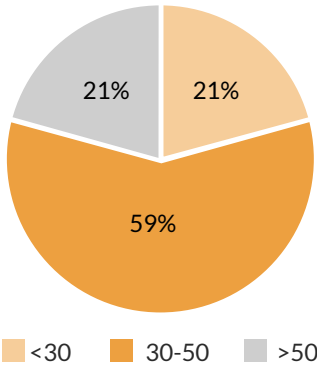
At Genesta every person makes a difference. We encourage diversity, equal opportunities and continuous professional development.

We believe that a diverse and engaging environment inspires people to reach their highest potential, ignites real teamwork and enhances job satisfaction of employees. We have an employee and management manual that covers sustainability, business ethics, values, diversity, community involvement and health and safety. This manual contains the overriding objective of increasing the percentage of women in leadership positions, and promotion of a culture that values diversity, inclusion and flexibility.

The employees working for the fund are employed by Genesta. Employees are all white collars and hired through formal contracts in accordance with national employment laws and labor regulations. In the end of 2018, Genesta’s personnel totaled of 28 full-time and 2 part-time employees, and 13 in-house consultants as follows:

| | EMPLOYEES | | IN-HOUSE CONSULTANTS | | TOTAL | | |
|------------|-----------|------|----------------------|------|--------|------|--|
| | female | male | female | male | female | male | |
| Sweden | 2 | 15 | 3 | 4 | 5 | 19 | |
| Finland | 5 | 5 | 3 | 1 | 8 | 6 | |
| Denmark | 0 | 1 | 0 | 0 | 0 | 1 | |
| Luxembourg | 1 | 1 | 1 | 0 | 2 | 1 | |
| TOTAL | 8 | 22 | 7 | 5 | 15 | 27 | |

AGE DISTRIBUTION AMONG EMPLOYEES
(consultants excluded)



We consider job satisfaction as one of the most important factors in achieving good results and success. The response rates of the annual survey have been traditionally high, being 93 percent in 2018, and therefore we believe that the results give a credible picture of Genesta’s employee satisfaction. The actions based on the survey results will be discussed and decided in the beginning of 2019.

72 percent of our employees were satisfied or very satisfied with Genesta. We are especially happy that 93 percent of the employees believe that the atmosphere and language at Genesta suit everyone regardless of gender, religion or ethnicity.

Career and performance evaluation discussions, so-called Value Creating Discussions (VCDs) were conducted with each employee in 2018. VCDs offer a confidential environment to discuss employees’ future career plans and receive feedback.

Full-time employees are also offered a health maintenance program with a corresponding value of EUR 400 per person annually. The health maintenance program aims to support and provide an incentive to our employees to take part in sports activities. Depending on a person’s tasks, phone, lunch and car benefits with diverse monetary values are offered. Employees in Sweden, Finland and Luxemburg are also covered by complementary health insurance. Flexible working hours apply to all employees, and remote working is enabled.

We want employees to be able to develop and grow within the company. We encourage initiative and support employees to further develop their professional skills. Once a year, we have an internal training session held over two to four days themed with changing topics.

KEY NUMBERS IN HUMAN RESOURCE MANAGEMENT

| | |
|------------------------------|------------------------------|
| Employees | 30 + 13 external consultants |
| Absence days due to sickness | 157 |
| Training days | 73 |
| Injuries | 0 |

GNRE Core Plus

At the end of 2018, GNRE Core Plus’ portfolio consisted of two properties in Sweden. The sustainability and health and safety performance of the fund will be managed through the goals that will be set during 2019.

| PROPERTY | LOCATION | ASSET TYPE | GROSS AREA | ACQUIRED |
|-----------------|-------------------|-----------------|------------|----------|
| Styckjunkaren 3 | Stockholm, Sweden | Office | 13,483 | 7/2018 |
| Solåsen Handel | Jönköping, Sweden | Shopping center | 35,188 | 6/2018 |

As the fund’s year of inception is 2018 and its first assets were acquired in the middle of the year, comprehensive consumption data for the fund is not available for the reporting period of this report. Therefore, the fund did not participate in the GRESB Real Estate Assessment nor publish a sustainability report that aligns with GRI framework in 2018.





GNRE Fund II

At the end of 2018, GNRE Fund II's portfolio consisted of eleven properties: five office buildings and one logistics property in Finland, two office buildings in Norway, one office building in Denmark, one retail park and one office building in Sweden.

The sustainability and health and safety performance of the fund is managed through the goals set based on Genesta's sustainability priorities. The progress of the fund's performance is managed and monitored both on the asset and the portfolio level.

The attainment of environmental certifications enables us to attract tenants committed to sustainability, broaden the potential buyer base, and communicate our sustainability achievements through internationally recognized and proven systems.

GOALS FOR THE FUND'S LIFETIME

GRESB REA Four stars

Improve overall environmental performance of the portfolio:

- Reduce energy consumption by 10% (kWh/m²_{occupied})
- Reduce greenhouse gas emissions by 15% (kWh/m²_{occupied})
- Reduce water consumption by 5% (kWh/m²_{occupied})
- Recycle 50% of the waste produced

Certify 70 percent of the buildings

- Assess certifiability of all assets

Make buildings better and smarter

- Follow Genesta Sustainable Construction guidelines
- Improve energy efficiency
- Automated measurements
- Encouraging sustainable transportation
- Assess renewable energy options
- Indoor air quality measurements

Engaging stakeholders

- Regular meetings
- Tenant satisfaction surveys
- Green Leases

ACHIEVEMENTS 2018

Four stars achieved in GRESB REA 2018

Range of methods improving the environmental performance of our properties are applied continuously throughout the fund.

3 BREEAM In-Use certificates on level "Very good" achieved (27% of the portfolio).

Certifiability of Svea Artilleri 11 was assessed.

Ongoing in all construction projects.

Solar panel feasibility studies:

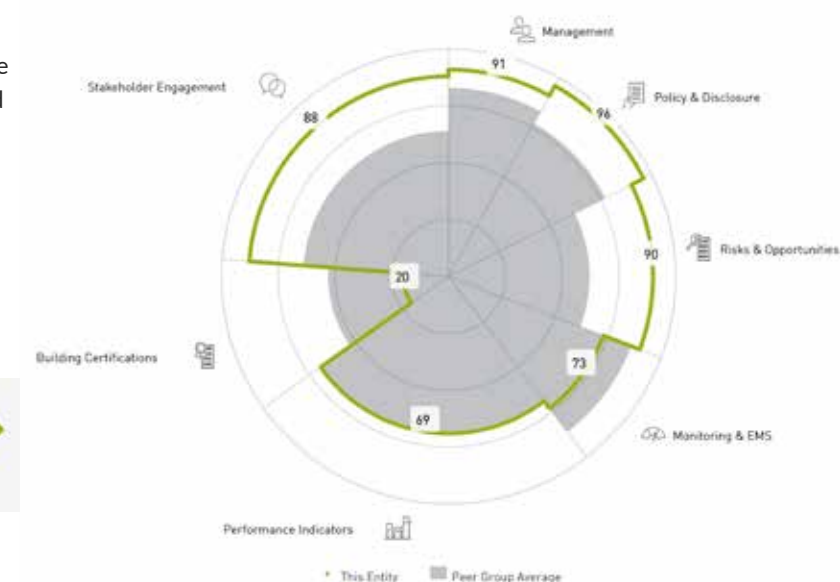
- Arninge Centrum
- Juvan Teollisuuskatu 25 (see page 24)

Indoor air quality measurements implemented in one asset. Expanding in 2019.

Tenant satisfaction survey conducted in the assets in Finland. Other countries planned for the beginning of 2019. The overall satisfaction rate for the assets in Finland was 3.64/5.

Green Lease negotiations started in the assets in Sweden, but no commitments achieved.

In 2018, the Fund participated GRESB Real Estate Assessment for the third time. The Fund achieved its target, four stars, and was second in its peer group. Participating in GRESB REA is not only a tool to follow the progress of our sustainability work but it also gives us valuable insights on material issues and development areas that we may need to focus on.





ANTINKATU 1 Helsinki, Finland
Asset type: Office | Area: 11,200 | Acquired: 12/2015



BULEVARDI 21 Helsinki, Finland
Asset type: Office | Area: 10,100 | Acquired: 12/2015



HÄMEENTIE 11 Helsinki, Finland
Asset type: Office | Area: 9,900 | Acquired: 1/2017



JUVAN TEOLLISUUSKATU 25 Espoo, Finland
Asset type: Logistics | Area: 68,500 | Acquired: 1/2018



DRONNING MAUDS GTATE 15 Norway, Oslo
Asset type: Office | Area: 8,300 | Acquired: 4/2016



FABIANINKATU 9 Helsinki, Finland
Asset type: Office | Area: 7,700 | Acquired: 7/2016



PORKKALANKATU 3 Helsinki, Finland
Asset type: Office | Area: 15,600 | Acquired: 7/2018



SVEA ARTILLERI 11 Stockholm, Sweden
Asset type: Office | Area: 12,800 | Acquired: 6/2018



ARNINGS CENTRUM Sweden, Täby
Asset type: Retail | Area: 20,500 | Acquired: 9/2017



MARIBOES GATE 13 Norway, Oslo
Asset type: Logistics | Area: 14,000 | Acquired: 6/2017



KALVEBOD BRYGGE 32 Copenhagen, Denmark
Asset type: Office | Area: 30,800 | Acquired: 2/2018

Smart and Sustainable Asset Management

Dronning Mauds gate 15 and Antinkatu 1 were the first completed assets of the GNRE Fund II in the end of 2018.

Both Antinkatu 1 and Dronning Mauds gate 15 have gone through tangible sustainability upgrades; both were extensively renovated to improve their energy efficiency and reduce their carbon emissions.

Both buildings have e-car chargers and bicycle facilities installed, promoting sustainable commuting options for the occupiers. The buildings were made smarter and better by implementing LED lighting and smart controls, water saving fixtures and efficient waste recycling facilities. In the light of

numbers, these improvements are not easy to verify due to short holding period after renovations were completed and due to increased number of building users.

During our ownership, both the occupancy rate and efficiency of space utilization of Antinkatu improved significantly, which causes relative increase in the intensity rate based on occupied square meter. Both buildings also now have gyms which explains the increase in water consumption and emphasizes the importance of water saving fixtures.



Ted Söderlund, head of our Investment Management Team, tells about tenant engagement in Dronning Mauds gate 15:

“We strive to get enthusiastic engagement by tenants to help reduce the buildings overall environmental footprint. Dronning Mauds gate 15 was the first asset where we successfully negotiated Green Leases with our tenants. The biggest tenants in the building were eager to commit to our Sustainable Leasing principles to reduce their own environmental impact and work together towards more sustainable future.





Dronning Mauds gate 15 provided great facilities for sustainable operations after we implemented our sustainable construction guide and the building was equipped and ready to support the tenants in sustainable commuting, waste recycling and energy saving.”



DRONNING MAUDS GATE 15

- BREAM In-Use: Very Good
- Cycling facilities
- E-car charging
- Smart and energy efficient solutions
- Green electricity
- Automated measurements
- Green Leases

Changes of the energy consumption during our ownership:

| kWh/m2 occupied in Q4 | | | |
|---|----------------------|---------------|------|
|  | Heating (normalized) | 17.3 → 11.0 | -36% |
|  | Electricity | 68.4 → 49.2 | -28% |
| m3/m2 occupied in Q4 | | | |
|  | Water | 0.061 → 0.095 | 55% |
| kg CO2 occupied in Q4 | | | |
|  | CO2 | 0.79 → 0.55 | -30% |

Anna Pihlajaniemi, one of our Investment Managers, talks about Antinkatu with passion and pride:

“When we first visited Antinkatu, the building was occupied by governmental organizations and it was not well maintained. In addition to renovating majority of the spaces for new tenants, we implemented Genesta’s sustainable construction guide and renewed all heating & ventilation related equipment with energy efficient options, replaced old fluorescent lights with LED technique & smart sensors and invested into water saving fixtures. We installed e-car chargers and proper biking facilities to promote green commuting options.

The construction works were still ongoing during 2018, so we can’t see the full impact of our measures in the annual statistics but taking a sneak a peek into the figures from the new owner, I can see our efforts are starting to show in energy savings. Furthermore, our hard work was paid off as Antinkatu was awarded with BREEAM In Use “Very Good”-certification.





I’m very happy to say that we achieved all our goals with Antinkatu; we turned a governmental under managed building into a fully let commercial and more sustainable office building and succeeded in creating new homes to many excellent tenants.”



ANTINKATU 1

- BREAM In-Use: Very Good
- Cycling facilities
- E-car charging
- Smart and energy efficient solutions
- Increased number of users
- Green electricity
- Automated measurements

Changes of the energy consumption during our ownership:

| kWh/m2 occupied in Q4 | | | |
|---|----------------------|---------------|------|
|  | Heating (normalized) | 44.6 → 46.7 | 5% |
|  | Electricity | 21.4 → 20.8 | -3% |
| m3/m2 occupied in Q4 | | | |
|  | Water | 0.065 → 0.123 | 211% |
| kg CO2 occupied in Q4 | | | |
|  | CO2 | 12.0 → 12.4 | 3.1% |



ON-GOING PROJECTS

SOLAR PANELS TO JUVAN TEOLLISUUSKATU 25

Solar panel feasibility at Juvan Teollisuuskatu 25 logistics center was assessed and the results encouraged us to move forward with implementation. Project will continue during 2019. We are looking to produce approximately 270 MWh annually and reduce carbon emissions by 60 tons.

MARIBOES GATE 13 RENEWABLE ENERGY PILOT

On Mariboes gate 13 we did a small-scale solar power pilot with ten panels. Panels will produce annually approximately 2 MWh.

HÄMEENTIE 11 GREEN BUILDING CERTIFICATION

Hämeentie 11 renovation was nearly completed during 2018, the building went through extensive renovation to improve energy efficiency. The building was certified with BREEAM In Use achieving level Very Good, performing especially well in the categories waste, pollution, energy and transportation.

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 sustainability performance.

Absolute consumption of the Fund’s full portfolio.

| ABSOLUTE PERFORMANCE | | 2016 | 2017 | 2018 |
|----------------------|---|--------|--------|-----------------|
| Portfolio | Number of assets | 4 | 7 | 11 ⁵ |
| | Gross floor area (m²) | 25,177 | 55,371 | 240,670 |
| Energy | Electricity (MWh) | 3,920 | 4,424 | 11,411 |
| | District heating & cooling (MWh) | 3,408 | 4,255 | 14,795 |
| | Total energy consumption (MWh) | 7,327 | 8,679 | 26,206 |
| Water | Water consumption (m3) | 5,733 | 15,316 | 23,398 |
| Waste | Hazardous waste (t) | 10 | 1 | 8,1 |
| | Total weight of non-hazardous waste (t) | 312 | 260 | 335 |
| | Landfill (%) | 2% | 4% | 1% |
| | Diverted - waste to energy (%) | 59% | 58% | 67% |
| | Diverted - recycled (%) | 39% | 38% | 33% |

ABSOLUTE CO₂ EMISSIONS

| | | 2016 | 2017 | 2018 |
|-----------------|-----------------------|--------|--------|---------|
| Portfolio | Number of assets | 4 | 7 | 11 |
| | Gross floor area (m²) | 25,177 | 55,371 | 240,670 |
| CO ₂ | CO2 emissions (t) | 1,580 | 1,810 | 4,661 |
| | Offsets purchased (t) | N/a | N/a | 785 |

Like-for-like data enables comparison of the performance between years. We report in line with GRESB’s 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 renovation⁶ during the reporting period (2017-2018). Our business model with short holding periods of the assets explains the small number of assets included in the like-for-like comparison. Currently only Dronning Mauds gate 15 complies with GRESB definition for like-for-like reporting.

ABSOLUTE LIKE-FOR-LIKE PERFORMANCE ⁷

| | | 2016 | 2017 | 2018 |
|--------|---|-------|-------|-------|
| Energy | Number of assets | 1 | 1 | 1 |
| | Electricity (MWh) | 1,856 | 1,843 | 1,960 |
| | District heating (MWh, normalized) | 281 | 311 | 299 |
| Water | Water consumption (m³) | 1,811 | 2,391 | 3,404 |
| Waste | Total weight of non-hazardous waste (t) | 34 | 19 | 20 |

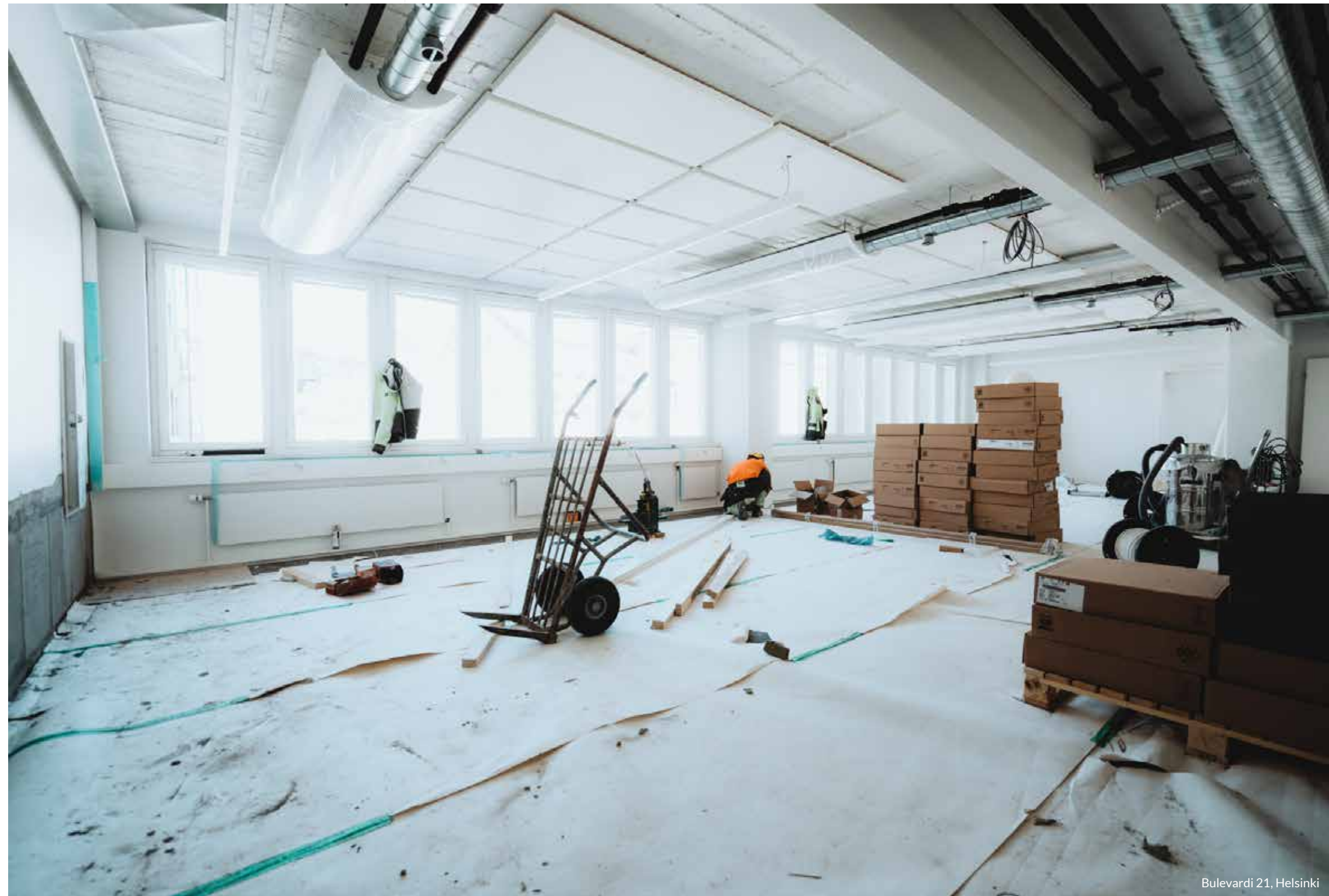
⁵ Energy consumption of Kalvebod Brygge 32 is not monitored due to major renovation.
⁶ Renovations and changes that affect more than 50 percent of the total building floor area or cause relocation of more than 50 percent of building occupants.

⁷ As per GRESB criteria, like for like data is available for only one asset of the portfolio, Dronning Mauds gate 15.

Health and Safety

We uphold the principle of zero injuries. No business or activity is so important that it will be pursued at the expense of health and safety of our employees, tenants' employees and guests, service providers, and the communities surrounding our operations and environment.

In 2018, health and safety management at asset level was advanced further with the preparation of tenant information request forms. The aim of the form is to request data from tenants in advance of the annual evacuation drill that could be relevant for the improvement of the emergency action plan of the property. The information request forms are distributed at a preliminary information session which also serves to provide tenants with general information and guidance on HS issues. We carried out a total of 171 health and safety improvements/corrective actions the properties belonging to the Fund.



Bulevardi 21, Helsinki



FOR FURTHER INFORMATION,

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