



**Genesta Annual
Sustainability Report**

**20
20**

A Year to be remembered

The year 2020 will be remember. Covid -19 has shown that we must be agile and ready to adapt to the new situations. Covid-19 has been a powerful factor in changing our way of working, forcing us to modify our daily habits and reminded us to focus on the most important fact, the safety of people. Especially during the crisis, close communication with our tenants and customer orientation have been emphasized. At Genesta, personalized service has always played a vital role. Caring for tenants, sharing expertise, and tailoring facilities are the cornerstones of our operations – regardless of the market situation.

Focus on sustainability and communication

In the upcoming years, we want to continue developing our sustainability work. One of the sustainability highlights of the year 2020 was achieving the highest possible rating of 5 Stars for GNRE Fund II, from the Global Real Estate Sustainability Benchmark (GRESB). The result was achieved through first class teamwork.

Besides being and acting sustainable the importance of sustainability reporting is growing. The EU has introduced regulation on sustainability-related disclosures in the financial service sector (2019/2088) which applies from March 2021. The regulation sets new obligations to the financial market participants on reporting about the sustainability risks and the negative impacts of investment decisions on sustainability. This increases the transparency of sustainable investment products and prevents greenwashing.

In 2021 we will continue to improve the sustainability performance of our funds by developing our sustainability



David C. Neil,
CEO, Genesta

work, carrying out energy efficiency measures, engaging with tenants and developing climate resilience of the funds.

Commitment to UN Global Compact

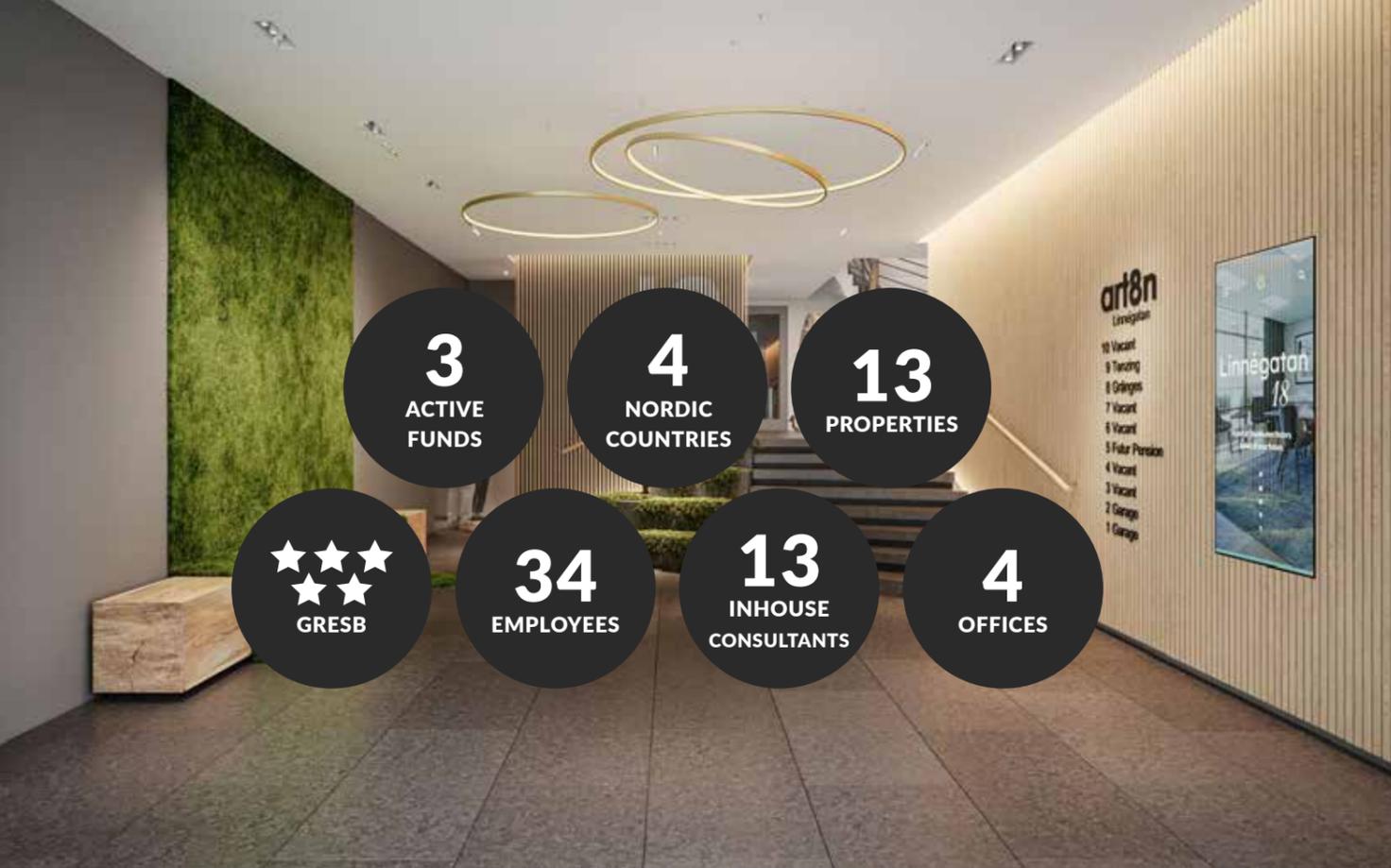
I am proud to announce that we have signed the United Nations Global Compact, a voluntary Corporate Responsibility initiative. This sustainability report includes our UN Global Compact report. In the report, we describe our actions to continuously improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.



David C. Neil

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Genesta's Values Are at the Heart of our Operations

They describe what we stand for, how we work and how we are seen externally. 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.

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 headquarters is located in Stockholm, but we operate also locally through our offices in Helsinki, Copenhagen and Luxembourg. Our 34 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 6 inhouse consultants.

The objective of our fund management practices is to achieve strong returns in a sustainable manner. We invest in well-located real estate assets and enhance investment returns through active asset management. In the end of 2020, we managed three real estate funds: an operational value-add fund (GNRE Fund II), an operational core plus fund (GNRE Core Plus) and a value-add fund (GNRE Fund III). In total, 12 properties were managed through these funds in the end of 2020.

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.

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.

Genesta Governance

Genesta's governance and management of operation is executed through two companies, Genesta Property Nordic AB and Genesta Nordic. 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 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.

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. Genest's values and Code of Conduct act as basis for our governance structure and work. In addition, our sustainability work is guided with following policies and principles:

- ❓ Genesta's Code of Conduct
- ❓ Best Execution Policy
- ❓ Transparency Policy
- ❓ Conflict of Interest Policy
- ❓ Fraud and Corruption Management Policy
- ❓ Fund-specific ESG targets
- ❓ Responsible investment policy

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.



Juvanmalmi Logistics Centre

Our Sustainability Approach

Climate change is one of the most urgent global challenges and the built environment is responsible for a significant share of global energy consumption and greenhouse gas emissions. Therefore we, as an actor in the real estate industry, have an important role in the transition towards a low-carbon future.

Responsible and sustainable operation is a bases 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.

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ECONOMIC	ENVIRONMENTAL	SOCIAL
Business ethics, integrity and transparency	Improving energy efficiency at the properties	Health and safety of tenants and property users
Risk assessment and risk management	Environmental awareness of tenants, suppliers and service providers	Wellbeing of employees
	Providing tenants with feedback data on waste recycling, energy and water consumption	Wellbeing of tenants

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



Genesta Office, Helsinki - Photo: Eino Ansio

In 2020 we have set our sustainability targets based on the identified priorities. These targets are set for each of the aspects (economic, environmental, social). The targets concern the whole company and they help us to focus our sustainability work.

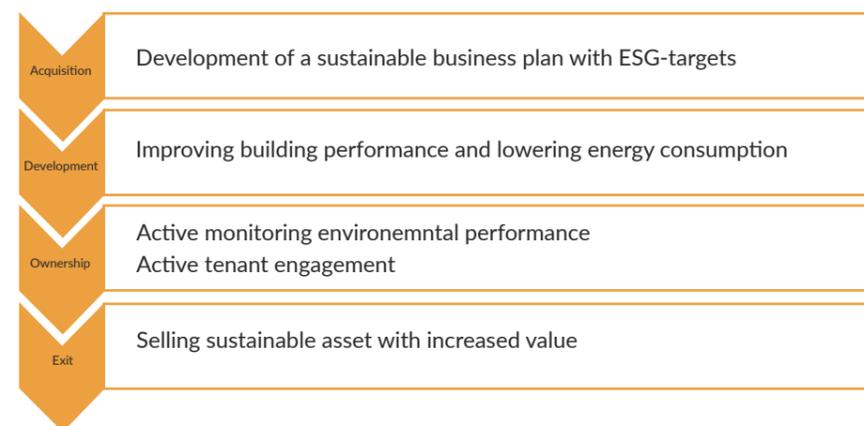
ASPECT AND TARGETS	PROGRESS
<p>Economic</p> <ul style="list-style-type: none"> Publish a Responsible Investment Policy Become a PRI signatory 	<ul style="list-style-type: none"> We published our Responsible Investment Policy in May 2020 We became a signatory of the UN Principles for Responsible Investment (UN PRI) in March 2020
<p>Environmental</p> <ul style="list-style-type: none"> UN Global Compact To commit to support the UN Sustainable Development Goals (SDGs) To improve the scores in GRESB 	<ul style="list-style-type: none"> We became a participant of the UN Global Compact in December 2020 We have recognised the SDG goals that are most material or our operations. We continue the work to define company level targets GNRE Fund II achieved 5 stars in the GRESB Real Estate Assessment
<p>Social</p> <ul style="list-style-type: none"> Conduct an employee satisfaction survey Conduct development discussions A zero accidents policy 	<ul style="list-style-type: none"> An employee satisfaction survey was carried out in 2020 100 % of our employees have a development discussion Genesta's own employees: 0 accidents, Tenants: 1 accident, Contractors: 3 accidents

Responsible Investment

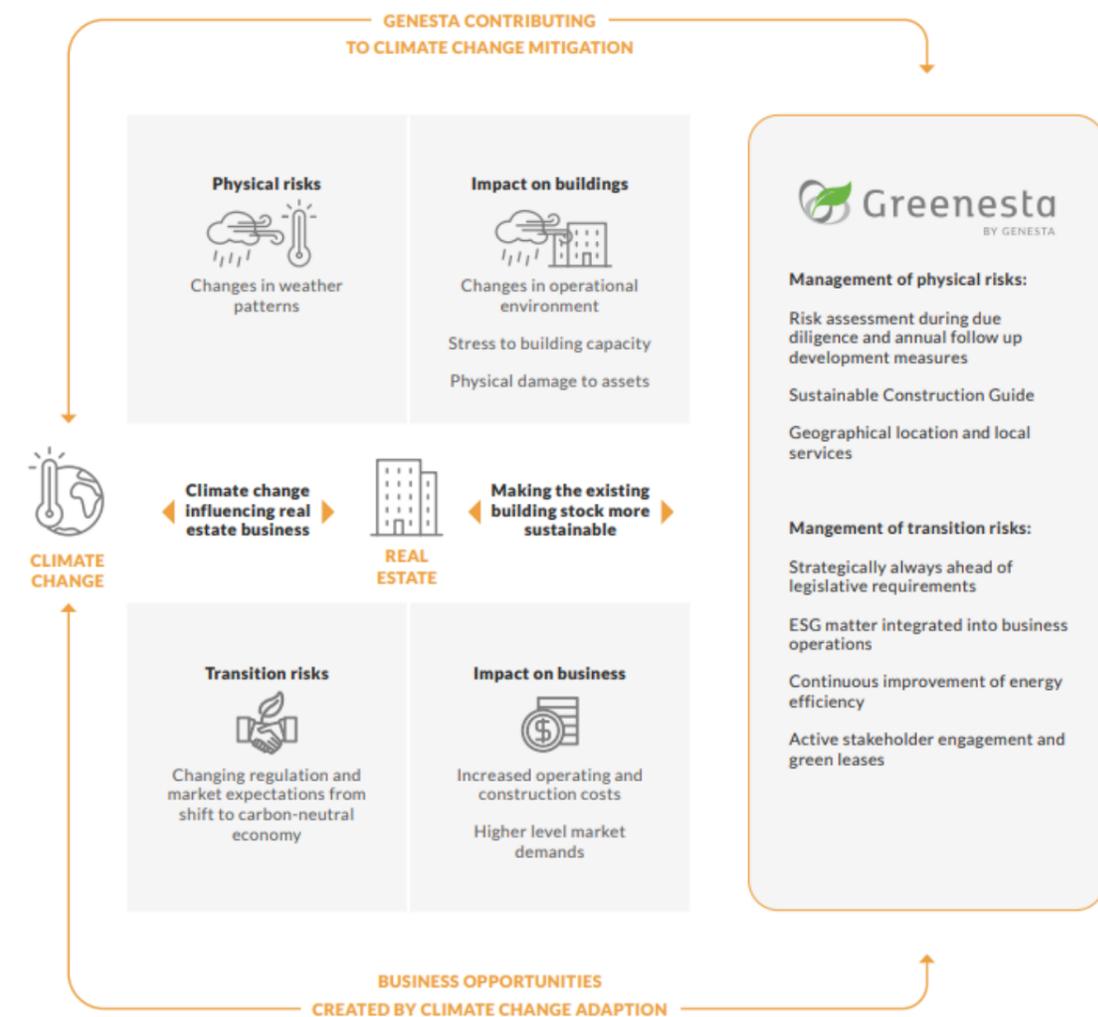
The objective of Genesta's fund management practices is to achieve strong risk adjusted returns in a sustainable manner. The key elements in reaching this are sound and responsible investment and management processes, and strong governance through the entire lifecycle of an investment.

In May 2020 we published Genesta's Responsible Investment Policy. The policy reflects our holistic approach on 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.

We include ESG-aspects into each investment process and the investments go through a comprehensive due diligence process. The due diligence process includes evaluation of technical and environmental performance in order to identify the key development areas and ESG-related risks. Investments are managed according to the investment cycle which is described in our Responsible Investment Policy.



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 taking into account 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.



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. Therefore, it is essential to analyse gaps and weaknesses in the ESG performance to recognize the development potential.

We became as signatory to the UN Principles for Responsible Investment (PRI) in March 2020 and are committed to the six principles reflecting responsible investment practices. We will annually report to PRI on sustainability in our investment process and our development regarding the responsible investment approach.

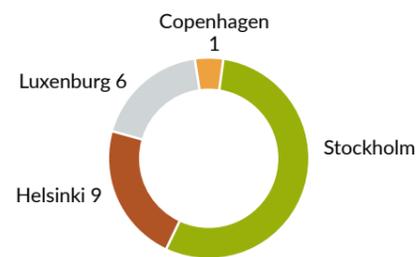
Genesta as an Employer

Genesta wants to be a responsible employer. Our employees are the most important resource and a key 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. The 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.

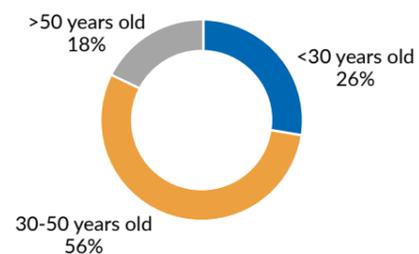
In 2020 Genesta had 31 full-time and 3 part time employees working in Sweden, Finland, Copenhagen and Luxembourg.

EMPLOYEES, GEOGRAPHICAL DISTRIBUTION



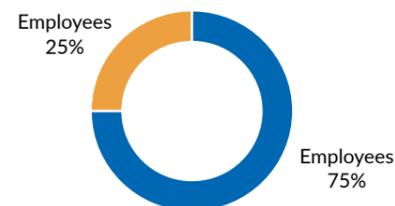
Includes full time and part time employees, and inhouse consultants.

AGE DISTRIBUTION



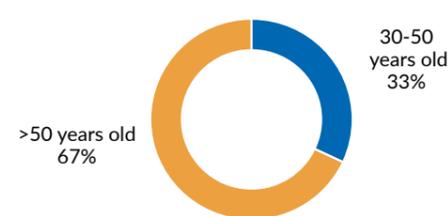
Includes only Genesta's own full and part time employees.

EMPLOYEES



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

DIVERSITY OF THE BOARD



Board of genesta Nordic Capital Fund Management A.A.R.L consist of 5 men and 1 female.

Supporting our Employees' Health and Well-being

Genesta invest 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.

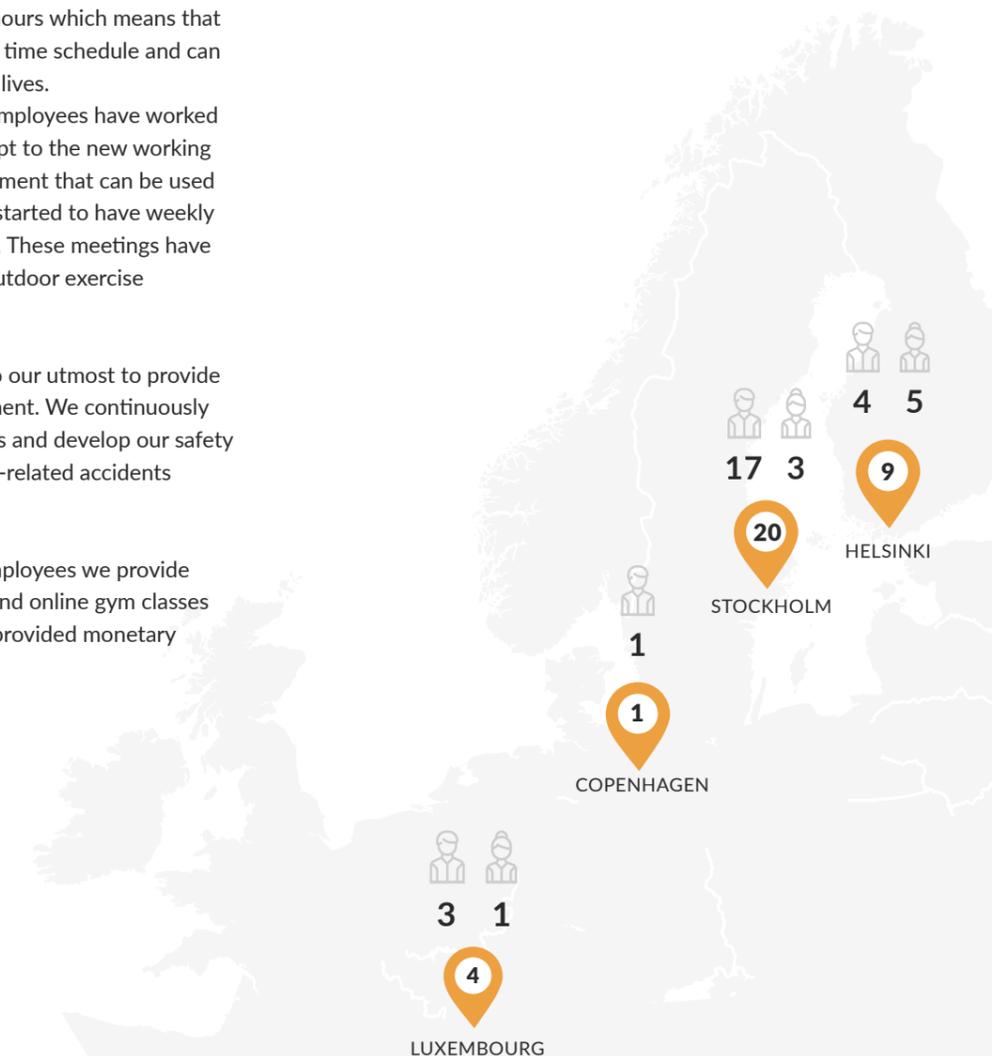
We want to provide a modern and attractive working environment. We believe that when employees can influence their own day and duties, they are more satisfied and efficient. We provide flexible working hours which means that employees have control over their own time schedule and can more easily balance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

In 2020 due to Covid-19 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 started to have 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 2020 there were no work-related accidents among Genesta's employees.

To improve 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
2018	79	157	0
2019	88	99	0
2020	82	43	0



Taking care of Employee Satisfaction

Employee satisfaction is one of the most important. We monitor employee satisfaction yearly to find out our employees' opinions and learn what are the most important things for them. The survey is an important tool to help us to develop our activities and identify improvement areas.

The annual employee survey was carried out in the end of the year 2020. As previous year the response rate was 100 %. 63 % of the respondents were satisfied (very satisfied or quite satisfied) with their employment, which is somewhat lower compared to the last year (81 %). The COVID-19 pandemic has supposedly affected the results. Even though the employees were happy with flow information during the corona period and most of the employees (67 %) had good experience working from home, 13 % 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 3,97 (3,94 in 2019). 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 whole personnel. Action plans and goals are set in the teams and their progress is followed regularly. Based on the employer survey results from 2019, in 2020 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.



Nap Pod in the Genesta office, Helsinki - Photo: Eino Ansio

Health and Safety as a Top Priority

We have a zero-accident policy 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 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 situation preparedness. Due to the COVID-19 some of the visits were done virtually and emergency practices were postponed.

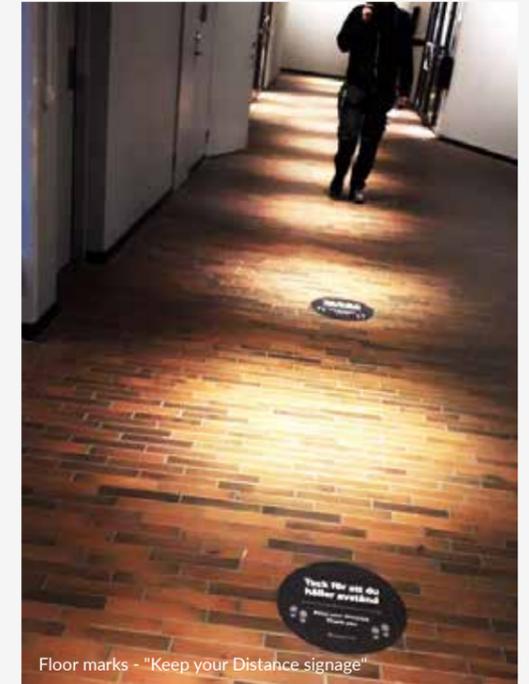
The number of improvements, accidents and near-misses are followed and reported to the management team. In 2020 we implemented totally of 76 health and safety improvements. During the year 2020 four (4) accidents occurred and four (4) near- miss cases were reported.

To increase our tenants' health and safety we have installed a defibrillator in all our buildings located in Finland and Sweden. A defibrillator is a device used in the treatment of a patient in cardiac arrest.

The defibrillators are located in lobbies within easy access. The defibrillators are publicly registered, so that they are easy to find in emergency.

In 2020 we concentrated on doing our best in the fight against Covid-19. We have set instruction signs and infographics in all the public areas in our properties. Masks and hand sanitizers were shared for Genesta's employees and remote working was favoured.

We have set clear instructions on construction sites how to prevent the spread of the Covid-19. We have been successful in this since there were only a few Covid-19 cases reported and no further infections.



Floor marks - "Keep your Distance signage"



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 2020 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 and expectations. The stakeholder analysis is done internally.



STAKEHOLDER	DESCRIPTION	OUR ACTIONS
SHAREHOLDERS	Shareholders	<ul style="list-style-type: none"> • Annual meetings • Quarterly results
CUSTOMERS	Tenants and building occupants	<ul style="list-style-type: none"> • Close communication with customers • Increase customers environmental awareness and sustainable operations of the premises • Fair and predictable pricing
EMPLOYEES	33 employees in Sweden and in Finland	<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"> • Fair business
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.

Taking Care of our Customers

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 dialog with them.

We regularly monitor overall tenant satisfaction and plan actions accordingly. In 2020 we conducted a tenant satisfaction survey with KTI Property Information Ltd. The average response rate was 73 % and the total satisfaction rate was 3,54 out of 5. The result was slightly higher compared to the last years' result (3,47). In the survey also sustainability related questions were asked: The question about how important sustainability aspects are to your company when making decisions regarding premises scored 4,1 out of 5. The question about the Satisfaction regarding landlord's current sustainability, performance scored 3,6 out of 5.

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 have a zero accidents policy and do our utmost to provide health and safety environment for our tenants. We continuously evaluate health and safety of our premises and do corrective actions as soon as deficiencies are detected. In 2020 4 accidents and 4 near miss cases were reported.

In 2020 we piloted an intranet in couple of our buildings. The purpose of the project is to increase communication with tenants and encourage to a productive dialogue. The Intranet also includes a section on health and safety.

Raising Sustainability Awareness with Greenesta

Genesta wants to be a sustainable landlord and we want to enable and encourage sustainable behaviour in our premises. We wish to increase awareness of our tenants about the sustainable operations of the premises. We support our tenants' own sustainability work by providing high-quality, sustainable business premises, share information and mutually improve sustainability performance.



In 2020 we continued to implement Greenesta programme, which aims to inspire and enable our tenants to act in a more sustainable way. We also put a lot of effort to ensure tenant safety.

Giving back to the Community

We want to support the society and make concrete actions. We cooperate with different entities which focus on is on social and environmental issues. In 2020 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 3000 free food boxes have so far been delivered to our medical heroes fighting against Covid-19.

We value 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.



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 on 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. Grievances to the management team of Genesta or through whistleblowing channel.

In 2020 there were no non-compliances regarding legislation on bribery or corruption.

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.

CASE

Roihu



The wellness area in Roihu, Helsinki

Genesta creates spaces that promote health and wellness, while simultaneously being energy efficient and environmentally conscious. Ruoholahden Roihu, located at Porkkalankatu 3 in Helsinki, is the perfect example of this.

The property attracts tenants that want to offer world-class well-being facilities for their employees. The property has a beautiful spa area, a well-equipped gym and, among other spaces, a yoga room - all of which can be used by the tenants. The outside areas will be renovated, and the tenants can host social events and get together with ease. Additionally, outside exercise stands will be installed. These features help our tenants in building strong employer brands.

Two out of three of Roihu's first tenants have already signed Genesta's Green lease contract. This contract drives the development of environmental sustainability factors in cooperation with the tenant. Genesta has applied several energy efficiency upgrades to Roihu during the renovation phase. These improvements have raised the energy performance certificate (EPC) -class from F to C. The electricity used in the common areas is now carbon free and, additionally, information about energy, water and waste streams will be provided to the tenants. Further, Genesta is committed to promote commuting and electric transportation by installing electric vehicle charging sys

Sustainability at Fund Level

Environmental issues have become more important especially for construction real-estate industry. Buildings account for around 40 % of all global emissions and energy consumption. Our target is to improve the sustainability and the energy efficiency of all our funds.

We have set portfolio level targets to monitor environmental and health and safety performance. Our long-term environmental goals are in line with the targets of the Paris Climate agreement. To meet these goals, we acquire properties that we can develop to perform better and therefore it is essential to analyze gaps and weaknesses in the ESG performance to recognize the development potential.

During 2020 we continued to implement a variety of energy efficiency related upgrades, such as high-efficiency equipment installations, ventilation and heating system improvements, building automation upgrades.

In addition to these, we also implemented improvements that have smaller impact on building performance, but a larger impact on building users, such as sustainability screens, advanced bicycle facilities and e-car charging possibilities. We also focused a lot on sustainability communication and trainings; throughout the year we held several trainings on Genesta sustainability principles and targets for our own staff and property managers.

In 2020 three buildings in GNRE Fund II were BREEAM in Use certified. Verkö 4 received a Very Good and Juvan Teollisuuskatu 25 a Good level rating. Hämeentie 11 was recertified with a Very Good level.

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 need to 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 an important tool for us to monitor our sustainability work. The tool enables us to measure our practical efforts to promote sustainability on property level. Genesta participated in the GRESB assessment with GNRE Fund II, which received five stars and GNRE Core Plus, which received three stars out of five. The assessment is based on the reporting year 2019 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, that we follow in everything we do, is to make the existing building stock more sustainable. We have set targets on portfolio performance to monitor environmental, health and safety performance. Our energy and emission reduction targets are in line with the Paris Agreement although introducing long-term reduction targets to a short-term ownership can be challenging. We are committed to improving energy intensity continuously.



Charge



Green Electricity



On-site renewables



Energy Efficient



Water Saving



Recycle

	ACHIEVEMENTS 2020 GNRE FUND II	ACHIEVEMENTS 2020 GNRE CORE PLUS
GRESB REA Four Stars	Five stars achieved for the 1st time, and Sector Leader	participated for the first time. The Fund reached 70 points and achieved three stars.
Improve overall environmental performance of the portfolio	<ul style="list-style-type: none"> Variety of energy efficiency improvements in GNRE Fund II asset's to meet the targets; HVAC modernizations Building automation system renewals LED installations Improvements in heat recovery and heating systems On-site solar energy studied in one property 	Variety of energy efficiency improvements planned in Core Plus assets to meet the targets; <ul style="list-style-type: none"> Adjustments to the mechanical systems to improve energy efficiency LED installations Low-flow fixtures installed
Certify 70 % of the properties	<ul style="list-style-type: none"> 33% of the properties (3 out of 9) are certified Certification process is ongoing in 33 % of the properties (3 out of 9) Calculations include Juvan Teollisuuskatu 25 (sold in April 2020) 	<ul style="list-style-type: none"> Certification is ongoing in 50% of the properties (1 out of 2)
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 	<ul style="list-style-type: none"> 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
Implement Greenesta programme:	<ul style="list-style-type: none"> Green leases across portfolio Sustainability co-operation with tenants 	<ul style="list-style-type: none"> Sustainable Construction Guide: <ul style="list-style-type: none"> Guide specification used as procurement specifications for renovations and TIs Indoor Air Quality: <ul style="list-style-type: none"> Obligatory indoor air quality monitoring ongoing in one property
	<ul style="list-style-type: none"> Genesta started offering green leases to the real estate tenants. 	<ul style="list-style-type: none"> Genesta started offering green leases to the real estate tenants.

GNRE Fund II - Performance

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.

The Fund is Genesta's second value-add fund focusing on the Nordic region. The Fund consists of seven assets located in Finland and in Sweden. 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.

Changes in the Fund

In April 2020 Genesta sold Juvanalmi Logistics Centre located in Espoo. The 60,900 square meters logistic center was acquired in February 2018 and has since been upgraded with e.g. solar panels and LED lights. The fully leased property was awarded with BREEAM In-Use Good certification in 2020.

Highest Scores from GRESB Rating

GNRE Fund II achieved the highest rating of five stars from the GRESB Real Estate Assessment in 2020 for the first time. Our continuous work on ESG matters rewarded GNRE Fund II with 84 out of 100 points in total. The result is impressive as average GRESB result is 70 points and a peer average 66 points. The fund achieved first place out of seven in its predominant peer group. This year was the 5th year in a row for GNRE Fund II participating in GRESB and the fund has improved its result every year.



Genesta Nordic real estate fund received high ratings for leadership and policies, reporting and risk management, targets setting, stakeholder engagements and tenants and community. The development targets that emerged were the data coverage for waste, water and GHG



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.

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		2020	2019	2018
Energy	Electricity (MWh)	4 411	7 951	9 049
	District heating & cooling (MWh)	9 824	14 236	16 133
Water	Water m ³	22 904	34 432	36 629

Like-for-like data provides a more accurate comparison of the performance between years. Like-for-like comparison is reported in line with the GRESB methodology. 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 (2019-2020) 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		2020	2019	NUMBER OF PROPERTIES INCLUDED
Energy	Electricity (kWh/m ² occupied)	48	62	3
	District heating (kWh/m ² occupied)	103	151	3
	District cooling (kWh/m ² occupied)	19	14	3
Water	Water (l/m ² occupied)			3

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		2020	2019	2018
CO ₂ -eqv	Scope 2: Market-based CO ₂ emissions (t)	1 960	2,993	3,642
	Scope 2: Location-based CO ₂ emissions (t)	1 765	2,876	3,468

RENEWABLE ENERGY		2020	2019	2018
CO ₂ -eqv	Renewable energy purchased (off-site), MWh	6,266	6,955	4,111
	Renewable energy produced (on-site), MWh	N/A	17	N/A

LIKE-FOR-LIKE EMISSION INTENSITY - MARKET BASED		2020	2019
CO ₂ -eqv	kg/m ² occupied	18	28

LIKE-FOR-LIKE EMISSION INTENSITY - LOCATION BASED		2020	2019
CO ₂ -eqv	kg/m ² occupied	20	29

WASTE		2020	2019
Total non-hazardous waste		333	528
Total hazardous waste		1	20
Total waste (t)		335	547
Diverted to energy		38%	53%
Diverted to recycling		62%	44%
Other		0%	4%

GNRE Fund III - Performance

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.

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. At the end of 2020 the fund consists of two properties, Filmstaden 23 and Arton both located in Sweden.

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.

Changes in the Fund

Genesta acquired Arton (office property) in Central Stockholm from Klara Norra Fastigheter AB in March 2020.

Genesta acquired the office property Filmstaden 23 in Solna, Stockholm in March 2020. The property is strategically located by the metro in the popular office sub-market Solna. Built in 1919/1920 and 2004.

Environmental Performance

The absolute energy and water consumption, CO₂ emissions, and waste generated at the properties illustrate the concrete environmental impacts of the fund.

ABSOLUTE CONSUMPTION		2020
Energy	Electricity (MWh)	353
	District heating & cooling (MWh)	302
Water	Water m ³	9 737

RENEWABLE ENERGY		2020
CO ₂ -eqv	Renewable energy purchased (off-site), MWh	959
	Renewable energy produced (on-site), MWh	N/A

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 2020 the fund consists of two properties, Solåsen and The Block, both located in Sweden. In 2020 there were no changes in the ownership of the properties.

GNRE (Genesta Nordic Real Estate) Core Plus’s 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.

Three Stars out of five from GRESB rating

GNRE Core Plus achieved the rating of three stars from the GRESB Real Estate Assessment in 2020. This was the first year GNRE Core Plus fund participated in GRESB. The fund received 70 out of 100 points in total. The result is very good for a fund participating the first time and exceeds the peer average (64 points). 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.



ENVIRONMENTAL PERFORMANCE

The absolute energy and water consumption, CO2 emissions, and waste generated at the properties illustrate the concrete environmental impact of the fund.

ABSOLUTE CONSUMPTION

		2020	2019
Energy	Electricity (MWh)	1 544	1 709
	District heating & cooling (MWh)	2 085	2 122
Water	Water (m ³)	9 242	9 591

Like-for-like data provides a more accurate comparison of the performance between years. Like-for-like comparison is reported in line with the GRESB methodology. Like-for-like data is calculated both for occupied floor area and gross floor area.

LIKE-FOR-LIKE PERFORMANCE

		2020	2019	NUMBER OF PROPERTIES INCLUDED
Energy	Electricity (kWh/m ² occupied)	33	37	2
	District heating (kWh/m ² occupied)	42	41	2
	District cooling (kWh m ² occupied)	3	6	1
Water	Water (l/m ² occupied)	197	207	2

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

		2020	2019
CO₂-eqv	Scope 2: Market-based CO ₂ emissions (t)	63	51
	Scope 2: Location-based CO ₂ emissions (t)	147	145
	The carbon emissions for 2019 have been corrected.		

ABSOLUTE EMISSIONS - MARKET BASED

	2020	2019
CO ₂ -eqv (t)	63	51

ABSOLUTE EMISSIONS - LOCATION BASED

	2020	2019
CO ₂ -eqv (t)	147	145

EMISSION INTENSITIES

	2020	2019	NUMBER OF PROPERTIES INCLUDED
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CO ₂ -eqv			
Scope 2: Market-based CO ₂ emissions (kg/m ² occupied)	1,3	1,1	2
Scope 2: Location-based CO ₂ emissions (kg/m ² occupied)	3,1	3,1	2

RENEWABLE ENERGY

	2020	2019
CO ₂ -eqv		
Renewable energy purchased (off-site), MWh	3 603	1 709
Renewable energy produced (on-site), MWh	0	0

All KPIs include both properties and are like-for-like.

Waste

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



APPENDIX I:

Reporting Principles

Genesta's Annual Sustainability Report is published annually. This report covers the whole company's sustainability performance for the year 2020. This report also covers compliance with UN Global Compact principles. We want to ensure the transparency by annually reporting on our sustainability work and its development at company and fund level. As Genesta is not a listed company we do not report about our financial performance and this report concentrates only on social and environmental aspects.

Reporting is an essential part of sustainability. This is the sixth annual sustainability report. The report describes Genesta's approach and commitment to sustainability and corporate responsibility. Genesta has used the Global Reporting Initiative (GRI) Standards (GRI-referenced) in reporting. Our sustainability report is available on our webpage.

If you have any questions regarding our annual sustainability report or our sustainability work, please contact Anne Vierinen (anne.vierinen@genesta.fi) or Appu Haapio-Karjalainen (appu.haapio@genesta.fi).

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 and investors. Sustainability stakeholder and employee surveys form the basis of our materiality assessment. Both surveys were conducted in 2020 by Genesta. We also actively follow public debate about sustainability issues and trends in the real estate industry. Participating in GRESB Assessment gives us valuable insights on material issues and development areas that we may need

to focus on. This Annual Sustainability Report includes three funds: GNRE Fund II, GNRE III and GNRE Core Plus, The Management Company and Genesta both as the investment advisor and as the group entity acting as the employer. Therefore, this report aims firstly to describe sustainability performance of the funds and their properties and secondly the sustainability performance of Genesta as an employer.

CALCULATION METHOD

In this report, we have calculated the intensities for like-for-like consumption and emissions normalized with the occupied floor area. We have also developed our emission calculation method further. In this report, we disclose our emissions using two different calculation methods: location-based emissions are calculated by using the most recent national emission factors available and market-based emissions are calculated by using the most recent emission factors offered by the energy producers. 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 companies. We use the GRESB approach to 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 (2019-2020). Our business model with short holding periods of the assets explains the limited number of assets included in the like-for-like comparison.

APPENDIX II:

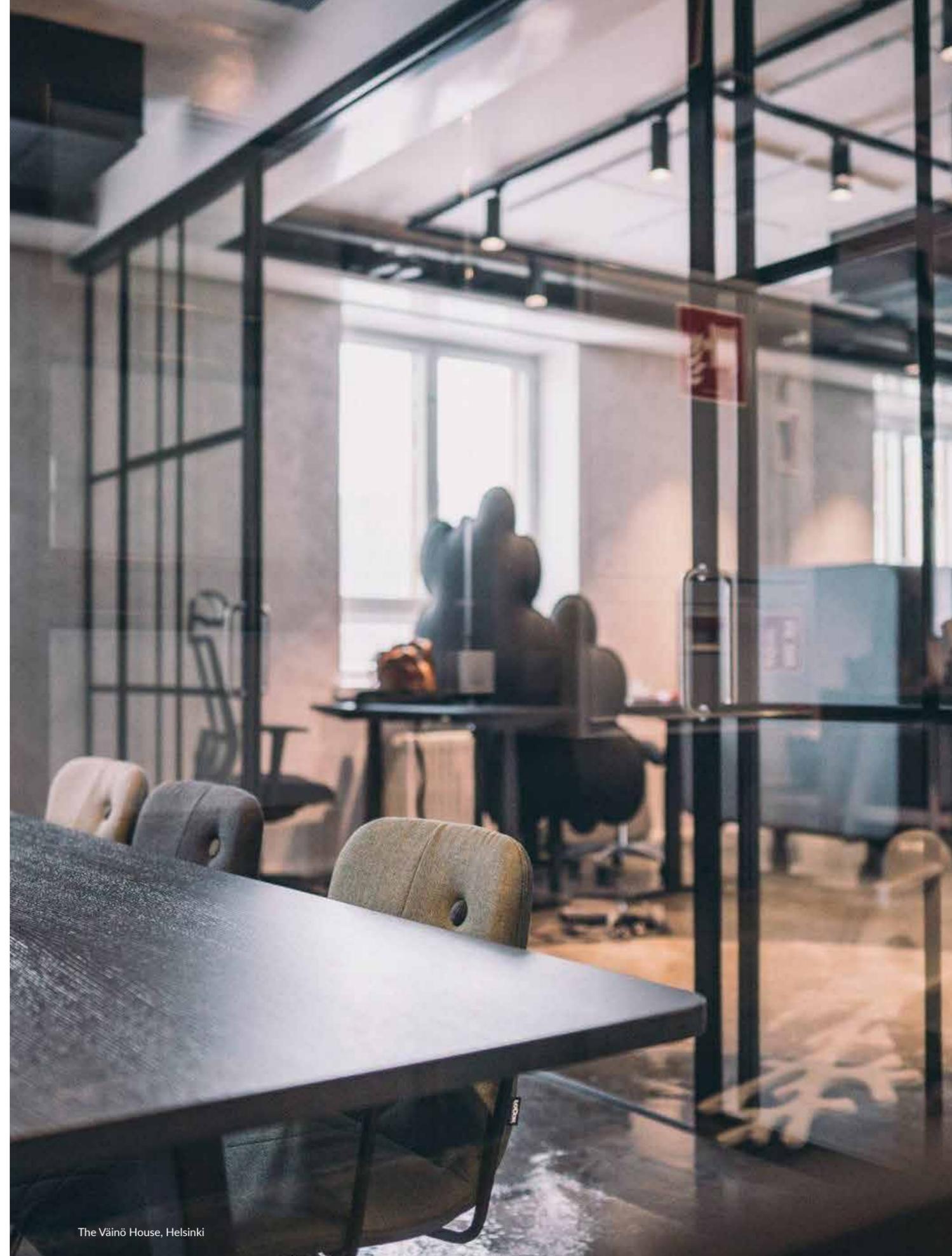
GRI Content Index

GRI DISCLOSURE	INREV	GENERAL DISCLOSURES	PAGE	COMMENT
Organizational profile				
102-1		Name of the organization	6	
102-2		Activities, brands, products, and services	4	
102-3		Locations of headquarters	5	Stockholm, Sweden
102-4		Locations of operations	5	Nordic countries (Denmark, Finland, Norway and Sweden)
102-5		Ownership and legal form	6	
102-6		Markets served	4	
102-8		Information on employees and other workers	12-15	
102-9	ESG - LTS 1.1 R	Supply chain	18	
102-11		Precautionary principles or approach	6	
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	
102-15	ESG - LTS 1.1 R; ESG - LTS 1.2 R	Key impacts, risks, and opportunities	6, 8	
102-16		Values, principles, standards, and norms of behavior	6, 8	
Governance				
102-18	ESG - LTS 1.2 R	Governance structure		Please refer to our website: https://genesta.eu/about
Stakeholder engagement				
102-40		List of stakeholder groups	17	
102-43	ESG - LTS 2.1 BP	Approach to stakeholder engagement	16-19	
102-44	ESG - LTS 2.1 BP	Key topics and concerns raised	16-19	

GRI DISCLOSURE	INREV 2016	DISCLOSURES	PAGE	COMMENT
Reporting Practice				
102-47	ESG - LTS 1.1 R	List of material topics	8, 29	
102-50		Reporting period		1.1.2020-31.12.2020
102-52		Reporting cycle		Annually
102-53		Contact point for questions regarding the report	29	
102-54		Claims of reporting in accordance with the GRI standards	29	
102-55		GRI content index	30-32	
Management approach				
103-2	ESG - LTS 2.1 R; ESG - ANN 1.1 (objectives)	Governance structure	20-21	
Economic				
201-1		Direct economic value generated and distributed		Please, see fund specific financial statements.
205-1	ESG - LTS 1.2 R	Operations assessed for risks related to corruption	6	
205-2	ESG - LTS 1.2 R	Communication and training about anti-corruption policies and procedures	6	
205-3		Confirmed incidents of corruption and actions taken		No incidents of corruption in 2020.

GRI DISCLOSURE	INREV	GENERAL DISCLOSURES	PAGE	COMMENT
Organizational profile				
302-1		Energy consumption within the organization		The amount is not significant, therefore not reported.
302-2		Energy consumption outside of the organization	23, 25, 27	
302-3		Energy intensity	23, 27	
302-4	ESG - ENV 1.1R	Reduction of energy consumption	23, 27	
303-1	ESG - ANN 1.1, ESG - ENV 2.1	Water withdrawal by source	23, 25, 27	
305-2		Energy indirect (Scope 2) GHG emissions	24, 25, 27, 28	
306-2		Waste by type and disposal method	24	

Social				
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	13	
403-2		Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities	13	
404-1		Average hours of training per year per employee	13	Total training days reported
404-3		Percentage of employees receiving regular performance and career development reviews	14	100%
405-1		Diversity of governance bodies and employees	12	





Christmas Event with Genesta

FOR FURTHER INFORMATION,

Please visit www.genesta.eu or contact us:

David C. Neil
Genesta CEO
Tel. +46 850649714
david.neil@genesta.eu

Allan Strand Olesen
Fund Management
Tel. +45 41933093
allan.strand-olesen@genesta.dk

Philip Björk
Investor Relations
Tel. +46 850649716
philip.bjork@genesta.se