



ESG REPORT 2022

 GENESTA

A YEAR FOR BUILDING RESILIENCE

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Chapter 1

Introducing Genesta

Property is about people and their ideas, effort, and performance. For us it is also about passion. Genesta is a fund and investment management company with 20 years' experience and deep knowledge of the Nordic real estate market. We are driven by our passion for properties and dedicated to achieving strong returns in a sustainable manner.

1.1

Genesta in Brief

GRI 2-1, 2-2, 2-6

We are an independent real estate fund management company with focus on commercial and residential real estate in the Nordic region. We operate in Sweden, Finland, Norway, and Denmark, with headquarters in Stockholm. Genesta is registered in Sweden.

At the end of 2022, we managed three real estate funds: two value-add funds (GNRE Fund II and GNRE Fund III), and an operational core plus open-ended fund (GNRE Core Plus Open-Ended). A total of 17 properties were managed through the three funds during 2022.

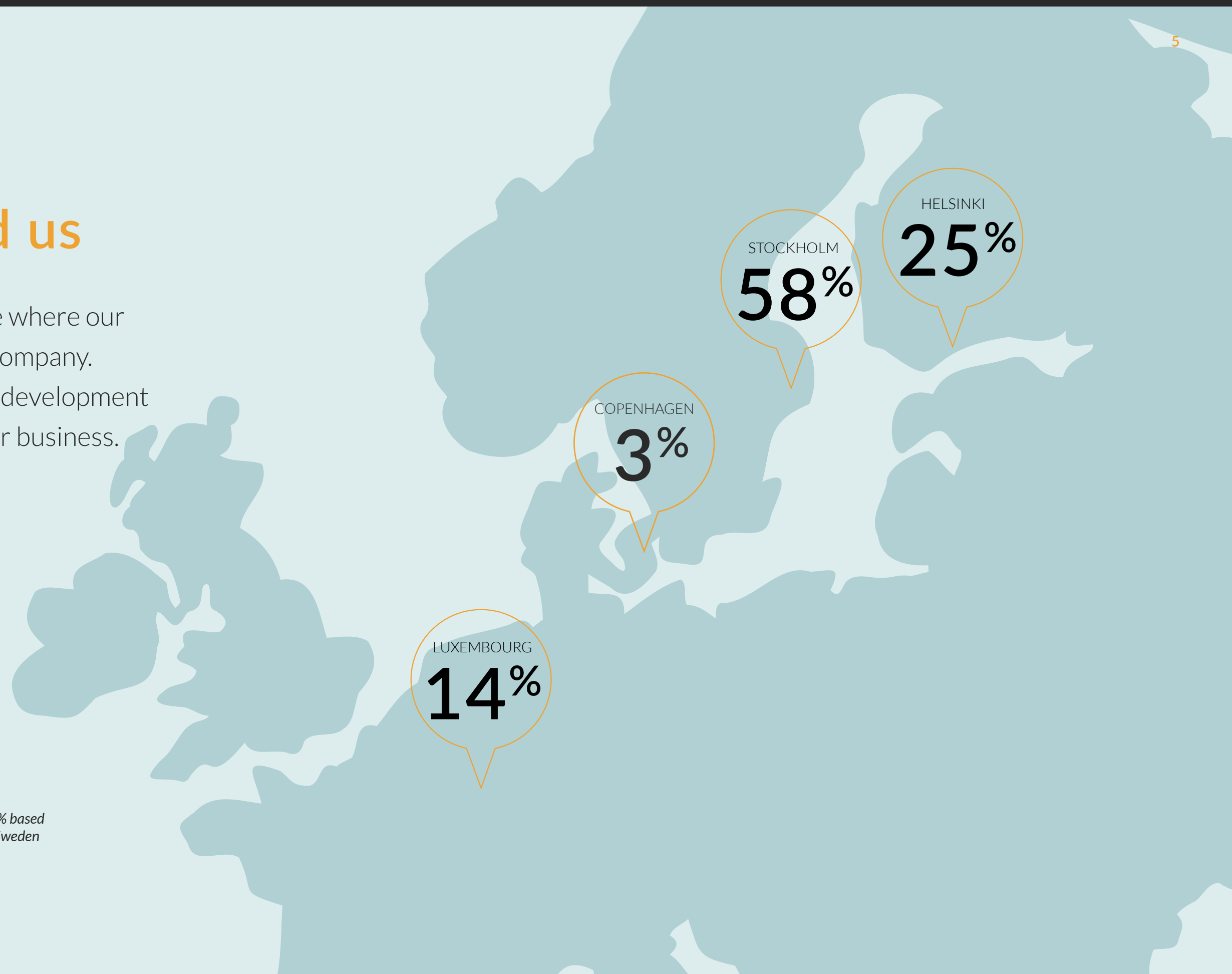
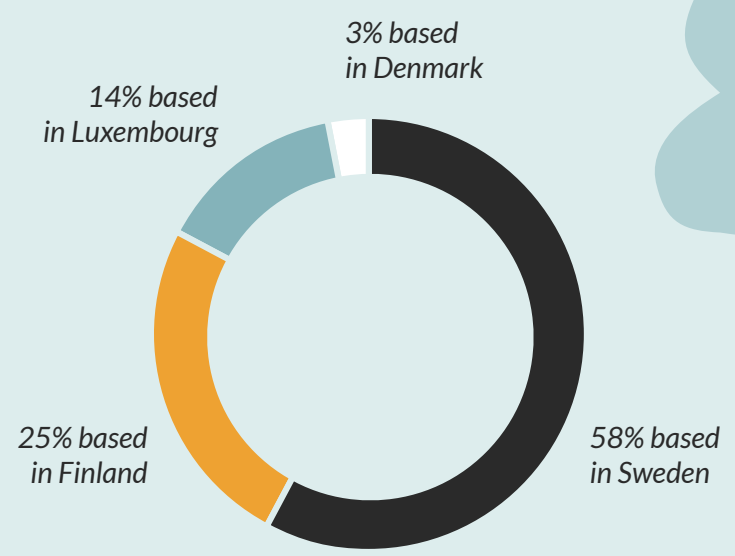
Through our funds, institutional investors enjoy the combined benefits of first-class asset management and in-depth market knowledge. We are a vertically integrated organization. Our professionals use a hands-on approach and ensure the quality of our key functions: analysis, acquisitions, fund management and asset management.

At the end of 2022, Genesta managed an value-add fund (GNRE Fund II), a value-add fund (GNRE Fund III), and an operational core plus open-ended fund (GNRE Core Plus Open-Ended).



Where to Find us

We want to create a workplace where our employees can grow with the company. We believe that employee skill development is essential for us improving our business.





Greetings from the CEO

Continuing to Build Our Foundation

GRI 2-3, 2-22

Over the last year we have continued to face many challenges as a global society. The war in Ukraine has had geopolitical consequences and we have seen increased economic insecurity. The results of climate change are more present than ever. This is a time for communities to come together. At Genesta, we have that in mind while at the same time focusing on where we can have the most direct effects in our own operations. That is our sustainability journey.

AIMING FOR IMPACT

When tracing the outline of the year, a central theme for us has been addressing our environmental and climate impact. At Genesta, we put real estate at the center of our business and our sustainability journey. Our focus is to get our buildings to a place where their emissions are as low as possible. That is why we place a lot of effort into our refurbishment projects as showcased in the

completed refurbishment of KB32 and the work started at Zinko. Transforming buildings instead of building new ones will have a large impact on limiting emissions. When we certify our buildings through BREEAM we also put pressure on ourselves to live up to that.

This year, we made our commitment to Science Based Targets (SBT), which includes a net zero target, and are in the process

for validation. In addition, our work for taxonomy alignment in our buildings will have a great impact going forward, and has created the base for our work ahead. Achieving sustainability goals is a team effort, and we look forward to continuing the work with our partners and tenants to achieve them.

HANDS-ON APPROACH

The main challenge in our industry for the years ahead will be to limit emissions. When we focus on the most important issues first, the re-use, including renovation of existing buildings, and recycling of building materials are at the heart of our sustainability strategy. Being able to use what is already there, instead of using new resources, takes creativity and innovation.

In our operations, long-term and sustainable energy efficiency plays a key role in limiting impact. We are addressing that in all our buildings, but this year we have started to explore on-site energy production in our logistics properties. We are also integrating geothermal and solar solution in our office buildings. Maximizing energy production, where feasible, will be the approach going forward starting with assessing an asset's potential for on-site energy production during acquisition due diligence.

ENHANCING GOVERNANCE

Sustainability work needs to be preceded by good governance and this year we have further developed those processes. 2022 is the first year we report SFDR disclosures, and we have set up both policies and processes to underwrite that reporting. We have also continued developing our risk management to further integrate ESG considerations. That fuels our approach of integrating environmental, social and governance procedures already before an acquisition. This governance groundwork is also complemented by our TCFD analysis and our work with CRREM models in all our buildings. By setting up governance processes that steer our work, we have the foundation to continue our sustainability journey.

ADDRESSING CHALLENGES TOGETHER

In parallel to taking steps forward within governance and environmental considerations, we have worked with our social responsibility. As a real estate owner and operator, tenants and their employees are at the center of our social program. Tenant engagement ranges from activities in our buildings promoting sustainable choices to co-creating new office work environments. We have recently launched tenant screens that have a live data feed of energy and

water use, allowing our tenants to increase their understanding of their resource use. That way, we can be their partner in reaching their own sustainability goals. Another focus area, also based on collaboration and partnership, is on health and safety considerations for tenants, employees, and contractors. We are devoted to keeping our safety culture and continuously working to address health and safety risks.

LOOKING AHEAD

A major focal point for 2023 will be on-site renewable energy initiatives. This will be a game changer going forward, with increasing energy prices and production needs. We want to ensure that our tenants have the best possible experience in our buildings, which is why we plan to increase our accessibility efforts during the year. Above all, we want to continue our sustainability journey and put the next building block in place to continue to be part of the change in our industry.

"In our operations, long-term and sustainable energy efficiency plays a key role in limiting negative impact. We are addressing that in all our buildings, but this year we have started to explore on-site energy production in our logistics properties."



Enjoy the read and with best regards,

David C. Neil,
CEO, Genesta
Stockholm in June, 2023

1.3

Highlights 2022



KB32 in central Copenhagen wins "Office Property of the Year" award by Norhcon.



Genesta acquires and redevelops office property "Zinko" in central Stockholm
- With Mullvadsberget 29, we continue to turn brown buildings into green properties.



Genesta sells the prime office property "Fab 9" after a comprehensive upgrade to modern standard and strong ESG performance, certified with BREEAM In-Use level Excellent.



We started to use a **CRREM tool to calculate the risk** of an asset being stranded due to climate related risks.



Committed to setting science-based targets (SBT)



Lease agreement with Fiksuruoka, Finnish food waste online store

First Residential Acquisition
Genesta buys 100 Units in Denmark in Cirkelhuset.



Groundbreaking ceremony for Bedrock/Enköping Logistikcenter



Initiated a gap assessment against the TCFD recommendations

Chapter 2

Building Resilience for Society and our Investment Portfolio

At Genesta, we are convinced that contributing to a resilient society will in turn create resilience in our investment portfolio. Our industry is in the process of transforming and addressing climate-related challenges. Today, acting on climate risks will correspond to acting on investment risks. Our focus as a company is to address and act on those challenges and be a part of society's journey.

2.1

A Strategy with Sustainability at the Core

GRI 2-1, 2-2, 2-6

At Genesta, we invest in properties where our expertise improves the sustainable performance of each asset benefiting the environment, our tenants and their employees as well as other stakeholders such as suppliers and the local community. We also believe that creating value for society creates value for our investors.



Common area in our logistics property Food Truck in Örebro, Sweden. GNRE Core Plus Open-Ended

2.1.1 Our Strategy

Our strategy is to acquire well-located properties across the Nordic region. We enhance the properties' cash flow, and reduce risks associated with this cash flow, to provide strong returns to our investors. We upgrade the buildings we acquire to meet modern standards and create new uses.

Sustainability is embedded in our strategy: we call it turning brown to green. In practice, that means improving the sustainability performance of all our properties. Our journey to become sustainable throughout our operations and different investment phases started almost a decade ago. Our different funds have specific strategies to meet their respective return targets.

GNRE CORE PLUS OPEN-ENDED

The objective of GNRE Core Plus Open-Ended is to provide our investors with a high return from medium risk capital investments in real estate. The financial goal is to achieve a total annual return of at least 7-8% net of tax, fees, and expenses at the lowest risk possible. To reach its return objective, the key part of the strategy of GNRE Core Plus

Open-Ended, is to acquire properties or property portfolios with positive cash flows with elements of value adding potential and through active investment management, generate improved cash flows and capital growth. By acquiring well-located properties we minimize leasing and liquidity risks. The structural risk of the portfolio is reduced through diversification constraints divided by country, property type and sector, and property specific risks will be reduced through a large number of investments in the portfolio.

GNRE FUND II

The objective of GNRE Fund II is to provide our investors with a high return from medium risk capital investments in real estate. The financial goal is to achieve an internal rate of return of at least 13-14.5% net of tax, fees, and expenses at the lowest risk possible. The key part of the strategy of GNRE Fund II, to reach its return objective, is to acquire properties or property portfolios with a value-add potential, requiring redevelopment or repositioning, and through active investment management, generate improved cash flows and capital growth. Acquired properties are intended to be held for 3 to 5 years and must be well located to minimize leasing and liquidity

risks. The structural risk of the portfolio will be reduced through diversification constraints by country, property type and sector, property specific risks are reduced through a large number of investments in the portfolio.

GNRE FUND III

The objective of GNRE Fund III is to provide its investors with a high return from medium risk capital investments in real estate. The financial goal is to achieve an internal rate of return of at least 12.0-14.0% net of tax, fees, and expenses at the lowest risk possible. To reach the return objective, the key part of the strategy of GNRE Fund III is to acquire properties or property portfolios with a value-add potential, requiring redevelopment or repositioning, and through active investment management, generate improved cash flows and capital growth. Acquired properties are intended to be held for 3 to 5 years and must be well located to minimize leasing and liquidity risks. Structural risks of the portfolio are reduced through diversification constraints divided by country, property type and sector, and property specific risks are reduced through a large number of investments in the portfolio.

More than
75%
renewed commitments from
investors (during the past 10 years)

TRANSACTIONED ASSETS

3.5
BILLION EUR

19%
/1.9x released gross IRR
(ca 30 assets)

2.1.2 Our Materiality Assessment

GRI 3-1, 3-2

Our latest materiality assessment was conducted in 2021 through surveys with our stakeholders, specifically employees and tenants. During 2022 we validated our material aspects through desk research and a prioritisation with our internal management team. We specifically analysed our material aspects from an investor perspective taking into consideration their specific requirements. These insights were also included in the new Fund ESG policies. In 2023 we are planning to perform a double materiality assessment.

We defined the following aspects as material to our continued sustainability involvement:

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

The image shows a vibrant and modern interior space, likely a lounge or bar. On the left, a large, colorful mural of a tiger's face is painted on a red wall. In front of it is a high-top bar with black stools. The ceiling is industrial, with exposed pipes and large, black, cylindrical pendant lights. In the center, a display of colorful, glowing lanterns in various colors (yellow, pink, blue, green) hangs from the ceiling. To the right, there are several tables and chairs, some with colorful, patterned cushions. The overall atmosphere is bright and contemporary.

Sustainability is embedded in our strategy and all our properties. Our goal is to turn brown buildings into green properties.

2.1.3 Our Core Values

At Genesta, we are guided by our values in everything we do. They have been co-created by employees and management to guide the way we interact with our key stakeholders, what we stand for as a company and how we conduct our daily operations.

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.

DIVERSE

Every team member makes a difference. To serve our clients and support our mission, we encourage diversity – of people, opinions, and ideas. We believe in diversity and an engaging environment to inspire people to reach their highest potential, ignite real teamwork and attract the best new talent.

RESPECTFUL

Transparency and trust are essential pillars on which our business thrives. 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 aim to achieve our vision and bring enjoyment into our work.

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 business with a strong reputation for delivering on its promises, which is what motivates Genesta every day.

2.1.4 Our Stakeholder Engagement

GRI 2-6, 2-29

At Genesta we have identified our key stakeholders as shareholders, tenants, employees, business partners and society. We want to work in close and transparent partnership with our stakeholders, engaging with them in dialogue specific to each stakeholder's needs. As our stakeholders' interest in sustainability is growing, engaging with them is crucial for the development of our sustainability strategies. We conduct stakeholder analyses regularly.

Stakeholder groups

STAKEHOLDER	DESCRIPTION	OUR ACTIONS
Shareholders	Investors and holders of shares	<ul style="list-style-type: none"> • Annual meetings • Quarterly result communication, especially on ESG • Ongoing dialogue • Regular one-on-one communication
Customers/tenants	Tenants and building occupants	<ul style="list-style-type: none"> • Close communication with tenants through various channels • Increase tenants' environmental awareness and sustainable operations of the premises • Fair and predictable pricing • Green leases and renewable energy options • Tenant surveys and follow-up
Employees	36 ¹ employees in Sweden, Finland, Denmark, and Norway	<ul style="list-style-type: none"> • Motivating and inspiring work environment • Active communication • Career opportunities • Employee surveys and follow-up
Business partners	Especially suppliers from whom we purchase goods and services	<ul style="list-style-type: none"> • Conduct fair business according to our various policies and core business values
Society	Regulators and general public	<ul style="list-style-type: none"> • Active member of associations • Active following of relevant legislation • Donations to Children's Cancer foundation, Friends and Helsinki Mission. • External lectures and engagement on ESG topics

¹) Including part time and full time employees and inhouse consultants

2.2

Investing for Resilience - Turning Brown to Green

GRI 2-23, GRI 3-3 RESPONSIBLE INVESTMENTS

To act on climate risks, we need to secure the resilience of our assets. Guided by a rigorous approach we are future-proofing our investments, from early acquisition and investment decisions to hands-on asset management. ESG is intertwined in all aspects of the investment management process.



As part of the European building stock renovation plan and Genesta's sustainability strategy of transforming assets from "brown to green", Public is undergoing a comprehensive renovation plan which aims to increase energy efficiency and reduce the carbon footprint of the building, also taking the EU Taxonomy, BREEAM certification and science-based targets into account.

Through use of sensor technology and dashboards the tenants will be able to monitor their resource consumption (e.g. energy, water, waste) and indoor environment (e.g. CO₂ and indoor temperature) to act in a more resource-conscious manner.

2.2.1 A Resilient Investment Portfolio – From Early Acquisition Screening to Divestment

Creating a resilient investment portfolio requires ensuring that our investments uphold our sustainability targets. It means that ESG-aspects are integrated in every part of our investment process.

All investments go through a comprehensive due diligence process before acquisition. A detailed business plan is prepared prior to any investment decision. It assures that ESG-matters are incorporated into the property improvement and operations plan, such as improving ESG performance.

All of our investments are managed according to the following investment cycle:



PRE-PHASE Pre-assessment and early underwriting: We apply our ESG criteria to our investment origination process and include these findings in our early underwriting activities, including overarching sustainability strategy.



PHASE 1 Due diligence: Business planning and final underwriting during acquisition. All properties are subject to our ESG due diligence process. The process encompasses evaluation of technical and environmental performance to identify key improvement areas and ESG-related risks. Findings are incorporated into the different parts of the business plan for each property, especially into the ESG section. Our 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 Improvement: Creating value through active ESG implementation and risk management with a focus on mitigating negative risks and enhancing positive impacts.



PHASE 3 Ownership: Ensuring performance and engage stakeholders in sustainable property management and actively monitor both environmental performance KPIs and active tenant engagement.



PHASE 4 Selling: a more sustainable asset with increased value. Guaranteeing sustainable products at exit and verification of rectified acquisition due diligence findings.

2.2.2 Guiding Principles for Investments and Management

We are committed to upholding our core values, adhering to the best practices of corporate governance and business ethics. We recognize the importance of preventing corruption in all its forms and take active steps to ensure that our business practices are transparent and accountable. Our approach enables us to deliver strong risk-adjusted returns in a sustainable context to our investors.

Our Responsible Investment 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 is the foundation for setting sustainability targets and measures for our everyday business and the management of our

funds. The policy is based on the UN Principles for Responsible Investment (PRI) and outlines our economic, environmental, and social responsibility, including our due diligence processes and risk assessments. The policy is strengthened by fund specific ESG policies that set out targets and measurements. In 2023 we will update the Responsible Investment Policy.

"We consistently prioritize our stakeholders, whether they are investors, tenants, or the broader community and environment."

Anna Pihlajaniemi,
Director.



Chapter 3

A Sustainable Approach to our Core Business

Our vision is to contribute to the sustainable transformation of existing building stock in urban Nordic areas. Part of that process is to analyze gaps and vulnerabilities in each property's ESG performance. For buildings in Core Plus strategies, this often equates to numerous smaller improvements over time while for value-add strategies, we often perform large, more comprehensive renovations including major ESG improvements.

Part of the Investment Management team inspecting the renovated inner yard of office property Art8n, Stockholm, GNRE Fund III.

3.1

Environmental Sustainability at Genesta

GRI 3-3 GREENHOUSE GAS (GHG) EMISSIONS AND RESOURCE EFFICIENCY (ENERGY, WASTE), 306-1, 306-2

Our key sustainability efforts at Genesta include resource efficiency through energy management, circular economy, and reduction of greenhouse gas emissions. This is where our operations have a significant impact, and where we can make a positive contribution.



Inner yard, Art8n, Stockholm GNRE Fund III.



Lobby, Art8n, Stockholm GNRE Fund III.

3.1.1 Climate

GRI 3-3 GREENHOUSE GAS (GHG) EMISSIONS AND RESOURCE EFFICIENCY (ENERGY, WASTE), 306-1, 306-2

We are part of an industry responsible for approximately 40% of global CO₂ emissions annually in which we are actively taking measures to reduce our own impact. Our main source of emissions derives from energy consumption in our properties, making it our primary objective to improve the energy efficiency in all our buildings.

STARTING WITH INVESTMENTS

At Genesta we are taking steps towards addressing climate change by utilizing the Carbon Risk Real Estate Monitor (CRREM) on both property and fund level. The framework helps us form a roadmap for reaching our climate targets and establishing a baseline. We are currently developing an internal CAPEX planning model that will consider CRREM information when evaluating assets for investment.

COMMITTING TO EMISSION REDUCTION TARGETS

Our aim is to reduce emissions from our funds and contribute to achieving the targets set out in the Paris Agreement. During 2022 we committed to setting a long-term science-based emissions reduction targets with The Science Based Targets initiative (SBTi) method. The SBTi is a partnership between CDP, United Nations Global Compact, World Resources Institute and World Wide Fund for Nature defining and promoting best practices in emissions reductions and net-zero targets in line with climate science.

By adopting the methodology of SBTi we guaran-

tee that our target is in line with the latest climate research and the Paris Agreement of limiting global warming. Our target is to reach net-zero emissions for our entire value chain by 2050, in line with SBTi Net-Zero Standards. We formulate our target across our portfolio based on the CRREM analysis (see chapter 5) and will present our target to SBTi for validation within 24 months.

IMPLEMENTING ON A BUILDING LEVEL

To ensure that sustainability is effectively implemented in each of our properties and that we achieve our sustainability goals, Genesta's Sustainable Construction Guide is used throughout our operations. By offering practical instructions on required measures, target values and practices, the guide acts as a tool to conform to green certification standards streamlining certification procedures and guaranteeing that our refurbishments correspond to certification prerequisites.

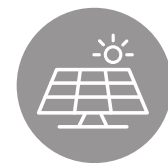
GREENHOUSE GAS EMISSIONS

At Genesta most of our emissions derive from the energy consumption in our properties. We

IMPROVEMENT POTENTIAL CHECK LIST



Change Windows



Install Solar Panels



Changing Hvac



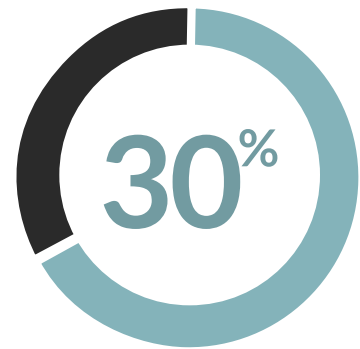
Replace Lights to LED



Change to District heating



Changing Radiators and Pipes



Electricity Reduction

We have significantly reduced our electricity consumption across our portfolio in a like-for-like comparison against 2021.

report our emissions according to the Greenhouse Gas Protocol, where all reported emissions for 2022 are included in scope 2, referring to purchased or acquired electricity, heat, and cooling. Scope 1 emissions at Genesta are mainly refrigeration losses from cooling our properties.

To include scope 1 in the future we are currently introducing calculations of our emissions. Furthermore, we have started to collect scope 3 data to further broaden our understanding of our environmental impacts. Emission intensities disclosed in this report are calculated for like-for-like consumption and normalized with the average occupied floor area during the year. For more information on our calculation methods, please visit Annex, About this Report.

In 2022 we started reporting against the Task Force on Climate-related Financial Disclosures (TCFD) framework, providing internally recognized recommendations for reporting climate-related risks and opportunities. For more information about how we work with TCFD, see chapter 4, Governance and Risk Management.

3.1.2

Resource Efficiency to Contribute to Circularity

GRI 3-3 GREENHOUSE GAS (GHG) EMISSIONS AND RESOURCE EFFICIENCY (ENERGY, WASTE), 306-1, 306-2

Our business model will play a part in the global transformation to a circular economy. From a planetary perspective, we know that the most sustainable building is the building not built. By improving existing buildings and converting them into resource efficient properties with a prolonged lifespan we can reduce the need for new materials used to build new ones.

Historically, renovation has been a way to dispose of old materials and replacing them with new ones. At Genesta, we are committed to exploring the boundaries of sustainability by exploring the possibilities reusing and recirculating materials within our own buildings.

REDUCTION AND REUSE

Our aim is to reduce waste from all operations. Our main source of waste comes from renovation of buildings and the activities of our tenants.

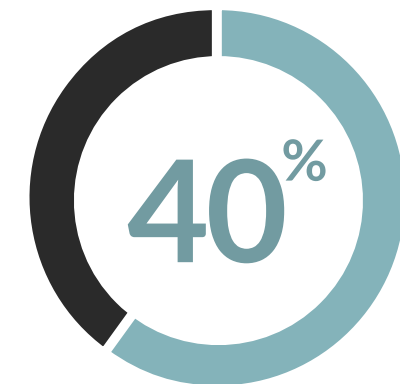
During the year, we started collecting data from waste management companies to track the waste generation at the properties we

manage. We plan to track waste generation coming from construction and renovation for upcoming projects.

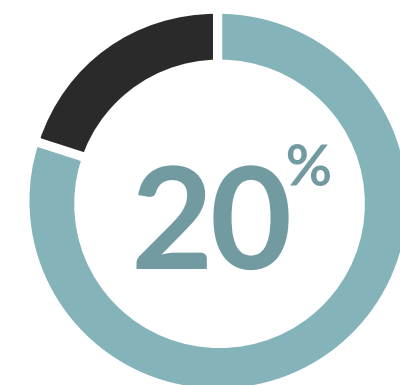
To reduce the consumption of water in our properties we have introduced “smart water” systems. At several of our properties we have installed a combined water management system consisting of both hardware and software components. The system enables more efficient water network management and reduces the risk of undetected leaks and pipe blockages. We expect that the implementation will lead to substantial savings on water, energy, and costs. As some water data is still metered manually, water consumption is not included in the scope of the assurance of this report covering 2022 data.

The system helps us to track the consumption and allows for us to share the information with our tenants. We believe that the transparency can nudge behavioral changes for our tenants. More fundamentally, it is a way for us to cooperate with tenants to improve resource efficiency.

The Construction and Real Estate Industry



The construction and real estate industries are responsible for 40 % of all waste generated per year



20 % of all emissions, mostly coming from new building materials



CASE

Transforming Properties to Meet New Demands for Energy Efficiency

In January 2022, we acquired Zinko, an office property located in central Stockholm. With a circular approach guiding the refurbishment, Zinko will be transformed into a state of the art office building.

Originally built in the 1950s and extended in the 1970s, Zinko is a testimony of its time with inefficient technical equipment. The transformation process into a modern office building in line with the EU Taxonomy, the Paris Agreement and the demands for modern properties will require a reduction in energy consumption.

To reduce energy consumption, we are currently in the permit process of installing a geothermal energy centre. It would allow us to install geothermal heat with boreholes of nearly 7,500 meters reducing the energy consumption down by nearly 70 %.

The key to longterm energy efficiency is actively monitoring consumption, comparing consumption to KPI and taking action as necessary. Zinko, like other buildings at Genesta, will include a wide-array of smart meters collecting timely data at an appropriate level of granularity. Different stakeholders such as tenants, property managers and maintenance personal will use this data against targets to identify deficiencies and to take action. What is measured is managed!

Refurbishment of windows, renovation of the roofs, and new insulation together with demand-controlled ventilation

and new sun shielding will significantly improve the energy efficiency of the property. In addition, already existing solar panels will be further expanded. The combined improvements would make 70-year-old Zinko more energy efficient than what is demanded for new buildings, reducing the energy class from a G to a C.



“We want to visualize energy consumption, heating, cooling, and water for every tenant. If you use a lot of water, that will show. We hope this will be a reminder and support our tenants in their own journey to limit overuse of resources.”

Emma Stenlund,
Investment Manager

70%
ENERGY
CONSUMPTION REDUCTION

CASE

Starting with Circularity

We recognize that new materials within construction and real estate is a major contributor to the emissions in our industry. To reduce our own contributions, we want to implement a more circular business model and explore to what extent we can reuse already existing materials within our buildings when refurbishing. We are at the beginning of our journey and are currently exploring the possibilities in two of our buildings.

In Zinko 4,000 square meters of textile carpets have been sold for reuse - so far.

We believe that early preparations and informed decisions will keep us at the same cost as a refurbishment using new materials. That will also enable us to achieve circularity with equal cost compared to new materials, something traditionally assumed to be cheaper.

ZINKO

Zinko is an office property located in central Stockholm. The building will undergo extensive refurbishment to meet the demands for modern properties and attract new tenants. For Zinko, the process will be guided by a circular approach. To investigate what can be circulated within the building and what can be sold instead of thrown away during the refurbishment we conducted a recycling inventory. We expect to reuse a lot of materials in categories such as ventilation and cable ladders, and other installation materials not visible to tenants. A big challenge when approaching circularity is how to store materials during the construction phase. For Zinko, our initial focus on technical spaces, façade, windows, and elevators will give us an

opportunity to store materials within the building.

A key challenge when approaching circularity is how to store materials during the construction phase.

PUBLIC

In 2021 we acquired the office property Public, located in Copenhagen, Denmark. During 2022 an extensive refurbishment was initiated with a focus on reusing as much material as possible. For instance, most of the ventilation system will be tested at an external production facility, allowing for reuse of the existing installations instead of purchasing new ones. Materials that can not be reused within Public, such as industrial kitchen facilities and old cabinets from the previous lab, as well as old hardwood floors will be demounted and sold for reuse.



Energy Efficiency Agreement

In Finland, we are part of the Energy Efficiency Agreement initiative. Companies join the Energy Efficiency Agreement for Property Sector by signing an Accession Document into the Action Plan of Rental Housing or Commercial Properties and by committing to improve energy efficiency, in accordance with the actions and targets presented in their specific Action Plan. As part of the initiative, we disclose our energy consumption figures and actions to achieve our targets on a yearly basis.

3.1.3 Saving Energy and Moving into a Net-Zero Future

GRI 3-3 GREENHOUSE GAS (GHG) EMISSIONS AND RESOURCE EFFICIENCY (ENERGY, WASTE), 306-1, 306-2

Our main objective is to manage, measure and ultimately improve energy efficiency for our properties. Using renewable electricity is our main aim for all our buildings in order to minimize our carbon footprint. We also invest in energy efficiency improvements such as LED lighting, building automation and efficient heating, ventilation, and air conditioning systems.

When acquiring new assets, we assess the potential of implementing production of on-site renewable energy (ie. solar and geothermal). By investing in on-site renewable energy production when possible and selling the produced electricity as well as heating and cooling medium to the tenants we reduce the properties overall carbon footprint.

REDUCING ENERGY CONSUMPTION WITH OUR TENANTS

To reduce our energy consumption, we need to track real-time data which is why we are currently installing meters and optimizing systems and processes for property managers to collect, measure and analyze (compare against

targets) ESG data to formulate and take corrective actions to reduce usage. Our implementation is guided by our Metering Principles and Guidelines, that states our plan, targets, and principles for metering.

During 2022, we started installing energy management systems in all our assets to systematically collect energy related data. For tenant spaces, we install either smart meters or obtain Power of Attorney from tenants to permit Genesta to collect each tenant's energy data directly from the energy supplier. Our program is designed around the whole building approach used by most real estate regulations, frameworks and reporting standards. We expect to complete the installation of the Energy Management System in 2023, while metering is likely to extend into 2024. The new systems provide us with real-time information on energy use and greenhouse gas emissions at the properties, helping us identify opportunities for energy savings and emissions reduction. In addition, our investment strategy emphasizes close proximity to public transport.

CASE



Enköping Logistikcenter Largest Roof Top Installation of Solar Panels in Sweden



In the Swedish city of Enköping, located 70 km west of central Stockholm we are developing a modern logistics property. The location will enable transport to reach 38 Swedish towns within an hour. The building is constructed according to BREEAM-SE, level Excellent, and is planned to be EU Taxonomy aligned.

The property will feature a large solar installation on the roof. We are currently constructing a 2 MWh solar installation, but investigations are on-going to expand the installation to 6,7 MWh. If we succeed in our ambition this will be one of the largest roof top installations in Sweden and the building will be a net energy provider to the grid.

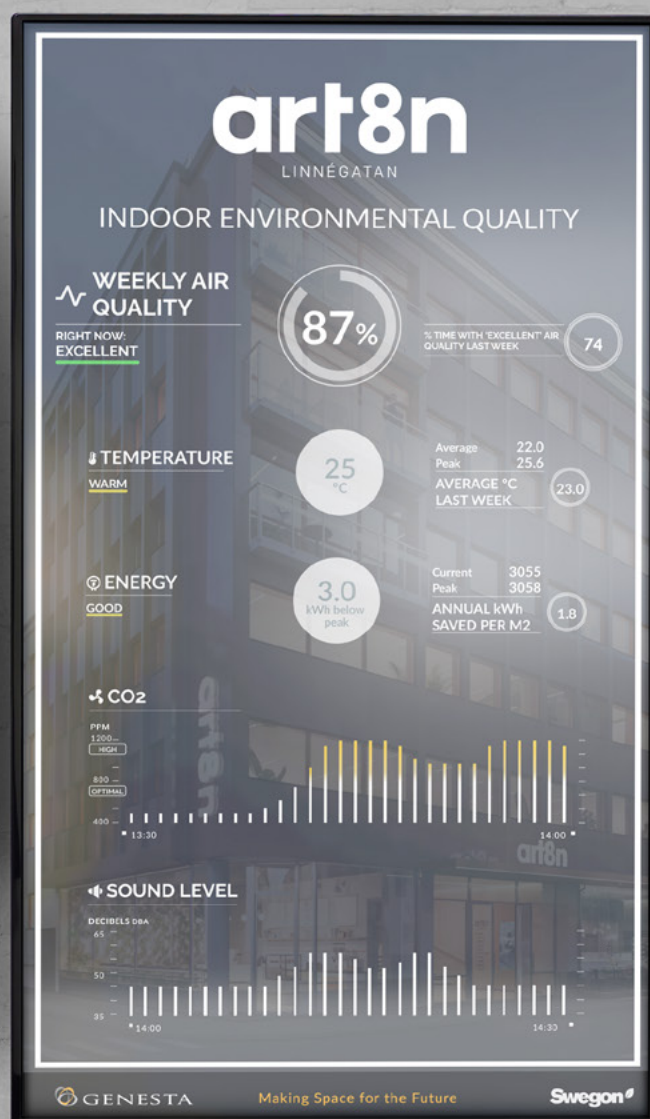
During 2022, we started installing energy management systems in all our assets to systematically collect energy related data.



Visualization of the offices in The Tower of Public, Copenhagen.

CASE

Reducing Impact Together with Our Tenants



We believe that working together is the way to achieve results. In 2022, we started to implement tenant screens in our buildings. The screens will support our tenants with real-time feedback on energy consumption, air quality and water consumption in their own office.

Up to 70 percent of a building's energy consumption comes from the behavior of the tenants. We believe that by raising awareness on consumption patterns, the screens will nudge our tenants to behavior that are more

sustainable in the long term. The screens will also promote health and wellbeing.

The location of the screens will be decided together with each tenant in a place with easy access. Screens showing aggregated data for the entire property will be installed in common spaces. In addition to the screens, QR codes at each measure point for air quality will be posted. If a tenant experience poor climate quality for temperature or air, they can scan the code to report directly to a real estate manager.

After finally sorting the data flows, live tests are underway in Genesta's offices. During the fall 2023, a live test with actual tenant data will be performed at a property in central Stockholm. We expect tenant screens to be fully implemented by 2024. By also adding messages to the screens, Genesta want to engage tenants in their energy efficiency. We believe tenant education and behavioral change strategies are integral to effective energy management programs.



"We will organize reduction competitions between our properties to create goals and incentives to reduce consumption. Everyone gets engaged when striving to reach a shared goal."

Johan Hägg
ESG Analyst

Energy Production
11.6^{MWh}

The screens will support our tenants with real-time feedback on energy consumption, air quality and water consumption in their own office.
The image is a montage.

3.2

Social Sustainability at Genesta

GRI 2-7, 2-19, 2-20, 2-24, 3-3 EMPLOYEE SATISFACTION,
401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 404-2, 404-3, 406-1



Employees outside the Stockholm office.

For us, social sustainability is founded on caring for the people directly affected by our business. Primarily, we focus on our employees and tenants in our efforts to promote social sustainability.

For information on how we handle social sustainability risks in our value chain, please visit [chapter 4](#).

3.2.1 With Our Employees at the Center

Genesta is a hands-on organization where our employees create value for our funds every day. We rely on our employees to use their knowledge to enable us to be frontrunners in our industry. In turn, they can rely on us to offer a diverse and engaging work environment where we want them to reach their full potential.



David Neil, CEO speaking at Nykredit and Ramboll's ESG conference in Copenhagen, October 2022.



The groundbreaking ceremony for Enköping Logistikcenter, Sweden in October 2022.

ENABLING OUR EMPLOYEES TO GROW WITH GENESTA

We want to create a workplace where our employees can grow with the company. We believe that employee skill development is essential for us to improve our business. At Genesta all employees receive annual feedback on performance and career development through our internal Value Creating Dialogues. Employee performance also includes individual sustainability targets.

We track employee satisfaction annually to engage with our employees. In 2022 and 2021 we had response rates of 100 %.

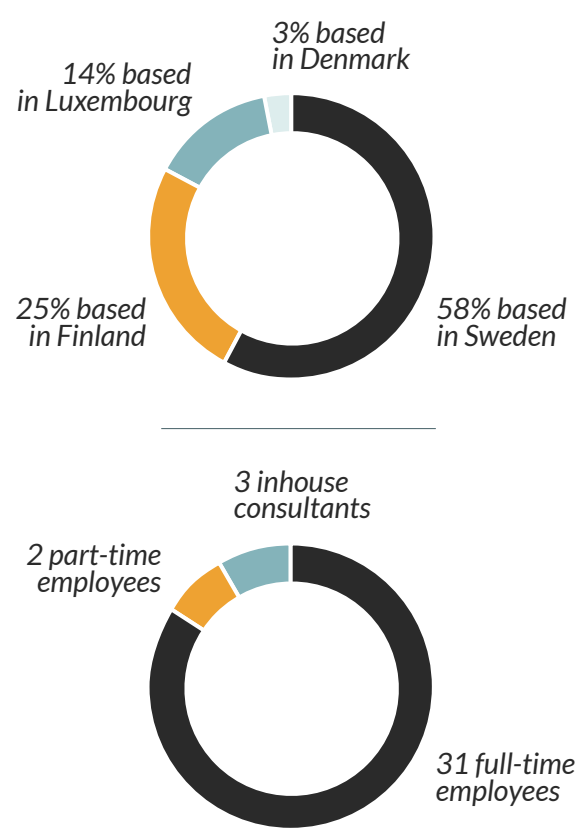


Employees at the Stockholm office are offered joint training during work time.

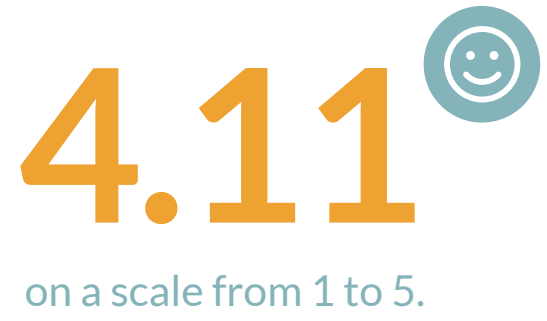
We offer annual training sessions on anti-money laundering, code of ethics and conduct risks, as well as cybersecurity, and ESG trainings. During 2022, 78% of our employees participated in Code of Conduct training, and 80% of our employees participated in trainings related to environmental, 50% on social, and 61% on governance aspects, respectively.

Of all our employees, 14% did not participate in any ESG specific training.

EMPLOYEE DISTRIBUTION



Employees attribute a high sustainability rating to Genesta as a company



Specific training sessions for managers are offered on an annual basis, covering topics to help them ensure and embrace a good work environment as well as enhancing their topic specific skills, such as ESG trends.

CREATING AN INSPIRING AND ATTRACTIVE WORKPLACE

We track employee satisfaction annually to engage with our employees, and to better understand their opinions and receive insight on their most important topics. The anonymous employee survey covers leadership, goals, organization, communication, remuneration, psychosocial and physical work environment, corporate culture, co-operation, and sustainability which is an opportunity for our employees to give feedback and input to improve their work environment. Based on the insights from the survey, the leadership team identify key areas for improvement and develop action plans to address them over the next year. In 2022 and 2021 we had response rates of 100 %.

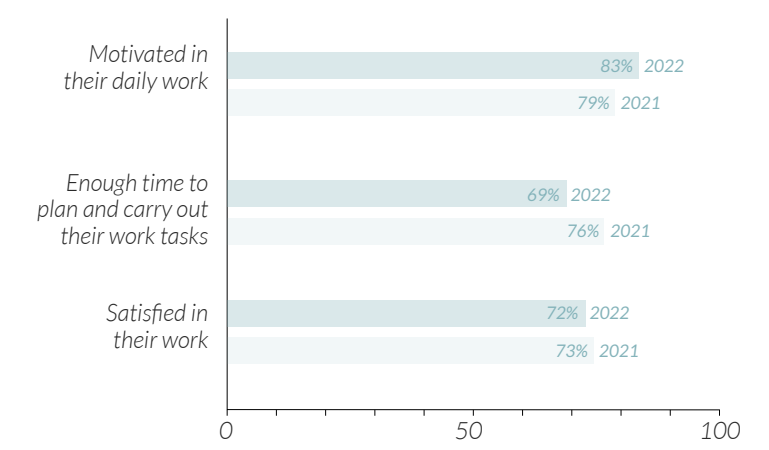
In order to maintain alignment and ensure consistent communication regarding company operations and updates, we hold monthly meetings. Our organization is divided into four countries.

WORKPLACE CULTURE

We want to promote a workplace culture that values diversity, equality and inclusion. One of our objectives is to increase the percentage of women in leadership positions. We value diversity and equal opportunities, and we have a zero tolerance for discrimination. Our goal is to create a safe and inclusive workplace where all employees feel respected and safe. Our Code of Conduct and our House Rules offers guidance on diversity, community involvement and health and safety.

We believe in co-creation. In line with that, employees are asked open questions of how Genesta can become a more responsible and sustainable workplace in our employee survey. The answers are reviewed and incorporated into our action plan.

EMPLOYEE SATISFACTION SURVEY



In 2022, the employee satisfaction survey showed testimonies of rare instances of harassment. We take any form of harassment seriously and aim to address it promptly. We encourage anyone who has experienced or witnessed harassment to come forward. Additionally, we offer access to a psychologist to anyone who would like to receive support. We will continue to take necessary steps to ensure that our workplace is free from harassment and discrimination.

WORKPLACE HEALTH AND SAFETY

At Genesta, we prioritize the health and well-being of our employees. All benefits offered to our employees, such as health care, parental leave, and retirement provision, are available to permanent as well as interim employees.

In 2022, we were proud to achieve our zero-accident goal. For the second year consecutively, there were zero work-related accidents among our employees. We continuously develop our safety processes and practices based on the feedback from our own employees, consultants, tenants, partners, and visitors. We fully comply to the national laws on work environment where we operate. We have staff representatives for health and safety functions such as Fire Wardens, First Aiders, and a Health and

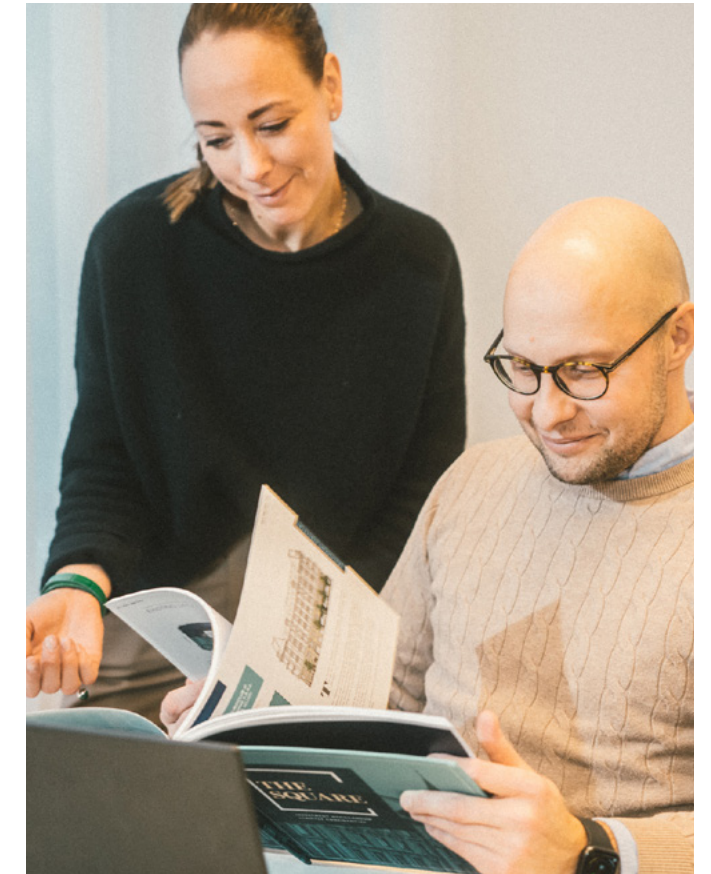
Safety Officer that trains all, particularly new, employees on relevant safety aspects.

All employees are offered a health maintenance program which includes sports activities and serves as an incentive to maintain a healthy lifestyle. We organize "Feel Good Events" that focus on physical training to promote employee well-being and team spirit. By providing these opportunities and benefits, we aim to improve the overall health and happiness of our team. We provide flexible working hours which means that employees have control over their own time schedule and facilitates as well as promotes a healthy work-life balance.

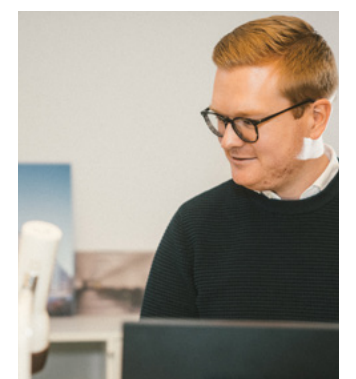
Our goal is to create a safe and inclusive workplace where all employees feel respected and safe.

We do our utmost to provide a safe and rewarding work environment. We continuously evaluate our health and safety practices. We reinforced our Health and Safety taskforce to implement planned operations, to identify and assess any health and safety risks systematically and to develop health and safety management further. The person responsible

During 2022, more than 80% of our employees participated in ESG related trainings.



Employees at the Stockholm office.



for HR at Genesta represents the employees in the evaluation process and will advocate for the worker's interests and ensure that the evaluation process considers the sustainability aspects of their work.

The employee survey includes a question related to health, providing employees the possibility to give input on how promotion of health-related issues can be improved. By addressing health concerns, we aim to ensure that employees are not exposed to risks that could compromise their safety or negatively impact their work performance.

12%

**average turnover rate during
the past 3 years**

REMUNERATION

Genesta pays staff a combination of fixed remuneration (salary and benefits) and variable remuneration, including bonuses. The fixed remuneration is determined based on the role of the individual employee, including their responsibility and job complexity, performance,

and local market conditions. Salaries are reviewed annually and any resulting increases and/or bonuses are given at Genesta's discretion. Salaries are based on market matching and any bonuses are based on individual performance.

The variable remuneration is determined by high performance work that strengthen long-term customer relations or generate income or shareholder value. Variable remuneration for relevant staff considers compliance with all policies and procedures, including those relating to the impact of sustainability risks on the investment decision making process.

The Board determines a maximum percentage of performance-based remuneration relative to the fixed remuneration. The performance-based remuneration may be clawed back if granted on a deliberately erroneous foundation. Pension schemes guarantee employees a basic cover in the event of illness or death, and a suitable pension payment on retirement. The pension payments are fixed and are part of the base salary.

For joiners and leavers, salary payment for part of a month will be calculated on the number of days worked in proportion to the number of working days in the month. Further information is outlined in our Sustainability HR policy.

3.2.2 A Safe and Healthy Environment for Our Tenants

GRI 3-3 TENANT HEALTH AND SAFETY, 403-1, 403-2, 403-5, 416-2

At Genesta, we offer our tenants a safe and healthy environment in modern as well as sustainable buildings. By engaging with tenants, we receive insight on their needs from which we can build long-lasting relationships with mutual benefits.

STARTING WITH HEALTH AND SAFETY

We start the focus on health and safety for our tenants even before we acquire a new property, with a specific due diligence process handling the topic. The objective of the due diligence is to identify health and safety issues that could represent a business risk in terms of actual or potential liabilities. The due diligence provider conducts assessment using national and, where relevant, local, regulatory knowledge on health and safety related issues as well as industry best practice which is

By regularly monitoring our tenant's satisfaction we can plan actions and activities to become a truly excellent property manager.

equivalent to Genesta best practice requirements. After the acquisition of a property, we nominate an H&S Property Controller to manage and coordinate the consistent implementation of the Genesta Health and Safety Policies and Procedures for the property. They are responsible for managing the identification, documentation and follow-up of health and safety corrective actions as well as improvements in co-operation with the Property Managers and Investment Managers during the entire holding period.

In case of a construction site our local H&S Property Controller visits sites on a regular basis. The purpose of these health and safety spot checks is to promote Genesta's zero injury policy. Observations of possible health and safety risks are noted and plans for corrective actions are set up.

To guide all relevant parties with health and safety, we have implemented best practice guidelines for health and safety aspects. With our guidelines we can minimise risks and eliminate hazards for all our properties. Once under our management, we visit and inspect all properties on an annual basis.

Our H&S Manager is responsible for the development, updating, and implementation of health and safety policies and procedures for all funds managed by Genesta. The manager is also responsible for reporting and communication on health and safety matters. To ensure that Genesta adheres to all legal requirements for health and safety we are currently

implementing an internal Environmental, Health and Safety compliance and assessment tool that lists all applicable laws and regulations for our business and presents our level of compliance.

During 2022 we developed an H&S construction project procedure, where we collaborated with all countries within Genesta operational sphere on construction and construction processes.

ENGAGING WITH OUR TENANTS

By regularly monitoring our tenant's satisfaction we can plan actions and activities to become a truly excellent property manager. In 2022, we conducted a tenant satisfaction survey in both Sweden and Norway together with an independent research company. This approach differed from the previous year's survey, which encompassed tenants across all Nordic countries. As the approaches vary, we present information from the 2022 survey without a comparison with past years. Past data can be found in previous Annual Sustainability reports on our website.

The survey includes sustainability related questions. When asked how important sustainability aspects are when making decisions regarding premises our tenants scored 4.33 in Sweden and 4.24 in Norway out of 5. When asked about satisfaction regarding the landlord's current sustainability performance, we scored a 4 in Sweden and 3 in Norway. These results underscore the continued importance of addressing sustainability in our interactions with tenants.

IMPORTANCE OF
SUSTAINABILITY ASPECTS
IN SWEDEN

4.33 

ON A SCALE FROM 1 TO 5

IMPORTANCE OF
SUSTAINABILITY ASPECTS
IN NORWAY

4.24 

ON A SCALE FROM 1 TO 5

Chapter 4

Governance and Risk Management

Managing and assessing ESG related risks is incorporated in our governance structure. We want to run a business that is compliant with regulations as well as business ethics.



Zinko in Stockholm, Sweden, GNRE Fund III. Visualization.

4.1

Governance and ESG Committee

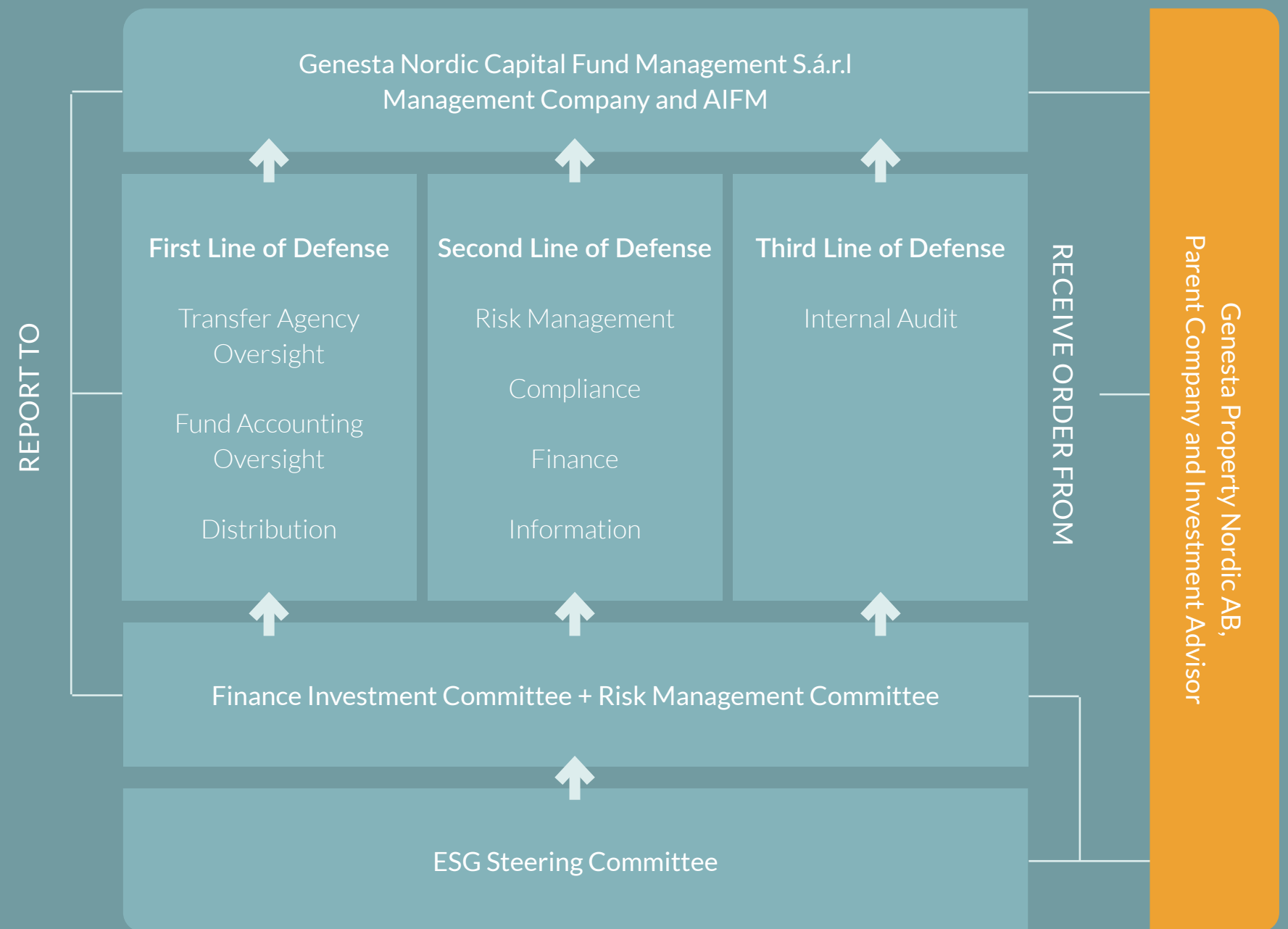
GRI 2-1, 2-2, 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 2-18, 2-29

Genesta’s governance and management of operation is executed through an Alternative Investment Fund Management Company (“AIFM”), Genesta Nordic Capital Fund Management S.á.r.l. (“GNCFM”), which manages the three active funds and it is based in Luxembourg. GNCFM has appointed its sole parent company Genesta Property Nordic AB (hereafter “GPN”) as Investment Advisor (the “IA”) to provide investment advisory and support services in relation to the funds, upon the terms and conditions of the Investment Fund Services Agreement. The IA, which is also part of the same group as the AIFM, was incorporated in Sweden in 2003.

The AIFM remains in charge of the risk, compliance and portfolio management of the AIFs and of implementing the AIFs’

investment strategy as well as of communicating this investment strategy to the IA. The Management Committee of the AIFM (hereafter the “Management Committee”) is in charge of the supervision of the Risk, Compliance and Portfolio Management functions, therefore including the services/ advice provided by the Investment Advisor.

Advice received from the IA is generally first instructed by the AIFM’s Finance Investment Committee (“F.I.C.”) and Risk Management Committee (“RMC”), and upon the latter validation, it is transmitted to the Management Committee for decision. Ultimately, the Board of Managers of the AIFM (the “AIFM Board”) then provides its approval.



The Genesta Group is committed to playing a leading role in achieving a sustainable future.

Genesta Group is committed to playing a leading role in achieving a sustainable future. The Board approves and adopts sustainability policies which form the basis for integrating environmental and social governance aspects into the Group's activities. All decisions taken shall consider sustainability risks.

The Board takes investment and divestment decision through a majority vote and oversees the implementation of investment policies and valuation policies. The Board may delegate certain functions to third-party service providers that it appoints, monitors, and manages. The management company has established a governance framework that sets out the functions reserved to the board and provides for the delegation of functions to Board Committees and management. The appointment of members of the Board of Managers and Management Committee is subject to CSSF (Commission de Surveillance du Secteur Financier, the Luxembourg financial supervisory authority) approval.

The structure of the Board consists of one representative per Nordic country and a majority of managers based in the Luxembourg Grand Region. At least two of those managers shall be non-executive directors who shall not be employed by Genesta Group. The Board has delegated day-to-day management functions to the Senior Managers and/or Conducting Officers.

The Board members may decide to form committees that it entrusts with specific assigned matters. Members of the Committees must have sufficient knowledge of Genesta's business and of the industry at large to bring an independent and objective support and challenge to the Committee(s) they attend. The Board oversees a Risk Management Committee with a focus on the oversight of risk management issues, a Finance and Investment committee that is responsible for management and coordination of due diligence activities and ensuring that investments are undertaken in line with the investment policy, and an ESG Steering Committee.

ESG GOVERNANCE AND THE ESG COMMITTEE

In 2022, Genesta introduced an ESG committee which is responsible for overseeing the company's environment, social, and governance performance. The purpose of the Committee is to assist the Board/ Management Team in the company's ongoing commitment to environmental stewardship, health and safety, corporate social responsibility, and corporate governance to shape its ESG strategy.

The Committee is composed of at least three members from various disciplines, including human resources, communications, finance, legal, and property management. At least one member of the Committee should have a broad understanding of occupation health, safety, environment, and sustainability matters. The CEO appoints the members and Chair annually and has the power to change the membership of the Committee as long as it meets the composition requirements. The Committee is responsible for reviewing the company's ESG strategy, policies, and progress, monitoring ESG risks and impacts and assessing its own performance. It also reviews governance systems and procedures and investigates any matters within its mandate. The Committee must meet at least biannually,

keep minutes of meetings and conduct an annual evaluation of its performance.

The CEO must ensure equal representation of all sexes, and the Committee can retain outside consultants or advisors to assist it. The Committee reports to the Management Team on the outcome of its meetings and makes recommendations as appropriate.

Genesta's ESG manager and CEO are responsible for reviewing and approving the information enclosed in this annual sustainability report. They are also involved in the process of gathering and validating the content of this report. Their guidance ensures that relevant and reliable information is communicated that accurately reflects our sustainability performance. They also play a critical role in approving the information before publishing the report.

The ESG Committee assists in the ongoing commitment to environmental stewardship, health and safety, corporate social responsibility, and corporate governance to shape Genesta's ESG strategy.



4.2

Risk Management and Assessment

GRI 2-23, 2-24, 2-26, 205-1, 406-1, 416-1, GRI 3-3 COMPLIANCE

We have managed sustainability issues as an integral part of our business strategy for years. To secure a resilient portfolio, ESG risk management is integrated into all aspects of our work - acquisitions, business planning, asset management implementation, construction site management, property management through the disposal of the asset. By following our robust processes, we can identify, measure, manage and follow risks for new investments and risks emerging in our existing portfolio.



4.2.1 Assessing Risks for a Resilient Portfolio

GRI 416-1

ASSESSING ESG RELATED RISKS

At Genesta we acknowledge that risks in our portfolio hold a dual perspective. We use a materiality assessment to screen our portfolio, recognizing the impact of our activities on the environment, economy and society, and the emerging risks and opportunities of the environment, economy, and society on our own activities.

Our sustainability risks are categorized in climate related risks, transitional risks, and social risks. These risks are principally resulting from climate change, also known as physical risks. Society's or the economy's response to climate change, also known as transition risks, may result in unanticipated losses that could affect the managed investments and contribute to negative impacts on the environment, individuals or groups.



Physical risks

In the table below we disclose our key physical risks. The list is not exhaustive of all of Genesta's key risks.

PHYSICAL RISKS	RISK TYPE	WHAT?	IMPACT ON REAL ESTATE	GENESTA MITIGATION PLAN
	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 Sustainable Construction Guide includes climate risk mitigation and adaptation measures by addressing energy efficiency issues, water consumption, sustainable commuting and material selection aspects
		Increased precipitation	<ul style="list-style-type: none"> Evaluation of physical risks is integrated in the technical due diligence process and annual follow up process of rectification measures 	
		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	<ul style="list-style-type: none"> Danger for occupiers Damage for building and its surroundings Supply chain disruption 	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 		

Transition risks

In the table below we disclose our key transition risks. The list is not exhaustive of all of Genesta's key risks.

TRANSACTION RISKS	RISK TYPE	WHAT?	IMPACT ON REAL ESTATE	GENESTA MITIGATION PLAN
	Shift to low-carbon or carbon-neutral economy	Regulations 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 	<p>Continuous follow-up of ESG-related political discourse and decision-making to assure Genesta's requirements are well ahead of regulatory requirements</p> <p>ESG-matters integrated into business operations</p> <p>Continuous improvement of energy efficiency and carbon intensity to manage risk of increased costs</p> <p>Active stakeholder engagement and green leases</p>
	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 	
	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 	

Social events and negative impacts caused, contributed to, or directly linked to Genesta, its operations, or its value chain, including its business relations and governance shortcomings may also translate into sustainability risks. These could negatively impact the value of the portfolio investments and have a negative impact on individuals or groups. We are dedicated to measure and minimize our social risks. By including social aspects such as human rights, anti-corruption and labor rights in our ESG due diligence process from 2023 for all new property investments we will be able to manage them more actively than before. Social risks will be evaluated in terms of potential impacts the same way we today assess other risks. Social risks plan are planned to be added to our existing health and safety due diligence framework. By developing and implementing mitigating actions, assigning clear responsibilities, and regularly assessing the effectiveness of the measures taken we are committed to responsible investment and to promote social sustainability in our operations.

The impacts following the occurrence of a sustainability risk may be numerous and could vary depending on industry, region, and asset class. Under this consideration, the analysis of the impact probability of such risks is therefore conducted on company, portfolio as well as on asset level.



Future assessment of material risks will evaluate whether identified risks are material from the perspective of financial materiality, impact materiality or both.

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 agreements. Our contractors are required to comply with the local legislation. Our key suppliers are asset managers, service providers, consultants, and constructors.

Future assessment of material risks will evaluate whether identified risks are material from the perspective of financial materiality, impact materiality or both. Impact materiality is interlinked with the

severity of impacts, and financial materiality refers to the financial effect of risks and opportunities on our developmental ability.

Financial sustainability risks are defined as environmental, social or governance events or conditions that, if they occur, could cause an actual or potential material negative impact on the value of the investments held in our portfolio.



Philip Björk, Head of Investor Relations

4.2.2 Assessing Climate Risks Through the Lens of the Future

We recognize that a changing climate poses significant physical risks to real estate, such as property damage from extreme weather events or rising sea levels. To identify climate related physical risks, we have developed a methodology for conducting physical climate risk assessments on asset level. The methodology follows a 3-step qualitative approach assessing the asset’s exposure, sensitivity, and vulnerability to a list of physical climate-related hazards as defined by the EU Taxonomy.

ASSESSING EMERGING RISKS FROM A CHANGING CLIMATE

During 2022 we began to conduct a gap assessment against The Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The TCFD provides internationally recognized recommendations for reporting climate-related risks and opportunities. The assessment led to the identification of actions that would help us achieve further alignment, including an expansion of our ESG Committee with more internal stakeholders

to support a broader focus going forward and setting of roles and responsibilities related to climate change.

During 2022, we also conducted a scenario analysis to evaluate the resilience of Fund III and Fund CPOE. Climate related strategy and climate related risks and opportunities were assessed under two scenarios: Stated Policies Scenario (STEPS) and Net Zero Emissions by 2050 (NZE) Scenario. The analysis included the time periods of 2025, 2030 and 2050.



CASE

Creating Resilience through Risk Management

Interview with Elie Benoit Ndong, Conducting Officer, Risk Manager at Genesta

WHAT ARE MAIN MOTIVATIONS AND APPROACH TO GENESTA'S SUSTAINABILITY RISK MANAGEMENT APPROACH?

At Genesta we want to identify, assess, and monitor all type of risks to our business. Our approach is driven by an acknowledgement that acting on climate related risks are important for our long-term success. Following relevant regulation is the basis, but we strive to do more. For climate related risks we use the TCFD framework.

It separates physical risks and transition risks. For social sustainability risks we follow the EU Taxonomy minimum safeguards, the OECD Guidelines for multinational enterprises and the UN Guiding Principles on Business and Human Rights. At Genesta, we focus especially on risks related to the

real estate sector such as construction sites and tenant risks.

HOW CAN ASSESSING SUSTAINABILITY RISK SECURE THE VALUE OF YOUR ASSETS?

We know we have an influence on the environment, and at the same time sustainability risks have an impact on our financial performance (double materiality). As part of the TCFD framework, we conduct scenario analyses to assess future risks such as climate change (physical risk), new markets demands and regulations, and new technology (transition risk). To identify new risks, we do assessments and scenario analyses regularly. At the moment, we are integrating sustainability risk categories into our risk policy as we want to assess

“Our approach is driven by an acknowledgement that acting on climate related risks are important for our long-term success.”

Elie Benoit Ndong



sustainability risk integrated with our overall risk management for financial risks. In our investor relations risk management is always a part of the dialogue, we need to show how we manage risks to secure their investments.

HOW DO YOU ASSESS SUSTAINABILITY RISKS, AND HOW ARE THEY LINKED TO YOUR BUSINESS STRATEGY?

For us, risk management is not a fixed one-time activity but an ongoing process and once an asset is in our portfolio, we manage our risks at both asset and fund level regularly. At Genesta the sustainability due diligence is a big part of the investment decision where we want to assess as much risks as possible prior to the investment decision. We do an EU Taxonomy gap assessment

to investigate how likely the building is to be taxonomy aligned; we use the CRREM tool to calculate the risk of an asset being stranded due to climate related risks; climate risk analysis is prepared; the property's EPC is evaluated including evaluated against likely future versions and a review of the PED calculations; H&S issues are reviewed and action list prepared; ESG issues related to tenants are summarized; the BRREAM certification is evaluated against newer versions and fund targets; on-site energy production is evaluated amongst other studies and reviews. Our findings are reported to management team and the board quarterly and business plans are updated accordingly with a separate section for ESG.

4.3

Business Ethics and Governance

GRI 2-11, 2-15, 2-16, 2-25, 2-26, 2-27, 205-2, 205-3, GRI 3-3 COMPLIANCE

4.3.1 Business Conduct in line with Regulations and Business Ethics

Adhering to applicable laws and regulations and meeting stakeholder expectations of a business conduct in line with high ethical standards is crucial to our business resilience. To monitor our compliance to laws and regulations we use the internet-based tool Carol. Through the tool we can monitor applicable legislation and regulations for our entities and determine our level of compliance and identify areas where we need to improve. If we are found to be non-compliant, we take corrective action.

If gaps in compliance are identified, Genesta provides mitigation action plans to address these issues. The action plans are reviewed by an independent third-party auditor in the following year, to ensure that any identified gaps have been closed. This is an important process that we undergo each year to ensure that we are fully compliant with all regulatory requirements. A separate compliance report is submitted to CSSF annually.

COMMITMENTS TO GREAT BUSINESS ETHICS

As a signatory member of the UN Global Compact, we are committed to its principles covering bribery and corruption, human rights, labour, and the environment. Guided by our Code of Conduct, we uphold zero tolerance against any form of corruption and bribery. The Code



of Conduct applies to everyone at Genesta. In addition, we expect our suppliers and business partners to respect human and labour rights and follow applicable laws and regulations related to anti-corruption the same way we do.

During 2022, 90% of the management team participated in ESG related trainings. No non-compliances were reported regarding laws and legislation nor bribery or corruption during the year. The Code of Conduct also confirms our commitment to human and labour rights and guide our employees in how we want our values to be put into action.

Guided by our Code of Conduct, we uphold zero tolerance against any form of corruption and bribery.

All policies have been approved by the Board and apply to relevant parts of the organizations operations. The policies are communicated where relevant and available to all employees. To guide our ethical business approach, we have the following policies and principles in place.

POLICIES AND PRINCIPLES



Genesta's Code of Conduct

Everyone at Genesta, and our business partners, are expected to comply with the principles in our Code of Conduct, founded on our values and the ten principles of UN Global Compact concerning human rights, labor, environment, and anti-corruption.



Governance and Decision-Making Policy

The policy outlines rules and best practices for regulating internal relationships and control mechanism, conflicts of interests, escalation processes, sound decision making, and communication of critical concern.



Risk Management Policy

The policy outlines how Genesta identifies and assess risks, develops strategies to mitigate them, monitoring and reviewing the effectiveness of those strategies and how Genesta communicates them to stakeholders.



Sustainable HR Policy

This policy consists of the overall policy commitment as well as implementation policies relating to sustainable human resources practices at Genesta.



Best Execution Policy

The policy describes a set of steps that we take to obtain the best possible result for our clients in all our operations.



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.



Financial Crime Policy

Policy that governs activities with respect to anti-money laundering, counter-terrorism financing, and integrity-related matters.



Compliance Policy

The policy promotes honesty, ethical behaviour, and compliance with laws, regulations, rules, and professional standards. It identifies significant compliance risks, clarifies the principles established by the Board, and establishes the Compliance function.

4.3.2 Running a Compliant Business

GRI 3-3 COMPLIANCE

At Genesta we have a Compliance function in place to oversee the implementation and adherence to the Compliance policy. The functioning and extent of this function will evolve over time to be contingent upon inherent risks of our operations. To ensure compliance with applicable laws, regulations, and professional standards the Compliance function acts independently. Within the scope of the function is to appoint a Compliance Officer, identify and manage compliance risks, and report to Senior Management and the Board on material issues as well as significant instances of non-compliance. Upcoming work includes educating employees on compliance matters and integrate sustainability risks in internal controls.

Complaints from our investors and costumers are taken seriously at Genesta. We have established and implemented effective and appropriate procedures for handling complaints giving clear and comprehensible information to

ensure that possible complaints from investors or customers in relation to our products and services are treated fairly and without undue delays in line with applicable regulatory requirements. Our Complaints Handling Procedure is publicly available and describes that complaints should be addressed free of charge in writing by registered post, e-mail or fax stating name and contact details. In 2022 we launched a project to further improve our procedures and systems connected to grievance. We aim to implement changes in our operations during 2023, ensuring the highest standards of transparency and customer service and satisfaction.

At Genesta we are committed to follow applicable laws as well ethical standards for tax payments in all our operations. We have adopted a tax strategy which prioritizes compliance with all relevant local regulations, and we maintain thorough documentation of all our financial transactions and strive to demonstrate our compliance with tax laws. Any instances of misconduct in this regard will be subject to our whistle-blower policy and we encourage all employees to use our whistle-blower function to report any such behaviours.

"We strive for excellence in our compliance efforts for fair business competition, anticorruption and anti-money laundering, ethical tax practices and transparent financial reporting on our real estate assets. It is through our commitment to these principles that we cultivate trust and duty of care towards our investors, maintain strong relationships with our stakeholders, and drive sustainable growth in the industry. We take complaints seriously and have streamlined our procedures to handle them fairly and efficiently, while always complying with regulations and encouraging feedback from investors."

Eniana Dupi
Conduction Officer, Fund Operations Manager



Chapter 5

Sustainability at Fund Level

Regular assessment of our portfolio helps us improve the ESG performance with active fund management.



Enköping Logistikcenter in Stockholm-Mälardalen, Sweden, GNRE Fund II.

5.1

Portfolio Assessment

GRI 2-28

At Genesta we assess our portfolio through various external frameworks. The assessments help us monitor our portfolio, but also to benchmark it and receive valuable input on actions and measures to raise our sustainability performance.

SFDR

In 2021, the EU Sustainable Finance Disclosure Regulation (SFDR) came into force. The objective of the regulation is to reorient private capital flows towards sustainable investments. As an Alternative Investment Fund Manager (AIFM), we have embraced the SFDR requirements and commenced to formally implement the regulation into fund and investment management practices.

We provide the information in accordance with Articles 3(1) and 5(1) of the Disclosure Regulation on our website: Sustainability risk policies, Investment decision making, Policies and codes guiding decision making, Investment

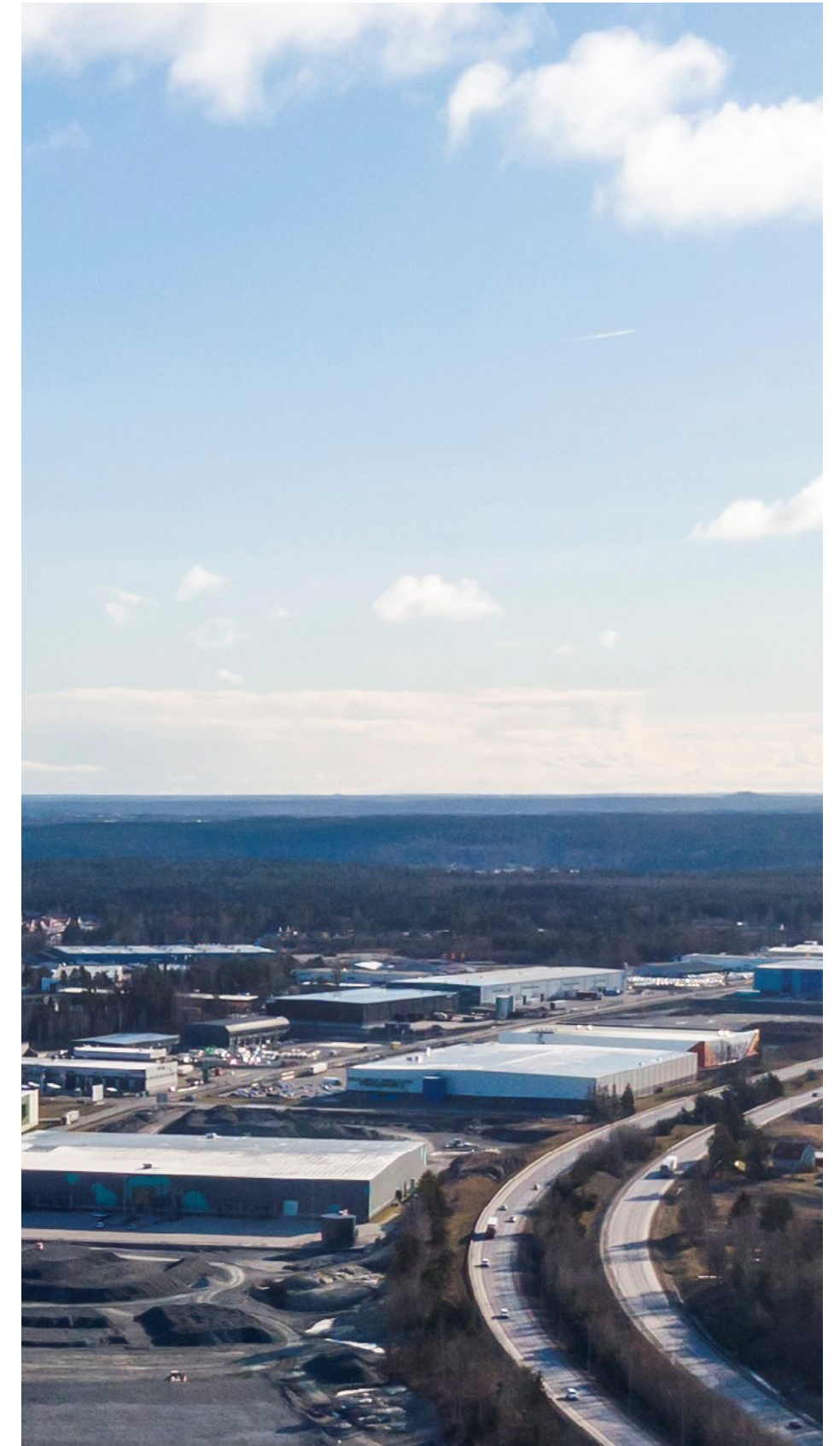
cycle, Managing climate change related risks, Remuneration policy, Policies to Identify and Prioritize Principal Adverse Sustainability Impacts, Principal Adverse Impact on Sustainability Factors and a Statement on Principal Adverse Impact on Sustainability Factors.

EU TAXONOMY

The EU Taxonomy is part of the EU Sustainable Finance Action Plan and aims to define environmentally sustainable economic activities. It is intended to help investors and companies better identify and report on sustainable investments and promote the transition to a low-carbon and sustainable

economy. For an activity to be considered sustainable under the taxonomy regulation, it must significantly contribute to at least one of the six identified environmental objectives, while avoiding significant damage to any of the other environmental objectives. From 1 January 2022, the Taxonomy Regulation is applicable to two of the environmental objectives. In addition, there are Minimum Safeguard requirements relating to social sustainability aspects such as human rights and work environment.

Genesta is not covered by the reporting requirement under the Taxonomy Regulation but to meet stakeholder expectations we initiated a Taxonomy gap assessment for most of our assets during 2022 for the technical screening criteria for activity 7.7 “Acquisition and Ownership of Buildings”. For the assessment we created a tool to assess the alignment of each asset. The assessment included the Minimum Safeguard criteria to identifying to what extent we are acting accordingly to international standards of responsible business conduct. The result now serves as a baseline for our portfolio. As a result of the assessment an action plan has been developed. We plan to report our taxonomy alignment in 2023. To ensure future





The groundbreaking ceremony for Enköping Logistikcenter, Sweden in October 2022.

alignment of new assets entering our portfolio we have included EU Taxonomy screening in our ESG due diligence process. The screening helps us identify gaps and to integrate measures needed into the business plan of each investment.

CRREM

The Carbon Risk Real Estate Monitor (CRREM) is a global standard that enables the real estate industry to transition towards a more sustainable future. CRREM provides the real estate industry with transparent, science based decarbonization pathways aligned with the climate target under the Paris Agreement. It offers a comprehensive framework focused on carbon risk exposure and potential strategies to reduce this risk. It also includes the necessary elements to undertake scenario analysis.

At Genesta we utilize CRREM on asset level where the framework helps us build roadmaps to reach our climate target and to establish a baseline. The tool is primarily used for transparency, allowing us to fully understand the current state and determine necessary future actions.

In 2022, we began applying CRREM by conducting a pilot project in three properties in Sweden, Denmark, and Finland. We are currently in the process of rolling out CRREM to all our properties and have started to include a CRREM pathway when evaluating assets for investment during the ESG Due Diligence. As part of this effort, we are currently developing an internal CRREM-CAPEX model which considers financial aspects as well as CRREM aspects when evaluating CAPEX requirements in potential acquisitions.

PRI

Genesta 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. Due to delays in assessing signatory reports and the revision need, PRI stopped the reporting in 2021 until it reopened in January 2023. Hence, this year's report will be Genesta's second report covering 2022.

CASE

Using CRREM to Improve the Impact of Our Assets

During 2022 Genesta performed an analysis of the energy consumption at the office property Public, located in Copenhagen, Denmark. The purpose was to initiate energy saving measures to reduce costs and CO₂ emissions to meet the expectations of a modern building.

By using the CRREM tool we established a zero-carbon emission pathway for 2050 that is now put in place. To reach the zero-emission goal for Public we will install solar panels with the combined capacity of nearly 150 000 kWh annually. New heat pumps will be installed to reduce energy consumption





To reach the zero-emission goal for Public we will install solar panels with the combined capacity of nearly 150 000 kWh annually.

By using the findings from the CRREM assessments in the business plan for each asset we can chose relevant improvements and evaluate the impact.

by approximately 40 %, and LED lamps together with sensors for activity and incoming light will reduce the energy needed for lighting significantly. By installing meters for electricity, heat and water tenants can monitor their own consumption and work together with us to lower the climate impact of the building.

We are currently implementing CRREM as a tool to screen the performance of all our buildings in terms of climate emissions and energy use. By using the tool, we can evaluate the impact of different improvements to cut emissions and energy use. It also allows us to evaluate long-term financial perfor-

mance due to climate related risks. By using the findings from the CRREM assessments in the business plan for each asset we can chose relevant improvements and evaluate the impact on both asset and fund level. When used during the acquisition phase the assessment gives us valuable input on investments needed to reach our targets. Our intention is to extend the way we are currently using CRREM to also use it to set a baseline for our climate emissions and to establish targets for each asset in line with the Science Based Targets initiative.

Public, Copenhagen, GNRE Fund III

The tower is an area defining landmark with a high degree of visibility from all directions.



5.2

Fund Management

GRI 3-3 GREENHOUSE GAS (GHG) EMISSIONS AND RESOURCE EFFICIENCY (ENERGY, WASTE)

At the end of 2022 we managed three real estate funds: two value-add funds (GNRE Fund II and GNRE Fund III), and an operational core plus open-ended fund (GNRE Core Plus Open-Ended). To build a resilient investment portfolio that creates value for investors in each fund, competes in local markets and provides attractive occupational solutions for tenants, we regularly assess the sustainability of each fund and its assets.

To monitor and evaluate the sustainability performance of our funds we rely on the GRESB Real Estate Assessment. The assessment allows us to measure the effectiveness of our practical efforts in promoting sustainability across our funds. GRESB assesses several key areas, including responsible management, risk management, reporting, carbon footprint, energy, water and waste usage, data coverage, environmental certifications, and stakeholder engagement.

In 2022 we participated in the GRESB assessment with three funds, based on the 2021 reporting year. GNRE Fund II received 4 stars and GNRE III received 3 stars. GNRE Core Plus Open-ended did not participate in GRESB in 2022 but will do so in 2023 covering fund management and performance disclosures for 2022.

In 2022, we established and signed fund specific ESG policies for our three different

funds. The policies serve as a sustainability guideline to help us decide in which assets we want to invest and how our operations should be managed. The policies lay out the sustainability strategy of the fund and its sustainability targets. The main content of the policies including targets and measurements is available on our website disclosures under SFDR.

All funds focus on promoting environmental and social characteristics in their investments, but achieving a sustainable investment is not their primary objective. Nevertheless, the funds encourage environmental features in their real estate assets by implementing strategies such as the EU Taxonomy, property renovations for energy efficiency, and climate risk mitigation. The funds also promote social components through tenant engagement initiatives.

To ensure sustainability, the funds tracks sustainability indicators and actively monitor key performance indicators (KPIs) throughout ownership. Internal and external control mechanisms are in place for ongoing assessment and progress is regularly reported to Genesta's ESG steering committee. Additionally, a quarterly and annual sustainability report is independently ensured to maintain transparency and accountability.

We have set targets on fund level to monitor environmental and health and safety performance.

To meet our climate 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 improvement potential. Our overall aim is to invest in renovation measures in (light) brown buildings and their transformation towards a green, to achieve an increase in the building value and change the European building stock.

To reinforce our sustainability commitment, we established fund-specific ESG policies in 2022. These policies guide our investment decisions and operational practices, outlining sustainability strategies and targets for each fund.

Chapter 6

ESG Performance at Fund Level

We disclose the performance of our funds according to GRESB.



Enköping Logistikcenter in Stockholm-Mälardalen, GNRE Fund III

6.1

GNRE Fund II

GRI 2-2, 302-1, 302-3, 305-2, 306-3

Genesta Nordic real estate fund II FCP-SIF, the value-add fund (“GNRE Fund II”) is a specialized investment fund structured as a common contractual fund, registered in Luxembourg and being operational since June 2015. It is managed by Genesta Nordic Capital Fund Management S.à r.l. which is authorized and supervised as Management Company.

The Fund is Genesta’s second value-add fund focusing on the Nordic region. GNRE Fund III’s strategy is to provide institutional investors with exposure to value-add office, logistics and retail property investments in the Nordic region.

Genesta divested two properties in 2022, namely Bulevardi and Fabianinkatu 9 (Fab9), both of which were sold during

Q2. Bulevardi 21, a historic office property encompassing approximately 10,100 square meters, was acquired by Genesta in December 2015 and underwent significant refurbishment before being sold. Additionally, Genesta sold the prime office property “Fab 9,” a 7,600 square meter building located in the central Helsinki area, which was acquired in July 2016 and subsequently upgraded to meet modern standards

and renovated to cater to tenants’ requirements. Both these properties were granted BREEAM In-Use level Excellent certification in 2021.

Properties owned by Genesta Nordic Real Estate Fund II at the end of 2022 were:

- Arninge Centrum
- Roihu
- Hämeentie
- Svea Artilleri



Roihu



Arninge Centrum



Svea Artilleri



Hämeentie



Visualization of the lobby in Svea Artilleri, Stockholm.

GOALS FOR THE FUND'S LIFETIME

GRESB REA Four Stars

ACHIEVEMENTS IN 2022

During 2022, the fund participated in the Global Real Estate Sustainability Benchmark (GRESB) for the seventh time. The fund reached 80 points (out of 100; 2021: 82 points), four stars and a Green Star designation. The GRESB average score was 74 points (2021: 73), and peer group's average was also 74 points (2021: 67). The fund achieved 5th place out of 11 in its predominant peer group. The strengths of the Fund in the GRESB Assessment were sustainability management and reporting, risk management and stakeholder management.

Improve overall environmental performance of the portfolio

Initiatives identified in the period ended 31 December 2022 to improve the sustainability performance of the assets include:

- At Roihu, Key technical renovations during 2022 include upgrading the façade, roof, window repairs, renovation of the HVAC machinery and renovation of the electricity systems.
- Roof top installations of solar panels was conducted at Arninge Centrum in September 2022.

Certify 40 % of the properties

BREEAM In-Use certification achieved for Arninge Centrum (Very Good) and Roihu 11 (Excellent, awarded in Q1 of 2022). BREEAM In-Use certification process begun for Hämeentie 3, certification expected for 2023

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

Initiatives identified in the period ended 31 December 2022 to improve the sustainability performance of the assets include:

- During the last quarter, a combined water system that consists of both hardware and software components were installed at the properties Hämeentie 11 Roihu and Arninge Centrum. This enables more efficient water network management and reduces the risk of undetected leaks and pipe blockages. The implementation will lead to substantial savings on water, energy, and costs.
- New Building management systems are planned for 2023
- Motion sensors for light have been installed at Hämeentie 11 and Arninge Centrum

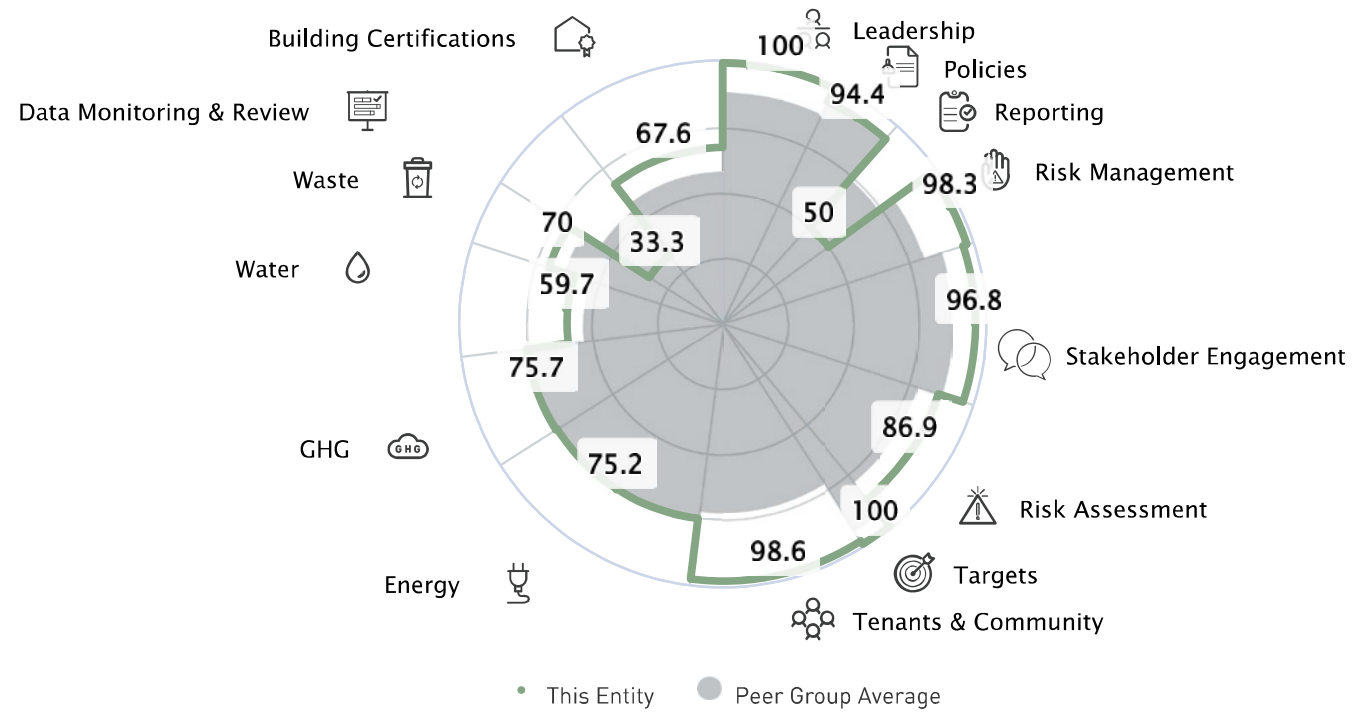
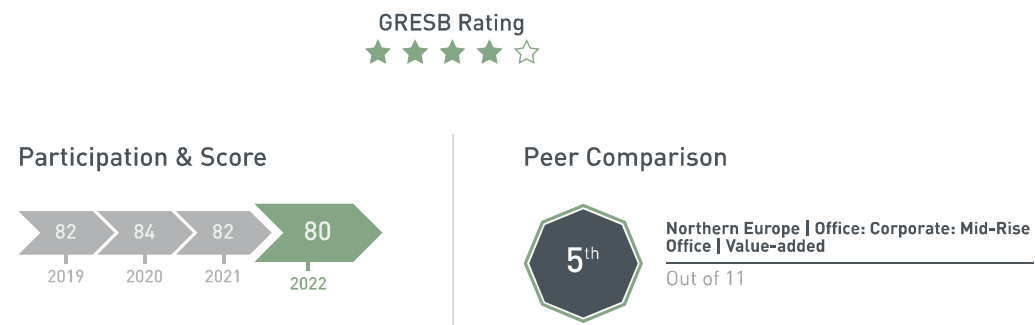
Implement Greenesta programme:

- Green leases across the portfolio
- Sustainability co-operation with tenants

In 2022, 55% of Arninge Centrum's lease contracts were green while 90% of Roihu lease contracts were green. Hämeentie has no green leases, yet. Annual green lease reports will be implemented for tenants.

2022 GRESB Standing Investments Benchmark Report

Genesta Nordic Real Estate Fund II, FCP-SIF | Genesta Property Nordic



ESG PERFORMANCE

GRI 2-4, 302-1, 302-3, 305-2, 306-3

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. For reference point please see like-for-like comparison.

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

Total resource consumption	2022	
Energy (MWh)	9 354	✓
Electricity (MWh)	2 691	✓
District heating (MWh)	5 857	✓
District cooling (MWh)	806	✓
Absolute energy intensity (MWh/m ² occupied) *	0.21	
Water (m ³)	12 026	

✓ KPMG assurance

Only properties that were under Genesta's ownership during the whole year of 2022 were included in the absolute energy intensity calculations.

Like-for-like resource consumption	2022	2021
Electricity (kWh/m ² occupied)	60.5	101.3
District heating (kWh/m ² occupied)	131.6	204.8
District cooling (kWh/m ² occupied) *	17.1	29.9
Water (l/m ² occupied)	270.2	604.9

* For District cooling, Svea Artilleri is not included in the calculations as the data coverage for 2021 does not cover the full year.

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 (2021-2022), are eligible for inclusion in the LFL calculations. Only properties where (1) data availability covers the full year, (2) data coverage is positive (read: acceptable), (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.

All four properties (Arninge Centrum, Roihu, Hämeentie, Svea Artilleri) in the fund met the LFL criteria and are included in the calculations based on consumption figures from 2021 and 2022. Please note that the figures in the table above differentiate from the figures reported for 2021 in the last annual ESG-report. This is due to the inclusion of Roihu and Svea Artilleri in the calculations, and the exclusion of the Finish property Bulevardi which has been divested.

The decrease between 2021 and 2022 in LFL data is mainly driven by higher occupancy rates in 2022 without corresponding equally large

increases in energy consumption. This speaks to how Genesta has been working with energy efficiency measures and managed to improve the energy intensity at the properties in the fund. Another important aspect explaining the decrease for electricity and district heating specifically is that Svea Artielleri underwent major renovations during the second and third quarter of 2022 which decreased the need for electricity, district heating and water.

Renewable energy	2022
Renewable energy purchased (off-site)	4 276 MWh
Renewable energy produced (on-site)	4 MWh

The Swedish properties Arninge Centrum and Svea Artielleri were responsible for the major share of renewable energy purchased as the energy provided to both these properties was based on above 90% renewable energy. The Finish properties (Roihu and Hämeentie) did not have as high a rate of renewable energy in the energy purchased.

The renewable energy produced on-site is exclusively produced at Arninge Centrum. At this property, the installation of solar panels

Emissions like-for-like comparison	2022	2021
Scope 2: Annual tCO ₂ e (market based)	1 188	983
Absolute GHG intensity (tCO ₂ e/m ² occupied)	0.027	0.034

was completed late in the third quarter and started producing smaller amounts of energy in the fourth quarter.

All four properties (Arninge Centrum, Roihu, Hämeentie, Svea Artilleri) in the fund met the LFL criteria and are included in the calculations based on consumption figures from 2021 and 2022. Please note that the figures in the table above differentiate from the figures reported in the 2021 annual ESG-report. This is due to the inclusion of Roihu and Svea Artilleri in the calculations, and the exclusion of the Finish property Bulevardi which has been divested.

The decrease between 2021 and 2022 in LFL GHG intensity is mainly driven by higher occupancy rates in 2022 combined with corresponding smaller increase in annual tCO₂e emissions. The decrease is driven by reduced emission factors for the district heating provided at Svea Artilleri, Roihu and Hämeentie. Genesta constantly pursues energy providers that can offer energy based on larger shares of renewable energy.

Waste	2022	
Total waste (t)	166	✓
Recycled portion of waste products	19%	

Svea Artilleri is not included in the calculations as there is a waste vacuum facility installed at the property which means that waste data cannot be measured. Hazardous waste is uncommon in commercial properties and is mostly relevant if case of construction work, retrofits, or maintenance activities in which there is a need to remove/replace some materials in a property.

6.2

GNRE Fund III

GRI 2-2, 302-1, 302-3, 305-2, 306-3

GENESTA NORDIC REAL ESTATE FUND III FCP-RAIF (“GNRE Fund III”) is an actively managed closed-ended fund, registered in Luxembourg and being operational since May 2019. The Fund does not have a legal personality on its own. The Management Company manages the Fund and acts in its own name for the account of the Fund in accordance with Luxembourg law and the Management Regulations.

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, logistics and retail property investments in the Nordic region.

In Q1 of 2022, Genesta acquired the office property Mullvadsberget 29 located in Stockholm. The 10,300 sqm building is to be transformed to a modern and sustainable property to suit the future demand from office tenants.

Properties owned by Genesta Nordic Real Estate Fund III at the end of 2022 were:

- Art8n (Repslagaren 34)
- Filmstaden 23
- Zinko (Mullvadsberget 29)
- Public (Neroport)



Art8n (Repslagaren 34)



Zinko (Mullvadsberget 29)



Filmstaden 23



Public (Neroport)



GOALS FOR THE FUND'S LIFETIME

GRESB REA Four Stars

Improve 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 co-operation with tenants

ACHIEVEMENTS IN 2022

The Fund has participated in the Global Real Estate Sustainability Benchmark (GRESB) for the second time. The fund reached 74 points (out of 100), three stars and a Green Star designation. The GRESB average score was also 74 points, and peer group's average was also 74 points.

Initiatives identified in the period ended 31 December 2022 to improve the sustainability performance of the assets include:

- New/updated Building management systems have been decided for Mullvadsberget 29 and Public.
- Solar panels were installed at Mullvadsberget 29.a.

BREEAM In-Use certification process begun for Filmstaden 23 and Repslagaren 34, certification expected for late 2023.

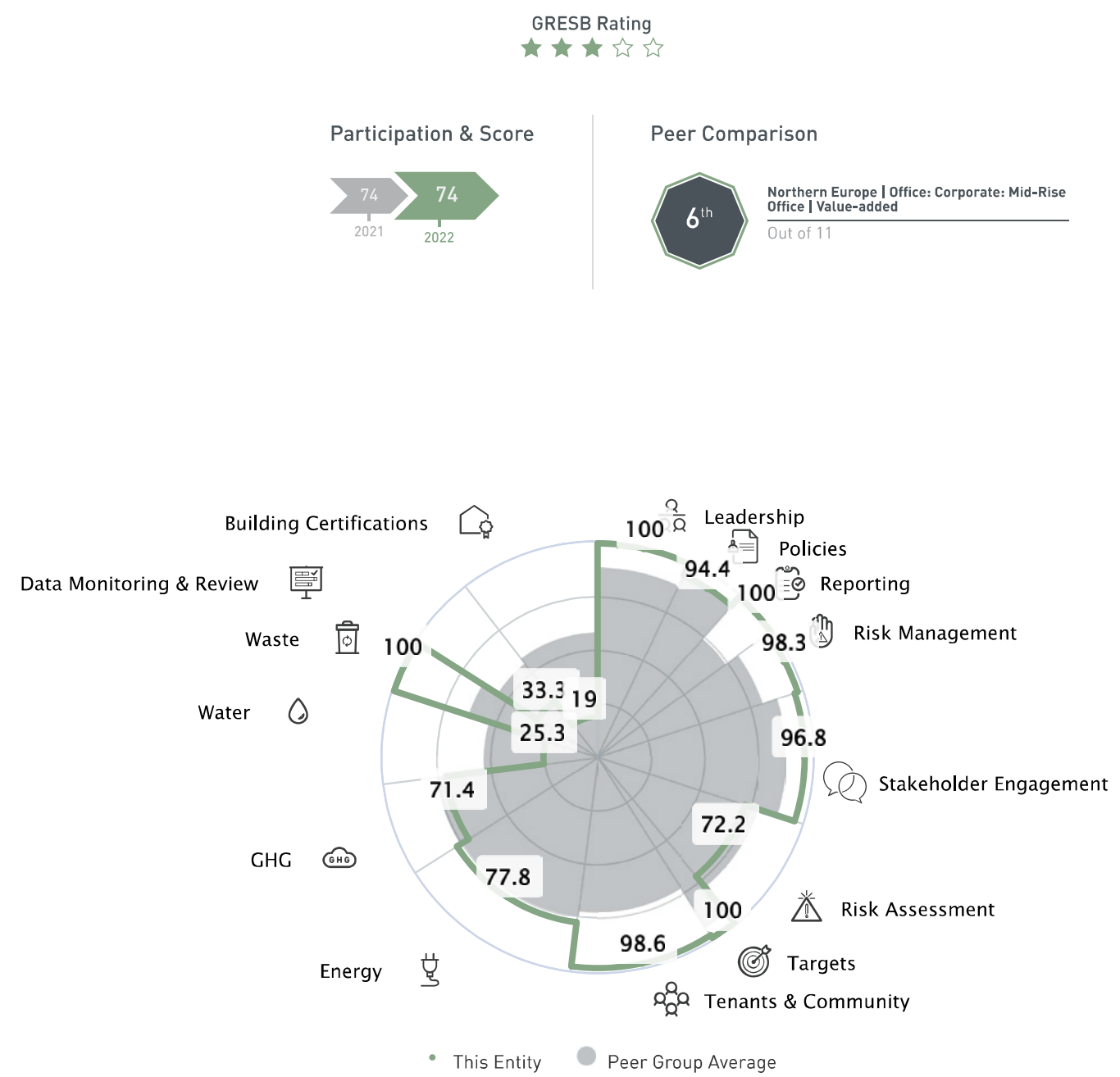
Sustainable Construction Guide:

- At Mullvadsberget 29, there are large renovations planned in the coming years
- Motion sensors for light were installed at Repslagaren that will increase the EPC levels.
- A combined water system that consists of both hardware and software components was installed at the properties Filmstaden and Repslagaren. This enables more efficient water network management and reduces the risk of undetected leaks and pipe blockages. The implementation will lead to substantial savings on water, energy, and costs.

After starting to offer green leases across the Genesta portfolio from the year 2020 onwards, green lease will be implemented especially during re-negotiations and agreement amendments. In 2022, 78% of Repslagaren's lease contracts were green while 67% of Filmstaden's lease contracts were green. Mullvadsberget and Public have no green leases, yet. Annual green lease reports will be implemented for tenants.

2022 GRESB Standing Investments Benchmark Report

Genesta Nordic Real Estate Fund III, (FCP-RAIF) | Genesta Property Nordic



ESG PERFORMANCE GRI 302-1, 302-3, 305-2, 306-3

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. For reference point please see like-for-like comparison.

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.

Only properties that were in Genesta's ownership during the entire year of 2022 were included in the absolute consumption calculations.

Absolute consumption	2022	
Energy (MWh)	5 780	✓
Electricity (MWh)	1 836	✓
District heating (MWh)	3 703	✓
District cooling (MWh)	241*	✓
Absolute energy intensity (MWh/m ² occupied)	0.19	
Water (m ³)	16 079	

*There is no district cooling on three out of four properties.
✓ KPMG assurance

Like-for-like comparison data	2022	2021
Electricity (kWh/m ² occupied)	71.5	62.2
District heating (kWh/m ² occupied)	185.8	161.6
District cooling (kWh/m ² occupied)	19.8	16.1
Water (l/m ² occupied)	1026.9	1039.9

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 (2021-2022), 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. The two properties that meet these criteria are Repslagaren and Filmstaden, and therefore the only properties included in the LFL calculations.

The minor increase in LFL data between 2021 and 2022 is due to increases in occupancy rates with slightly higher corresponding increases in energy consumption. However, the absolute water consumption did not increase as much as the energy consumption leading to a decrease in the LFL data for water consumption. This could be due to a combined water system consisting of both hardware and software components being installed at the properties Filmstaden and Repslagaren during 2022.

The amount of renewable energy purchased is driven by high shares of renewable energy for all energy providers to the fund. The renewable energy

produced comes exclusively from Mullvadsberget 29 where solar panels were installed during 2022.

Renewable energy	2022
Renewable energy purchased (off-site)	5 305 MWh
Renewable energy produced (on-site)	7.6 MWh

The amount of renewable energy purchased is driven by high shares of renewable energy for all energy providers to the fund. The renewable energy produced comes exclusively from Mullvadsberget 29 where solar panels were installed during 2022.

Emissions like-for like comparison	2022	2021
Scope 2: Annual tCO ₂ e (market based)	56.5	52
Absolute GHG intensity (tCO ₂ e/m ² occupied)	0.005	0.004

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 (2021-2022), 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 major renovation during the reporting period (2020-2021) are excluded. The two properties that meet these criteria are Repslagaren and Filmstaden, and therefore the only properties included in the LFL calculations.

The increase between 2021 and 2022 in LFL data is mainly driven by higher occupancy rates in 2022 combined with slightly higher corresponding increases in emissions. However, the annual emissions is driven down by a reduced emission factor for the electricity provided at Repslagaren. Genesta constantly pursues energy providers that can offer energy based on larger shares of renewable energy.

Waste	2022
Total waste (t)	98 ✓
Recycled portion of waste products	n/a

Waste data is only available in total tons. All four properties are included in the reporting on waste data.

6.3

GNRE Core Plus Open-Ended

GRI 2-2, 302-1, 302-3, 305-2, 306-3

GENESTA NORDIC REAL ESTATE CORE PLUS OPEN-ENDED (“GNRE Core Plus Open-Ended”) is a fund registered in Luxembourg. The fund was launched in 2021 and targets commercial (logistics, residential, office and retail) real estate assets in the Nordics. Genesta Nordic Capital Fund Management S.à r.l. is the Alternative Investment Fund Management company (“AIFM”) of GNRE Core Plus Open-ended.

GNRE Core Plus Open-Ended is Genesta’s latest launched fund focusing on the Nordic region. The key part of the fund’s strategy is to acquire properties or property portfolios with strong cash flows, with elements of value-add potential and through active investment management, generate improved cash flows and capital growth.

Properties owned by Genesta Nordic Real Estate Fund Core Plus Open-Ended at the end of 2022 were:

- Brunna (*Vattenbrunnen and Hälsobrunnen*)
- Portal Skøyen
- Food Truck (*also: Ledge*)
- PostNord Ljungby (*also: Crest*)
- Cirkelhuset



Portal Skøyen, Norway



Cirkelhuset, Denmark



PostNord, Sweden



Brunna, Sweden



Food Truck, Sweden



Portal Skøyen in Oslo, Norway, GNRE Fund Core Plus Open-Ended.

GOALS FOR THE FUND'S LIFETIME

GRESB REA Five Stars

Improve overall environmental performance of the portfolio

Certify 100 % of the properties as "very good"

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 co-operation with tenants and lease reports

ACHIEVEMENTS IN 2022

For the period ended 31 December 2022, the Fund did not yet participate in the GRESB Real Estate Assessment. However, the fund will submit the GRESB application in 2023 from 2022 years data. 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.

Initiatives identified in the period ended 31 December 2022 to improve the sustainability performance of the assets include:

- Solar panels are active at Cirkelhuset II.
- Motion sensors for light installed at Project Food Truck.
- Pre-study for electric charging (cars and trucks) and solar panel installations conducted at Brunna.

Brunna holds a BREEAM SE Industry 2013 certification (Very Good). BREEAM In-Use certification to be evaluated after ESG improvements have been implemented at Food Truck and PostNord Ljungby. BREEAM certifications are also planned for the remaining assets.

Initiatives identified in the period ended 31 December 2022 to improve the sustainability performance of the assets include:

- A combined water system that consists of both hardware and software components were installed at the properties Brunna, and Food Truck. This enables more efficient water network management and reduces the risk of undetected leaks and pipe blockages. The implementation will lead to substantial savings on water, energy, and costs.
- New updated cloud-based Building management system in place at Food Truck.

In 2022, there were no green leases yet. When those come into place, annual green lease reports will be implemented for tenants.

ESG PERFORMANCE

GRI 302-1, 302-3, 306-3, 305-2, 306-3

As the fund was launched in 2021, and three out of four properties were acquired during 2022, data coverage for 2022 is not complete for all properties. The only property with full data coverage is Brunna as it was in Genesta's ownership during all of 2022. Food Truck has data coverage from the second quarter onward. Portal Skoyen has data coverage from the third quarter and onward. And finally, PostNord Ljungby has data coverage only for the fourth quarter.

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

Total resource consumption	2022	
Energy (MWh)	3 942	✓
Electricity (MWh)	2 420	✓
District heating (MWh)	1 523*	✓
District cooling (MWh)	0**	✓
Absolute energy intensity (MWh/m ² occupied)	0.05	
Water (m ³)	2 369***	

1* No district heating on one out of four properties

2** No district cooling on any of the four properties.

3*** Water data available on two out of four properties

Like-for-like comparison	2022	2021
Electricity (kWh/m ² occupied)	22.3	n/a
District heating (kWh/m ² occupied)	35.9	n/a
District cooling (kWh/m ² occupied)	n/a	n/a
Water (l/m ² occupied)	23.4	n/a

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 (2021-2022), 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. As none of the properties was in Genesta's ownership for all of 2021, LFL comparisons is not possible going back to 2021. The only property that meets the criteria for 2022 is Brunna, and it is therefore the only property included in the calculation.

Renewable energy	2022
Renewable energy purchased (off-site)	3 760 MWh
Renewable energy produced (on-site)	0 MWh


All properties have high shares of renewable energy, above 90 %, in the energy provided from suppliers. Genesta constantly pursues energy providers that can offer energy based on larger shares of renewable energy.

Emissions like-for-like comparison	2022	2021
Scope 2: Annual tCO ₂ e (market based)	62	n/a
Absolute GHG intensity (tCO ₂ e/m ² occupied)	0.004	n/a

As mentioned previously, there is no data to use as a basis for the LFL comparisons between 2022 and 2021 for Fund Core Plus Open Ended. Genesta constantly pursues energy providers that can offer energy based on larger shares of renewable energy.

Waste	2022	
Total waste (t)	178	✓
Total non-hazardous waste (t)	154	
Total hazardous waste (t)	24	
Recycled portion of waste products	61%	

Data available on one out of four properties due tenants being responsible for their own waste agreements on the remaining properties.

A photograph of a modern parking garage. The floor is painted with a prominent white filmstrip pattern. Several cylindrical pillars are painted with a red and white design. In the background, a car is parked on an elevated level, and a metal railing is visible on the right. The overall design is clean and modern.

We offer our tenants a safe and healthy environment in modern buildings. In Filmstaden 23 in Stockholm, we upgraded the garage with a bright and prominent design inline with the building's brand. This also enhanced its health and safety profile.

Annex About this Report

Genesta publishes an annual Sustainability Report, with this being the eighth edition. This report was published on June 30, 2023. The report encompasses the sustainability performance of the entire company for the year 2022, including the ESG performance on fund level. The annual reporting cycle follows the calendar year like the annual Financial Statements for all funds. The Sustainability Report covers the managing company Genesta Nordic Property AB and three of our funds: GNRE Fund II, GNRE III and GNRE Core Plus Open-Ended. Genesta is included in the report both as the investment advisor and as the group entity acting as an employer. The report describes how sustainability matters are managed and the sustainability performance of Genesta as an employer as well as the sustainability

performance of the funds and their properties.

For the first time, the Annual Sustainability Report is audited, obtaining a limited assurance by KPMG (see Auditors report in the annex). The assurance of relevant ESG data is an integral requirement written into the three funds' ESG policies, established in 2022. KPMG was selected by the Senior Management of Genesta and assigned to perform the independent assurance by the Genesta Board of Managers. Numbers and KPIs confirmed by KPMG are marked with a checkmark.

The purpose of this report is to provide information on sustainability-related activities and to ensure transparency in our communication with key stakeholders.

Complementary to our financial communication, this report focuses on the environmental, social, and governance (ESG) aspects.

This report is written in accordance with the Global Reporting Initiative (GRI) Standards 2021. It is also aligned with the principles of the UN Global Compact, INREV Sustainability Reporting Recommendations, and the Sustainable Finance Disclosure Regulation (SFDR). The INREV Sustainability Reporting Recommendations were updated in January 2023. The guidelines will be applicable for reporting periods beginning on or after 1 January 2024, but earlier adoption is encouraged. As the INREV ESG Standardised Data Delivery Sheet (SDDS) is under consultation and therefore not finalized, the

index in this report is not exhaustive compared to the template published by INREV. In addition to the annual sustainability report, Genesta participates in PRI's transparency reporting. The individual funds participate in annual GRESB assessments after being operational for at least one full year. The report is available in both PDF and web-based formats, with detailed information on Genesta's ESG matters in 2022 in the PDF version, and an overview of ESG matters on the website. Significant restatements of past reports are presented as footnotes.

EMISSIONS CALCULATION METHOD GRI 305-2

In this report, we have calculated the intensities for like-for-like consumption and emissions normalized with the average occupied floor area



Arninge Centrum in Stockholm, Sweden, GNRE Fund II.

We have calculated the intensities for like-for-like consumption and emissions normalized with the average occupied floor area.

during 2022. We disclose our emissions using a market-based calculation method where emissions are calculated by using the most recent emission factors offered by the specific energy producers supplying the properties. An additional frequently used calculation method, applying location-based emissions, calculates emissions using the most recent national emission factors available. We have chosen the market-based since it more accurately displays Genesta's efforts to purchase energy from suppliers that offer energy from renewable sources. Since we own properties in different countries, applying location-based emission factors can be misleading as different methods are used for calculating emission factors across countries, so they might not be comparable. For instance, some are calculated without transmission and distribution losses while others are.

However, in the instances where market-based emission factors have not been possible to locate, we use location-based emission factors. 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 (2021-2022). Our business model with short holding periods of the assets explains the limited number of assets included in the like-for-like comparison.

SUSTAINABILITY METRICS

Genesta's key performance indicators (KPI) is based on our sustainability strategy and aligned with GRI Standards 2021. The following tables of KPI give an overview and cover the entire fund's portfolio performance together. In addition, in the figure waste performance, the indicators started to be measured during year 2022. This explains the missing information of the performance from year 2021. For environmental figures, we included fund-specific

comments and performance evaluations in the respective fund sections of this report.

For GRI 305-2, a market-based calculation method is used for all properties except for Portal Skøyen and PostNord Ljungby where a location-based calculation method with national grid averages are used due to lack of information on specific energy providers at these properties.

Environmental	Unit	2022	2021	GRI	
GHG Emissions					
Scope 2 GHG emission*	total in tones CO ₂ e	1 500	1 589	305-2	✓

* This amount includes both location-based and market-based GHG emissions. The two properties where a location-based method was used is Portal Skøyen and PostNord Ljungby. These combined amount to 69.6 tones CO₂e. Also, this amount is not based on the LFL approach used previously in the report but reflects gross GHG emissions, which is why it defers from the consolidation of the separate figures from the funds sections.

Environmental	Unit	2022	2021	GRI	
Energy consumption					
Electricity	in MWh	6 947	4 813	302-1	✓
Heating & cooling	in MWh	12 130	12 106	302-1	✓
Total fuel consumption*	in MWh	61 128	N/A	302-1	
Total energy consumption	in gigajoule	68 735	60 908	302-1	✓
Total energy intensity	in MWh/m ²	0.12	0.26	302-3	✓
Total energy reduction	occupied in gigajoule	(+) 7 827	N/A	302-4	✓
Energy production	In MWh	11.6	0		

* As some fuel data is still collected manually, fuel consumption is not included in the scope of the assurance of this report covering 2022 data.

Environmental	Unit	2022	2021	GRI	
Waste²					
Total waste generated	In tones	442	193	306-3	✓
Total waste diverted from disposal	In tones	150	N/A	306-4	
Total waste diverted from disposal: Hazardous waste	In tones	0	N/A	306-4	
Total waste diverted from disposal: Non-hazardous waste	In tones	150	N/A	306-4	
of which: Preparation for reuse	In tones	61	N/A	306-4	
of which: Recycling	In tones	89	N/A	306-4	
of which: Other recovery operations	In tones	0	N/A	306-4	
Total waste directed to disposal	In tones	213	N/A	306-5	
Total waste directed to disposal: Hazardous waste	In tones	48	N/A	306-5	
Total waste directed to disposal: Non-hazardous waste	In tones	189	N/A	306-5	
of which: Incineration (with energy recovery)	In tones	159	N/A	306-5	
of which: Incineration (without energy recovery)	In tones	0	N/A	306-5	
of which: Landfilling	In tones	19	N/A	306-5	
of which: Other disposal operations	In tones	11	N/A	306-5	

² Waste performance measurement per category started in 2022.

Environmental	Unit	2022	2021	GRI	
Water					
Total water consumption	In megaliters	30.5	42.2	303-5	

✓ KPMG assurance

Social	Value	2022	2021	GRI	
Diversity					
Employee satisfaction index	Value	3.83/5	3.88/5		
Number of employees in Genesta*	Total	36	42	2-7	✓
by region					
Stockholm	Number	21	23	2-7/405-1	✓
Copenhagen	Number	1	1	2-7/405-1	✓
Luxemburg	Number	5	8	2-7/405-1	✓
Helsinki	Number	9	10	2-7/405-1	✓

* The reported numbers are headcounts of all the employees employed during the year 2022 (this also includes those who terminated their contracts during the year).

by Gender	Value	2022	2021	GRI	
Female	Number	11	10	2-7/405-1	✓
Male	Number	25	32	2-7/405-1	✓

By work contract*	Value	2022	2021	GRI	
of which: Full-time employees	Number	31	32	2-7	✓
of which: Part-time employees	Number	2	5	2-7	✓

* Excluding part-time and full-time consultants

Average age of employees	Value	2022	2021	GRI	
<30	%	17%	29%	405-1	✓
30-50	%	64%	50%	405-1	✓
>50	%	19%	21%	405-1	✓

Social	Value	2022	2021	GRI	
Board of Genesta Nordic Capital Fund Management				405-1	✓
By Gender/age group					
Female <30	Number	0	0	405-1	✓
Female 30-50	Number	0	0	405-1	✓
Female >50	Number	1	1	405-1	✓
Male <30	Number	0	0	405-1	✓
Male 30-50	Number	3*	1	405-1	✓
Male >50	Number	2	4	405-1	✓

* One Board member is not a Genesta employee and is thus excluded from the total number of employees amounting to 36.

Social	Value	2022	2021	GRI	
Work related injuries					
Work related injuries	Number	0	0	403-9	✓
Fatalities	Number	0	0	403-9	✓
High consequence injuries	Number	0	0	403-9	✓
Recordable work-related injuries	Number	0	0	403-9	✓
Total absence days due to sickness**	Number	30	15		
Incident of discrimination	Number	0	1	406-1	✓

* Information from 2021 is not included as Genesta is switching to GRI calculation method starting 2022.

** Most absence days are mainly related to covid-restrictions.

✓ KPMG assurance

Governance	Value	2022	2021	GRI	
Anti-corruption					
Percentage of operation assessed for risks related to corruption	%	100	100	205-1	✓
Employees training of anti-corruption					
	Total employees				
Board member	Number	4/6	N/A	205-2	✓
Employee	Number	31/36	N/A	205-2	✓
Incident of corruption/misconduct					
	Number	0	0	205-3	✓
Number of incidents in which employees were dismissed or disciplined	Number	0	0	205-3	✓
Number of incidents when contracts with business partners were terminated	Number	0	0	205-3	✓
Public legal cases regarding corruption brought up against the organization	Number	0	0	205-3	✓

Governance	Value	2022	2021	GRI
Annual compensation ratio*				
Total remuneration to the highest paid in the organization	EUR	19 435	N/A	2-21
Total remuneration to other employees	EUR (average)	2 595 000	N/A	2-21
Ratio of highest paid to average (excluding highest paid)	EUR	1:2.5	N/A	2-21
Salary increases for organizations highest paid employee	%	0	N/A	2-21
Salary increases for the average	%	N/A	N/A	2-21
Ratio of highest paid to average salary increase	%	N/A	N/A	2-21

*Data collection started in 2022.

Compliance				
Cases for which fines have been imposed	Number	0	0	2-27
Cases for which non-monetary sanctions have been imposed	Number	0	0	2-27
Fines for non-compliance with laws and regulations	Number/total monetary value of fines	0	0	2-27

Proportion of green leases				
GNRE Fund II	Number	12	9	
GNRE Fund III	Number	19	6	
GNRE Core Plus Open-ended	Number	13	0	

GRI & INREV Index

GRI Standard	Disclosure	Description	Page	Comments
General Disclosures				
GRI 1: FOUNDATION 2021				
The organization and its reporting practices				
GRI 2: GENERAL DISCLOSURES 2021	2-1	Organizational details	4, 10, 33	
	2-2	Entities included in the organization's sustainability reporting	4, 10, 33, 52, 56, 60	
	2-3	Reporting period, frequency and contact point	6, 64	
	2-4	Restatements of information	54, 58, 62, 64-65	
	2-5	External assurance	64, 73	
	2-6	Activities, value chain and other business relationships	4, 10, 14	
Activities and workers				
GRI 2: GENERAL DISCLOSURES 2021	2-7	Employees	27, 67	Excluding region and gender breakdown per department due to limited number of employees
	2-8	Workers who are not employees		Genesta does not currently have any non-employees in its workforce.
Governance				
GRI 2: GENERAL DISCLOSURES 2021	2-9	Governance structure and composition	33	
	2-10	Nomination and selection of the highest governance body	33	

GRI Standard	Disclosure	Description	Page	Comments
	2-11	Chair of the highest governance body	33, 41	
	2-12	Role of the highest governance body in overseeing the management of impacts	33	
	2-13	Delegation of responsibility for managing impacts	33	
	2-14	Role of the highest governance body in sustainability reporting	33	
	2-15	Conflicts of interest	41	
	2-16	Communication of critical concern	41	
	2-17	Collective knowledge of the highest governance body	33	
	2-18	Evaluation of the performance of the highest governance body	33	
	2-19	Remuneration policies	27	
	2-20	Process to determine remuneration	27	
	2-21	Annual total compensation ratio	68	
Strategy				
GRI 2: GENERAL DISCLOSURES 2021	2-22	Statement on sustainable development strategy	6	
	2-23	Policy commitments	15, 35	
	2-24	Embedding policy commitments	35, 41	
	2-25	Processes to remediate negative impacts	41	
	2-26	Mechanisms for seeking advice and raising concerns	35	

GRI Standard	Disclosure	Description	Page	Comments
	2-27	Compliance with laws and regulations	41, 68	
	2-28	Membership associations	44	
Stakeholder engagement				
GRI 2: GENERAL DISCLOSURES 2021	2-29	Approach to stakeholder engagement	14, 33	
	2-30	Collective bargaining agreements		No collective bargaining agreements exist but we use templates for each country based on a standard contract
INREV Stakeholder engagement	ESG5.3.4.	Tenant satisfaction score	31	
INREV Stakeholder engagement	ESG5.3.6	Lease contracts with ESG-specific requirements, by number	53, 57, 61, 68	
Material Topics 2021				
GRI 3 2021	3-1	Process to determine material topics	11	
	3-2	List of material topics	11	
	3-3	Management of material topics:		
		• Responsible investment	15-17	
		• Greenhouse gas (GHG) emissions	19-21, 24, 49	
		• Resource efficiency (energy, waste)	19-21, 24, 50	
		• Tenant health and safety	31	
		• Compliance	35, 41-43	
		• Employee satisfaction	27-30	

GRI Standard	Disclosure	Description	Page	Comments
Environmental topics				
GRI 302: Energy 2016				
	302-1	Energy consumption within the organization	52, 54-56, 58-60, 62, 66	As some fuel data is still collected manually, fuel consumption is not included in the scope of the assurance of this report covering 2022 data.
	302-3	Energy intensity	52, 54-56, 58-60, 62, 66	
	302-4	Reduction of energy consumption	54-56, 58-60, 62, 66	
INREV Energy consumption	ESG 3.1	Actual energy consumption - landlord's control	54-56, 58-60, 62	
INREV Renewable energy	ESG 3.2	Renewable energy generated and consumed on-site by landlord	54-56, 58-60, 62	
INREV Renewable energy	ESG 4.2	Proportion energy from renewable resources	54-56, 58-60, 62	
GRI 303: Water and Effluents 2018				
	303-5	Water consumption	54-56, 58-60, 62	Not included in the scope of the assurance
INREV Water consumption	ESG 3.5	Annual water consumption	54-56, 58-60, 62	
GRI 305: Emissions 2016				
	305-2	Energy indirect (Scope 2) GHG emissions	52, 54-56, 58-60, 62, 65-66	
GRI 306: Waste 2020				

GRI Standard	Disclosure	Description	Page	Comments
	306-1	Waste generation and significant waste-related impacts	19-21, 24	
	306-2	Management of significant waste-related impact	19-21, 24	
	306-3	Waste generated	52, 54-56, 58-60, 62, 66	
	306-4	Waste diverted from disposal	55, 59, 62, 66	Not included in the scope of the assurance
	306-5	Waste directed to disposal	55, 59, 62, 66	Not included in the scope of the assurance
INREV Waste management	ESG 3.6	Actual waste generated	54-56, 58-60, 62	
INREV ESG Targets	ESG2.1	Net Zero Carbon targets	20	
INREV ESG Performance	ESG2.2	GRESB Score	53-54, 57-58	
INREV Climate change - transition risks	ESG 4.4	Scenario pathway targeted	8, 20, 46-47	
Social Topics				
GRI 401: Employment 2016				
	401-1	New employee hires and employee turnover		Reason of omission. Genesta only has 36 employees, we thus do not publish this data due to limited company size.
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	27-28	
GRI 403: Occupational Health and Safety 2018				
	403-1	Occupational health and safety management system	28	

GRI Standard	Disclosure	Description	Page	Comments
	403-2	Hazard identification, risk assessment, and incident investigation	27, 31	
	403-3	Occupational health services	27, 31	
	403-4	Worker participation, consultation, and communication on occupational health and safety	27	
	403-5	Worker training on occupational health and safety	27-29	
	403-6	Promotion of worker health	27	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29	
	403-9	Work-related injuries	67	
GRI 404: Training and Education 2016				
	404-2	Programs for upgrading employee skills and transition assistance programs	29	The disclosure GRI 404 is not included in the scope of the assurance.
	404-3	Percentage of employees receiving regular performance and career development reviews	29	The disclosure GRI 404 is not included in the scope of the assurance.
INREV Employee development	ESG5.5	Employee satisfaction score	28	
GRI 405: Diversity and Equal Opportunity 2016				
	405-1	Diversity of governance bodies and employees	67	Since a percentage breakdown is less representative than absolute numbers, we report those due to the limited number of employees at Genesta and its Board.

GRI Standard	Disclosure	Description	Page	Comments
INREV Diversity, equity, inclusion (DEI)	ESG5.1.2	Percentage of female members of the board of directors (%)	67	Since a percentage breakdown is less representative than absolute numbers, we report those due to the limited number of female employees at Genesta and its Board.
GRI 406: Non-discrimination 2016				
	406-1	Incidents of discrimination and corrective actions taken	27, 35, 67-68	
INREV Diversity, equity, inclusion (DEI)	ESRS 5.1.6	Incidents of discrimination reported	27, 35, 68	
GRI 416: Customer Health and Safety 2016				
	416-1	Assessment of the health and safety impacts of product and service categories	35-36	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	31	
INREV Health, safety, and wellbeing	ESG5.2.5.	Rate of accidents in assets expressed as a weighted average	31	
Governance Topics				
GRI 205: Anti-corruption 2016				
	205-1	Operations assessed for risks related to corruption	35, 68	
	205-2	Communication and training about anti-corruption policies and procedures	41, 68	
	205-3	Confirmed incidents of corruption and actions taken	41, 68	

KPMG

Independent Limited Assurance Report

We were engaged by the Board of Managers of Genesta Property Nordic AB (the “Company” or “Genesta) to report on the alignment of the 2022 Annual Sustainability Report (the “Report”) of Genesta Property Nordic AB with a selection of the Global Reporting Initiative (GRI) Standards as listed in Appendix I and with the scope of application as presented in Appendix II, as at December 31, 2022, in the form of an independent limited assurance conclusion as to whether the Report is prepared in all material respects in accordance with the selection of the Global Reporting Initiative (GRI) Standards as listed in Appendix I.

RESPONSIBILITIES OF THE MANAGEMENT OF GENESTA

The Management is responsible for the preparation and presentation of Genesta Sustainability disclosures information included in the Report in accordance with Criteria as described in Appendix I. This responsibility

includes designing, implementing and maintaining internal control relevant to the preparation of the Report.

The Management is responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.

The Management is also responsible for ensuring that staff involved in the preparation and presentation of the Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

OUR RESPONSIBILITIES

Our responsibility is to examine the Report and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than

Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Boards as adopted for Luxembourg by the Institut des Réviseurs d’Entreprises (hereafter “IRE”).

That Standard requires that we plan and perform our procedures to obtain limited assurance about whether the Report prepared in accordance with a selection the Global Reporting Initiative (GRI) Standards as listed in Appendix I and with the scope of application as presented in Appendix II, as at December 31, 2022, is free from material misstatements.

Our firm applies International Standard on Quality Management 1, “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance and Related Services Engagements” (“ISQM 1”), as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF) and accordingly, maintains a comprehensive

system of quality control including the design, implementation and operation of a system of quality management of audits or reviews of financial statements, or other assurance and related services engagements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as adopted for Luxembourg by the CSSF, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

SUMMARY OF WORK PERFORMED

A limited assurance engagement on the Report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as

appropriate, with relation to the alignment of the 2022 Annual Sustainability Report (the “Report”) of Genesta Property Nordic AB with a selection of the Global Reporting Initiative (GRI) Standards as listed in Appendix I and with the key performance indicators listed in Appendix II.

These procedures included:

- Inquiries with relevant staff of Genesta and its subsidiaries, at the corporate and business unit level responsible for providing the information in the Report
- Inquiries and inspection on the related processes and controls implemented
- Inspection of key performance indicators selected (as listed in Appendix II) and all other supporting documents and information used for the preparation of those indicators
- Review of processes developed to determine the content of the Report
- Review of the alignment of the methodology used for determining the content and indicators selected (as listed in Appendix II) disclosed in the Report and in line with the Criteria as described in Appendix I.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the

assurance that would have been obtained had a reasonable assurance engagement been performed.

The limited assurance opinion expressed in this report has been formed on the above basis.

CONCLUSION

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selection of key performance indicators as at 31 December 2022 as listed in the Appendix II and included in the Report are not prepared, in all material respects, in accordance with the selection of the Global Reporting Initiative (GRI) Standards as listed in Appendix I.

RESTRICTION OF USE OF OUR REPORT

In accordance with the terms of our engagement, this assurance report has been prepared for the Management and the investors of the related funds (“Investors”). Our report is solely for the purpose set forth in this report and is not be used for any other purpose.

It might not be translated, summarised, disclosed, published or transmitted electronically, in a whole or in part, for any other purposes, without our prior consent.

We will agree with you the basis and timing of communications.

Luxembourg, June 30, 2023

**KPMG Audit S.à r.l,
Cabinet de révision agréé**

APPENDIX I

The Criteria are represented by:

The GRI Sustainability Reporting Standards (GRI standards) issued by the Global Sustainability Standards Board (GSSB) as set by the Company (2021 update):

- GRI 2 – General Disclosures 2021
- GRI 205 – Anti-corruption 2016: 205-1; 205-2; 205-3
- GRI 3 – Material Topics 2021: GRI 3-3
- GRI 302 – Energy 2016: 302-1; 302-3; 302-4
- GRI 305 – Emissions 2016: 305-2
- GRI 306 – Waste 2020: 306-1; 306-2; 306-3
- GRI 403 – Occupational Health and Safety 2018: GRI 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-9
- GRI 405 – Diversity and Equal Opportunity 2016: 405-1
- GRI 406 – Non-discrimination 2016: 406-1

APPENDIX II

The 2022 key performance indicators selected are presented below, including the % of selection applied as part of our procedures:

GRI	Key performance indicator	% Selected for procedures (out of the total population of each KPI)
GRI 2-7 - Employees	Total number of employees	100%
	Number of employees by region	36% ¹
	Number of employees by gender	36% ¹
	Number of employees by work contract	36% ¹
GRI 405-1 - Diversity of governance bodies and employees	Average age of employees (in %)	36% ¹
	Number of board members of Genesta Nordic Capital Fund Management by gender/ age group	36% ¹
GRI 403-9 - Work-related injuries	Number of work-related injuries	100%
	Number of Fatalities	100%
	Number of high consequences injuries	100%
	Number of recordable work-related injuries	100%
GRI 406-1 - Incidents of discrimination and corrective actions taken	Number of incidents of discrimination	100%
GRI 305-2 - Energy indirect (Scope 2)GHG emissions	Total in tones CO2e of Scope 2 GHG emissions	33% ²
GRI 302-1 - Energy consumption	Electricity in MWh	31%
	Heating and cooling in MWh	33% ³
	Total energy consumption in gigajoule	33% ⁴
GRI 302-3 - Energy intensity	Total energy intensity in MWh/m2	33% ⁴
GRI 302-4 - Energy intensity	Total energy reduction in gigajoule	100%
GRI 306-3 - Waste generated	Total waste generated in tones	100%
GRI 205-1 - Operations assessed for risks related to corruption	Percentage of operation assessed for risks related to corruption	100%
GRI 205-2 - Communication and training about anti-corruption policies and procedures	Number of board members training of anti- corruption	100%
	Number of employees training of anti-corruption	100%
GRI 205-3 - Confirmed incident of corruption and actions taken	Number of incidents of corruption/misconduct	100%
	Number of incidents in which employees were dismissed or disciplined	100%
	Number of incidents when contracts with business partners were terminated	100%
	Public legal cases regarding corruption brought up against the organization.	100%

¹ Out of 36 employees, we performed detailed procedures on a selection of 13 employees to validate working region, working contract, gender, age (this included 5 out of 6 board members).

² As part of the procedures performed for the Scope 2 GHG emissions, we performed procedures on 100% of the emissions factors used but only 33% of underlying energy consumptions. See further details for energy consumption procedures as part of footnote 4.

³ The procedures performed on the heating and cooling consumptions were as follow: selection of 31% of heating consumptions and 36% of cooling consumptions. The total % selected for Heating and Cooling in MWh is the average of the two selections previously mentioned.

⁴ The % selected for the procedures on total energy consumption in gigajoule and total energy intensity in MWh/m2 is the average of the selections made for electricity (31%), heating (31%) and cooling (36%) consumptions. Note that for the total energy intensity in MWh/m2, the total m2 of the related building (100%) was selected as part of our procedures.

Contacts

FOR FURTHER INFORMATION

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