

OP Real Estate Asset Management Ltd Sustainability Review 2023



2023 was globally the warmest year since record keeping began. In Finland, too, the year was warmer and rainier than usual.

At this rate, Finland will fall short of both its target of carbon neutrality by 2035 and the goals of the Paris Agreement. The climate has already changed in Finland as well, and this requires adaptive measures.

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OP Real Estate Asset Management's key figures in 2023

33 (-13%*)

ground source and
air-water heat pump
systems

36 (-10%*)

properties with solar
panels

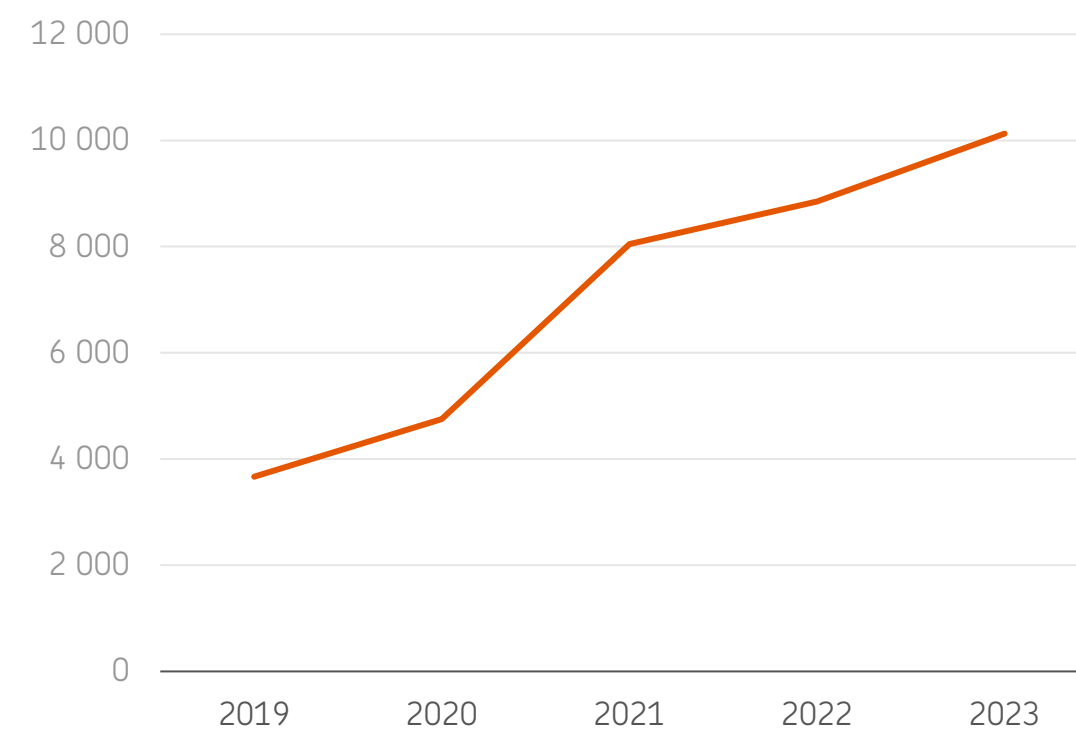
38 (-24%*)

properties constructed
from wood

38% (+1%*)

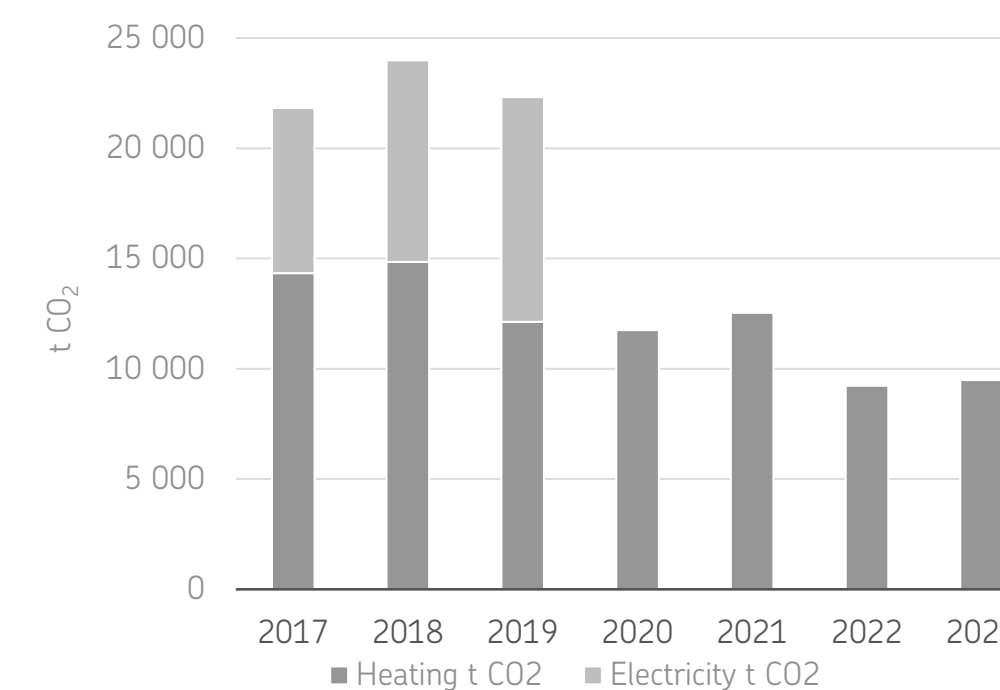
share of renewable
energy

Renewable energy production, MWh



Charging stations for
electric cars at
56 properties (+17%*)

Emissions from energy consumption



15

properties with envi-
ronmental certifica-
tions

*compared to previous year



OP Real Estate Asset Management Ltd

The challenge of identifying essentiality

The year 2023 presented challenges to real estate investment. The challenges of the real estate market, construction and financing environment strongly restricted the latitude of real estate owners and developers in the real estate business. The maintenance and financing costs of properties increased, but tenants' ability to pay rent did not increase in step, and property values simultaneously declined.

Investor sentiment in real estate investment became cautious during the year. The number of property transactions decreased, and caution increased among financiers, too. Construction costs overall did not decrease, and the number of new construction projects petered out. The segregation of the markets continued and continues. On the positive side, the attractiveness and utilisation rates of the best properties remained good.

The very few property sales carried out to completion reflected the importance of sustainability and corporate responsibility work. This was visible in both the views of potential buyers and the bankability of the sales. Given that the so-called low-hanging fruit in sustainability work have already largely been identified and picked, the next steps forward will become increasingly challenging due, alone, to finding the financial grounds for the required investments.

Short-term outlooks complicate commitment to long-term development paths on the level of investment products. At the same time, increasingly tight targets and regulatory requirements add to organisations' resource and competence demands.

In line with our previous sustainability reviews, Sustainability Review 2023 provides a summary of our sustainability measures. In 2023, OP Real Estate Asset Management Ltd managed four funds pursuant to Article 8 of Regulation (EU) 2019/2088 (SFDR) – OP Tonttirahasto, OP Toimitilakiinteistö, OP-Rental Yield and OP-Public Services Real Estate. Of these, a minimum allocation of 20% in sustainable, or taxonomy-aligned, investments has been specified for OP Toimitilakiinteistö, OP-Rental Yield and OP-Public Services Real Estate. The OP-Forest Owner fund has been defined as an Article 9 investment product under the SFDR, with sustainable investment as its objective.

A many great positive achievements during the year

We again participated in the [Global Real Estate Sustainability Benchmark \(GRESB\)](#) gaining valuable additional information for the development of data collection, reporting and property-specific measures. OP Real Estate Management's commitment to the

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The few property sales carried out to completion reflected the importance of sustainability and corporate responsibility work.

Markku Mäkiäho
Managing Director, OP Real Estate Asset Management

[Net Zero Asset Managers Initiative \(NZAM\)](#) initiative was approved in November 2023. [The developer of the year recognition](#) presented to us in early 2023 by our industry association was already an indication of the quality of our decades-long systematically run construction operations.

We aim to develop the review's content into an increasingly informative direction, identify the most crucial key figures describing change and continuously supplement the necessary data set so that



it describes all the investment assets. Regulation continues to be specified, bringing out new aspects to monitor and report on. The content of social responsibility is being supplemented continuously and will become a more visible part of the reporting. The quality of the review alone is not enough though. What's most important is to focus on the tangible measures supporting the sustainability goals, starting from the goal of net zero emissions. The target year, 2030, is fast approaching.

OP Real Estate Asset Management Ltd in a nutshell

Our mission

We manage real estate funds and our clients' direct real estate investments. We are part of OP's Corporate and Institutional Clients organisation.

We provide the full range of real estate asset management services. We provide expert services to OP in the real estate sector. We represent OP parties as a lessor.

Networked operating model

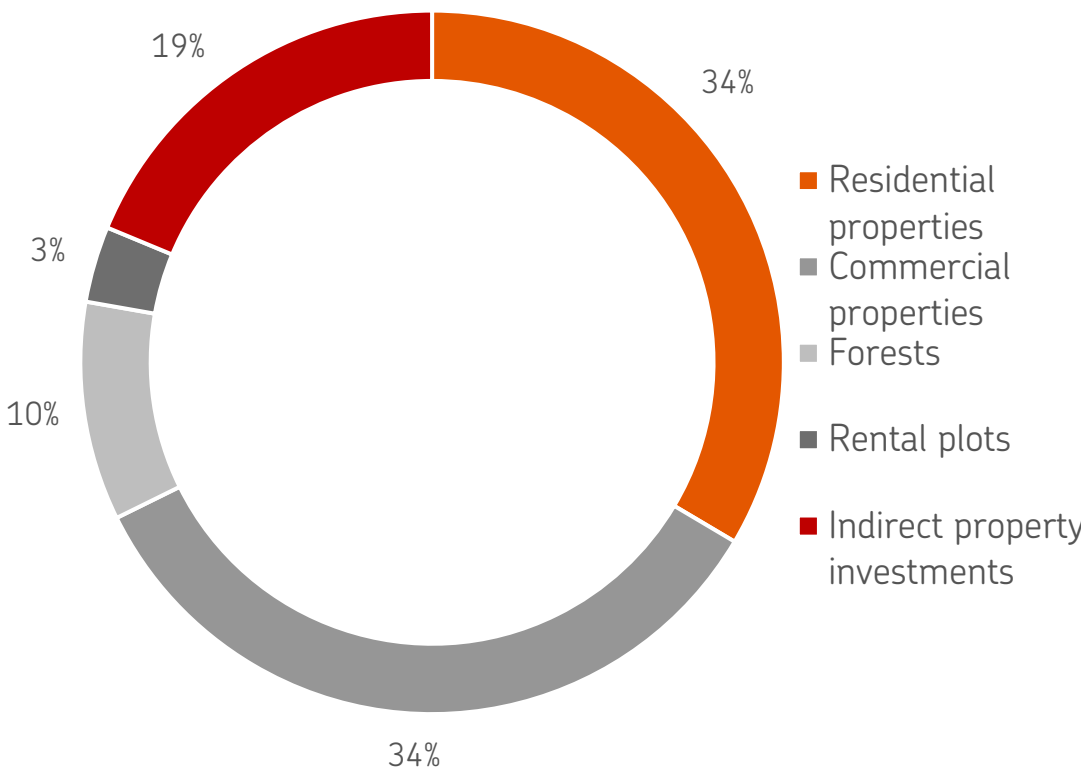
Our team consists of 23 employees. We work in close cooperation with the following key partners:

- Newsec
- Afry
- Lassila & Tikanoja
- Network of constructors
- Network of letting agencies
- Network of international investors

Collaboration between investment teams intensified

In 2023, real estate, infrastructure and other alternative investments were combined into a single operational unit. The figures and content of this report cover only real estate investments.

Breakdown of properties by value



Real estate assets
EUR 4.0 billion

Our portfolio is made up of a diverse range of real estate assets.

Investor clients

Our investor clients are:

- OP's insurance and pension companies
- Institutions and professional investors
- Private individuals

Investment portfolio	2023	2022
Commercial properties and others		
No. of properties	130	141
Gross leasable area, m²	654,779	701,100
No. of tenants in commercial properties	599	414
Utilisation rate, %	87	89
Residential properties		
No. of properties	142	137
Gross leasable area, m²	321,076	319,142
No. of homes	6,873	6,824
Utilisation rate of apartments, % (including units in care homes)	96	96
Forests		
Area in hectares	129,460	125,000
No. of properties	1,322	1,271
Indirect property investments		
No. of funds and assets	55	59
Rental plot funds		
No. of rental plots	115	111

Real estate investment products

We manage several funds in the form of limited partnerships as well as three special common funds. We also actively invest in mortgage-backed debt instruments. We also manage the real estate investments of OP Financial Group’s insurance and pension institutions.

Closed-end funds in the form of limited partnerships	
Real Estate Fund of Funds II Ky	
Real Estate Fund Finland III Ky	
Real Estate Debt and Secondaries Ky	
Real Estate Fund of Funds V Ky	
Semi-open funds in the form of limited partnerships	
OP Toimitilakiinteistö Ky	🌱
OP Tonttirahasto Ky	🌱
Debt investment	
A channel for funding Finnish and European real estate investment projects	

Special common funds	
OP-Rental Yield (special common fund)	🌱
OP-Forest Owner Fund (special common fund)	🌱🌱
OP-Public Services Real Estate Fund (special common fund)	🌱
OP Financial Group's insurance and pension institutions	
OP Bank Group Pension Foundation	
OP Life Assurance Company Ltd	
Pohjola Insurance Ltd	

- 🌱 Investments that promote ESG characteristics
- 🌱🌱 Sustainable investment products



Kiinteistö Oy Liedon Huppukuja 2

Social impact

The real estate and construction sector has a significant social impact as an employer and taxpayer. Social impact can be measured in terms of the estimated number of jobs created and tax footprint. We have a significant impact on society by indirectly employing nearly two thousand people and paying more than 20 million euros in taxes.

Job creation

Our real estate business employed about 1,721 people in 2023. The largest source of employment was construction, which created jobs for 1,210 people. A smaller number of jobs was created in annual repairs (187 persons) and property use and maintenance (152 persons). In addition, the total number of jobs created includes the management of outdoor areas, cleaning, heating, water and wastewater, electricity, waste management, renovation, and other maintenance.

The figure is an estimate of the full-time equivalent and has been calculated based on maintenance and construction costs.

Tax footprint

In 2023, we paid a total of 22.8 million euros in taxes. Value added tax accounted for the largest share of taxes (55%). We also paid real estate taxes (40%), transfer taxes on investments (3%), insurance premium taxes (1%) and energy taxes (1%). We paid two million euros more in taxes in 2023 than in 2022.

OP Real Estate Asset Management	2023	2022
Number of personnel	23	20
Net sales, EUR million	14.6	14.7
Real estate assets, EUR billion	4.0	4.2
Liabilities, EUR million	0	0
Restricted equity, EUR thousand	425	425

Investments in new construction and renovation
EUR 101 million

Job creation
1,721 person-years

Real estate assets
EUR 4.0 billion

Tax footprint
EUR 22.8 million

Indirect real estate investment

OP Real Estate Asset Management influences the sustainability of underlying investee funds through its active investment policy.

In addition to direct real estate investments, we invest our clients' funds in real estate investment funds and firms. We currently have investments in 55 underlying investee funds and businesses that invest in real estate with equity or non-equity capital. In a fund investment, the property holdings are managed by the underlying investee fund's management company. By carefully selecting our underlying investee funds, we can trust them to comply with agreed policies in both property acquisition and management.

Sustainability of indirect investments

We carry out sustainability surveys of all potential investments, the results of which are used to agree on the necessary changes to the fund's operations. We actively monitor the activities of underlying investee funds by participating in investor meetings and regularly communicating with management firms. Underlying investee funds regularly report on their sustainability performance, and we also carry out annual sustainability surveys.

Our underlying investee funds have given increasing

attention to sustainable investing, and a significant number of management firms have signed the UN Principles for Responsible Investment. Management firms have also created their own sustainable investing policies to guide their operations. The personnel's sustainability training is essential and something in which the management firms have invested in addition to the resourcing of their sustainability teams. Many management firms have also committed to various initiatives and reporting frameworks that promote sustainability. Environmental certificates are applied to properties at an increasing rate, and participation and interest in the internationally recognised sustainability survey (GRESB) has grown considerably in recent years. All our new real estate fund investments outside Finland in recent years have been in underlying investee funds whose management firms acknowledge sustainable investing as part of their operations, take part in GRESB reporting and have signed the UN Principles for Responsible Investment.

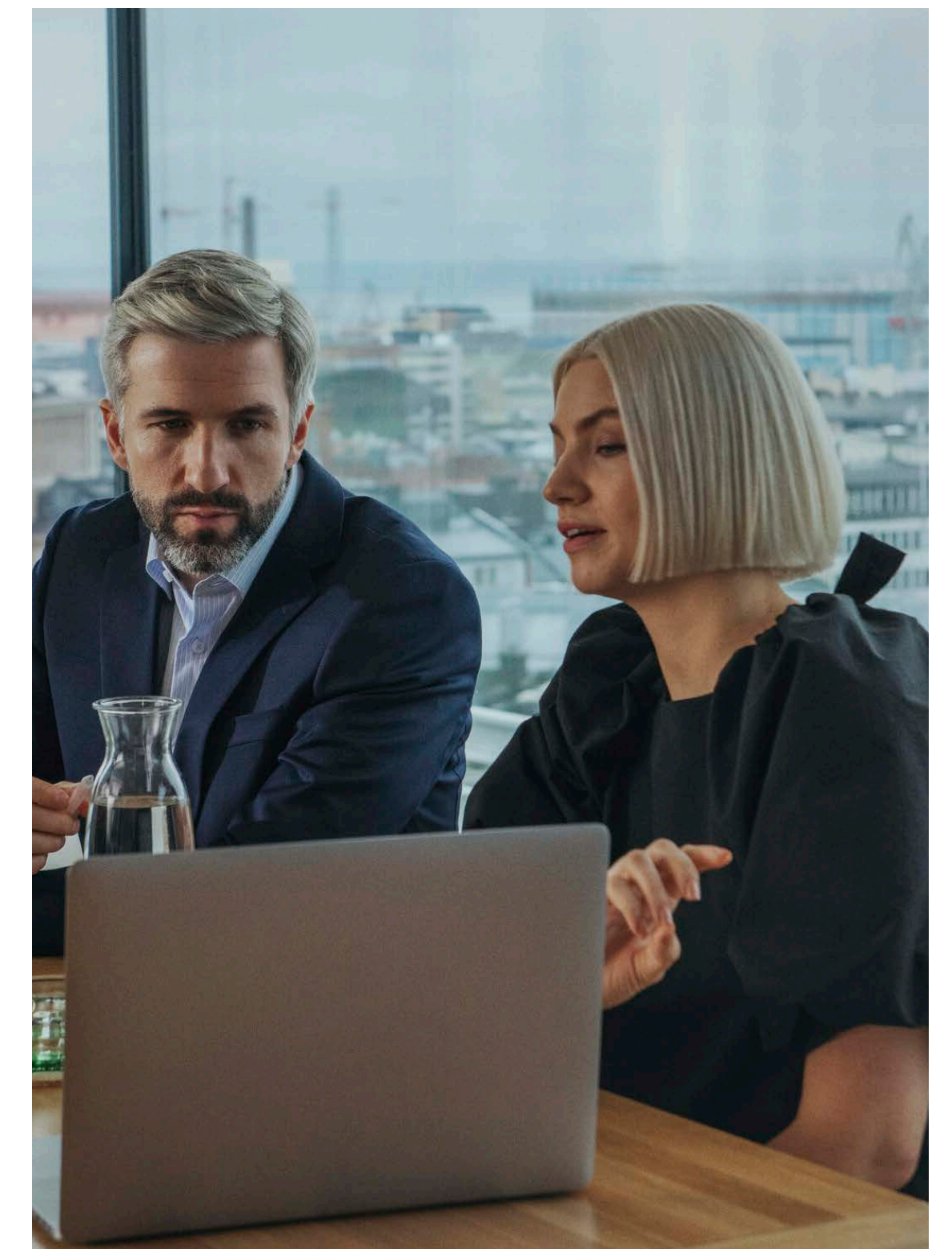
Real estate financiers are paying increasing attention to the sustainability criteria of a financed asset

DRC Savills Investment Management (DRC SIM) operates as an alternative lender on the real estate market. Like the providers of traditional bank

financing, alternative lenders are paying increasing attention to the sustainability of a financed asset. Sustainability and corporate responsibility form an integral part of DRC SIM's operations and investment processes. The company has a responsible investment policy, and it is a signatory of the UN Principles for Responsible Investment (UN PRI). The company is also actively involved in the development of real estate financiers' responsibility-related operating and accounting models.

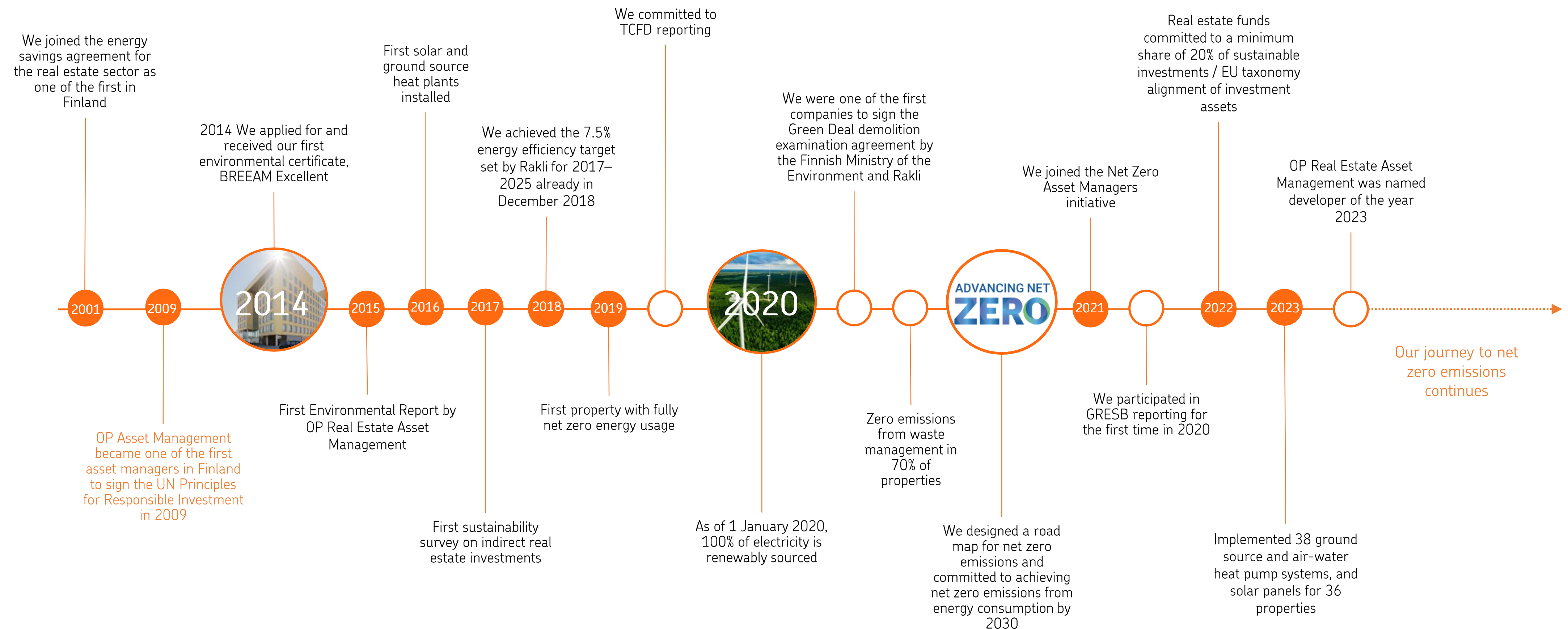
Examples of financing granted by DRC SIM include the financing of a student housing portfolio in the UK. The portfolio comprises 31 properties built in different decades. The properties require investment to prolong their life cycle and improve the quality of the housing. All these assets are located near higher education institutions and existing services. DRC SIM has commissioned a technical analysis of the portfolio and a climate risk analysis for some of the portfolio's assets. The financing granted consists of two parts, of which the first was granted for the portfolio's acquisition, and the second for the investments. The terms and conditions of the financing are defined so that they guide the borrower to significantly improve the portfolio's energy efficiency. DRC SIM has also conducted a thorough analysis of the borrower, which is an investment company with global operations and a focus on alternative investments. The

borrower's operations are guided by a responsible investment policy, and it publishes a company-level sustainability report annually. It is also a signatory of the UN PRI.



ESG at OP Real Estate Asset Management Ltd

Sustainability journey of OP Real Estate Asset Management



Aiming for net zero emissions from energy consumption by 2030

We are committed to net zero emissions from energy consumption. We aim to achieve net zero emissions from energy consumption in our properties by 2030. We promote this goal by reducing energy consumption and by producing and purchasing renewably sourced energy. In 2023, our properties already generated 10,126 MWh of renewable energy by means of solar panels, air-water heat pumps and ground source heat.

Development of emissions

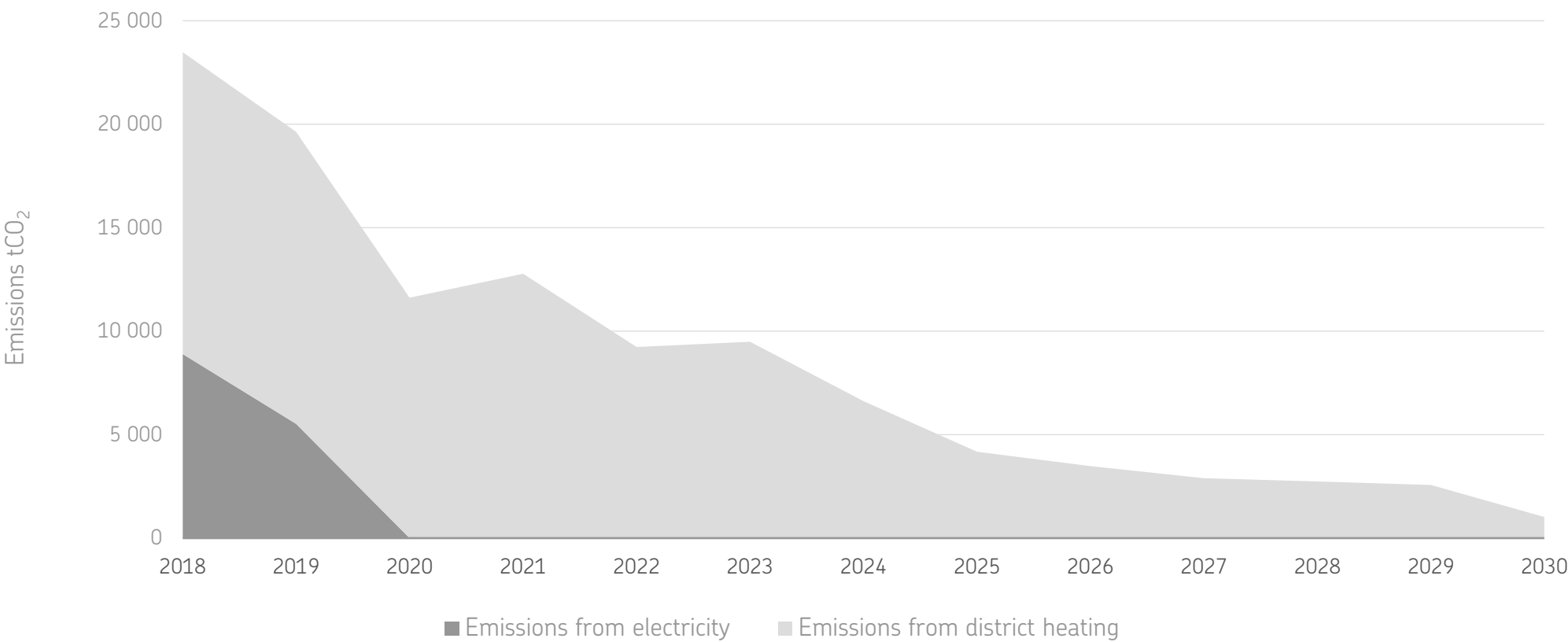
The graph shows actual energy emissions until 2023 and estimates of future emissions from 2024 onwards. The most recent winters have been fairly cold, due to which the consumption of district heating has been higher than usual, and emissions have been higher. In 2023, our emissions from energy consumption increased by around 3% from the previous year. The global situation in recent years has led district heating companies to revert to methods that generate more emissions, resulting in higher emission factors for some cities and towns. Future estimates take both renewably sourced purchased energy and renewable energy produced at our properties into account, as well as the emissions reduction targets of major district heating companies. While we have not yet discovered all the means for achieving net zero emissions by 2030,

our most important measures on this front include the production of renewable energy at the properties and increasingly efficient energy consumption. Our roadmap for net zero emissions from energy consumption describes our Scope 2 emissions.

Basis for emissions calculations

The emissions calculations account for the following emission sources. Scope 1: Own energy production: natural gas, heat pumps (zero emission) and solar panels (zero emission) at one property. Scope 1 emissions cover 100% of the real estate assets' value. Scope 2: Purchased district heating, electricity (zero emission) and district cooling (zero emission). Scope 2 emissions cover roughly 75% of the real estate assets' value; in terms of gross lease properties, the coverage is 100%. Scope 3: Energy, waste management and water purchased by tenants. Scope 3 emissions in respect of electricity purchased by tenants cover about 11%, in respect of heat about 9%, in respect of waste management about 58%, and in respect of water about 9% of the real estate assets' value. In the future, we will improve particularly Scope 3 emission calculations and the coverage of tenants' energy data. Until 2017, we used Motiva's CO2 emission coefficients to calculate our emissions. Since 2018, we have followed Motiva's guidelines for calculating emissions for individual properties. Cities and municipalities are divided into joint and separate production sites depending on their production

Our road map to net zero emissions from energy consumption by 2030



and given a detailed, location-specific CO2 emissions coefficient for heating energy. From 2021 onwards, the calculations use the district heating coefficients reported for energy production plants.

OP Real Estate Asset Management is transitioning from the old method for calculating emissions to the [PCAF model](#) (The Partnership for Carbon Accounting Financials). The emissions presented in this review have been calculated in accordance with the Operational Control Approach – in other words, directly from our owned properties in which we are responsible for maintenance. Properties in which the tenant is responsible for maintenance are excluded. Scope 1 emissions consist of energy produced at the properties. Scope 2 emissions are emissions from purchased energy. From now on, we will develop the reporting in line with the PCAF standard to include Financed Emissions and Scope 3 emissions reporting.

Scope 1 emissions

67 CO₂ tonnes

Scope 2 emissions

9,492 CO₂ tonnes

Scope 3 emissions

7,271 CO₂ tonnes

Our solutions in 2023

Sustainable construction

The importance of promoting a carbon neutral built environment, and carbon neutral construction has been recognised at OP Real Estate Asset Management and on the scale of Finland and the world. We aim for carbon neutral construction by 2050 and have signed the Net Zero Carbon Buildings commitment, the goals of which include carbon neutral construction in addition to net zero emissions from energy consumption.

Due to the challenging market conditions, the number of construction projects was lower than in previous years. Of the total of 12 new buildings under construction in 2023, 10 were completed during the year. The construction projects are located in different parts of Finland and include residential buildings, daycare centres and commercial buildings. The projects' total volume of waste was higher than in previous years because the completed projects were bigger than average. We achieved a recycling rate of 69% and a sorting rate of 84%, a significant improvement on both counts compared to previous years. This is impacted by the large proportion of recyclable concrete and asphalt waste, for example.

69% recycling rate
in our construction projects

The largest emissions impact in construction comes from the production of building materials. To monitor the emissions impact of different materials, we commission a carbon footprint calculation on the life cycle of each property we build. The average carbon footprint of properties completed in 2023 was 2,439 tCO2e (about 14.5 kgCO2e/m2/a), representing a slight increase compared to the previous year. The share of embodied carbon was 5.65 kgCO2e/m2/a (the itemisation was missing in respect of one property). We are also conducting a pilot project on the use of ground source heat during construction.

The carbon footprint calculations also include the carbon handprint, which measures the climate benefits generated during a construction project's life cycle. Carbon handprint calculations account for the reuse and recycling of materials, for example, and any extra renewable energy produced, carbon stock impact and carbonation. The greatest impact stems from the materials used, depending on their reuse and recycling, as well as the carbon stock impact.

Circular economy in the Kera development project

We are involved in the development project for the

Kera area in Espoo, in which an old industrial and logistics district is being transformed into a sustainable walking and cycling intensive district for 14,000 residents. The area is being built around an existing train station. Our old industrial property in the area is serving as a temporary exercise space for the duration of the planning. The buildings were torn down in accordance with the Green Deal on sustainable demolition. The actual recycling rate reported by the demolition contractor was 98.6%. Most of the demolition waste was concrete, which was crushed and used for the infrastructure and roadbed construction. The goal of using the demolition concrete for the earthworks of the Kera area was not achieved because the volume of the demolition concrete exceeded the area's needs.

As part of the property's development project, we investigated the possibility of tearing down the hall building intact, and reassembling and repurposing it at a different location. While the reuse of an entire building did not prove possible for now, demolishing structural parts and entire buildings intact and reusing them will become possible as the construction sector's regulations and markets continue to evolve.

Construction site waste	2023	2022	2021
Projects completed	10	16	17
Total volume of waste from projects	2,484 tonnes (10 projects)	2,295 tonnes (16 projects)	1,365 tonnes (10 projects)



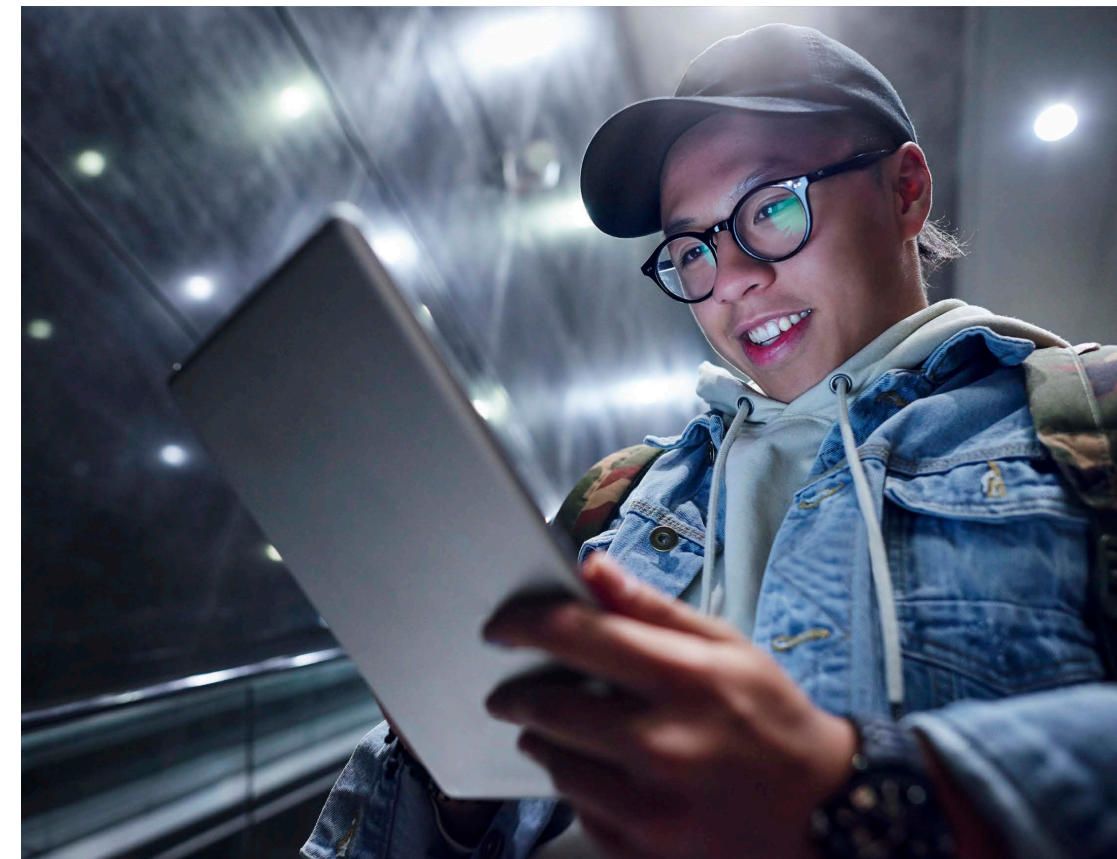
Asunto Oy Helsingin Trissa

Sustainability in property maintenance in 2023



Demolition plastic project

The buildings of KOy Espoon Kutojantie 12 were torn down in accordance with the Green Deal on sustainable demolition. The demolition process included a survey of demolition plastic as part of The Closed Plastic Circle – from Pilots into Practice project, which aims to take stock of the types and volumes of plastic to be found in a building being demolished. The ultimate goal is to develop a model with which to predict the volumes of different plastic types fit for recycling that can be recovered in a demolition. The study was carried out as a collaboration between the City of Espoo, VTT and Metropolia University of Applied Sciences. Purkupiha Oy, which carried out the demolition work, assisted the researchers in the sampling. The volume of plastic recovered from the demolished building was found to be low.



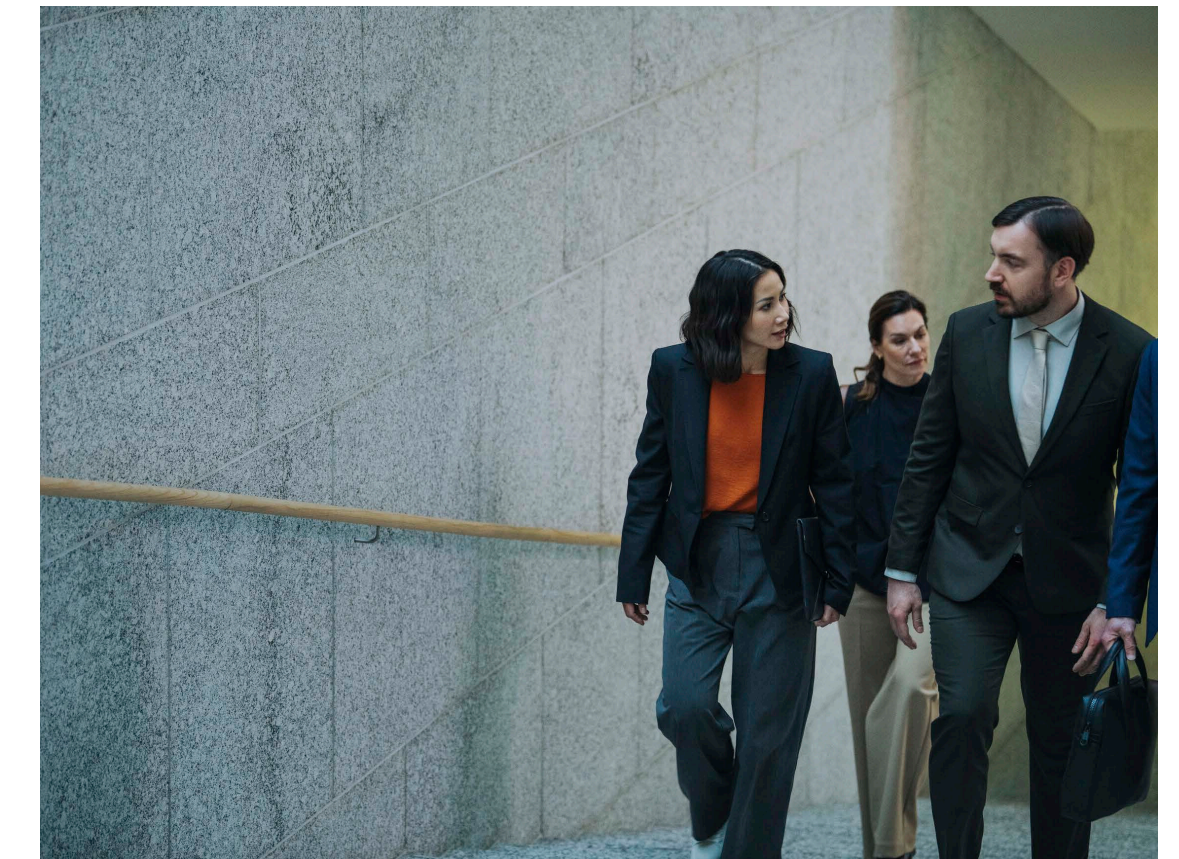
Pioneering energy monitoring since 1986

Pohjola Insurance began monitoring consumption electronically with Suomen Talokeskus as long ago as 1981. The monitoring covered the monthly consumption of heat, electricity and water. The hardcopy forms were delivered to maintenance by post, and maintenance then returned the forms, completed with meter readings data, to Talokeskus, which fed the data into its computers. Even then, heat consumption was monitored with the aid of standardised figures. The calculations were done by computers overnight, with the property-specific reports ready for printing the next day. Comparisons between properties and companies, and monitoring focusing on the effectiveness of energy efficiency measures, became possible in 1986.



GRESB reporting on three funds

In 2023, we took part in GRESB reporting in respect of three funds: OP-Public Services Real Estate, OP Toimitilakiinteistö and REFF III. OP-Public Services Real Estate participated in the reporting for the first time, achieving two stars in both the Standing Investments and Development assessments. OP Toimitilakiinteistö achieved two stars in the Standing Investments assessment and three stars in the Development assessment. REFF III achieved two stars in both assessments. The scores of both OP Toimitilakiinteistö and REFF III in both assessments improved from the previous year. All our funds received nearly full scores for the Management section, but in terms of the Performance section, there is still room for improvement.



PRI reporting

We have participated in PRI reporting as part of OP's asset management. The Principles for Responsible Investment (PRI) is an investor initiative for responsible investing introduced by the UN. Its signatories are obligated to report their responsible investment practices in line with the PRI Reporting Framework. Based on the results of the reporting, PRI assesses and rates the level of each financial operator's responsible investment practices. Although the PRI Reporting Framework was updated from two years ago, the ratings of our direct real estate investments remained good. For our overall rating in this, we received four stars, and in terms of the asset class in question, we clearly surpass the PRI median, which is three stars.

At the forefront of industry development

It is important for us to be at the forefront of industry development and the advancement of sustainability and corporate responsibility work. We regularly participate in pilot projects, try new solutions in our properties and take part in Rakli's work groups.

SRI development project

In 2023, we participated in a project led by Aalto University's Real Estate Research Group which tests and develops the future business applications of a smart readiness indicator (SRI). The SRI is based on the recently revised EU's Energy Performance of Buildings Directive (EPBD). It seeks particularly to steer investments made in connection with renovations towards building automation, which can be controlled according to need, and smarter building services engineering. The objective is to increase the building stock's demand side response potential to maintain the operational reliability of an energy system based on renewable energy resources. The EU's national SRI testing project is currently led by Motiva. We were included in the project's steering group and took part in the assessment of two properties.

ring group and took part in the assessment of two properties.

Development in Scope 3 emission calculations

In the CO2 DataHub project, we joined a few other real estate investors to create principles for the calculation of properties' Scope 3 emissions. The objective of the common calculation principles created for the industry was to enable comparability between different properties and identify the largest sources of Scope 3 emissions in the piloted segments. The defined calculation principles cover cleaning, technical building maintenance and the maintenance of outdoor areas. The pilot phase comprised a total of 36 properties.

The project's outcome consisted of common principles for the calculation of property- and service provider-specific Scope 3 emissions.

In the future, the emissions of property maintenance and value chains can be better mitigated through purchasing decisions with the availability of more detailed data and the possibility of knowledge-based management.



Signatory of:



Geolo enables low-carbon construction of a housing company in Maunula, Helsinki

Asunto Oy Helsingin Kanttiini, completed in early 2024, was built with an emphasis on sustainability goals, taking advantage of the Geolo solution developed by Raksystems Climate Solutions (RCS). The solution enables the use of geothermal wells as a source of net zero heating/cooling energy for heating during the construction phase and managing conditions during the indoors completion phase – or optimal drying conditions and dust control round the year. The building contractor was Jatke Uusimaa Oy.

Helsingin Kanttiini is an approximately 3,400 m² rental property with 36 apartments, a commercial space and garage. The goal was to achieve the lowest low-carbon solution possible, covering the building's entire life cycle. Low-carbon solutions were therefore investigated thoroughly by Raksystems GBP, starting from the planning phase.

Geolo is the first solution to enable the controlled and net zero use of ground-source heat from the outset, or construction phase. It allows energy to be produced and used efficiently, and a significant reduction in construction-phase emissions. The waste heat during construction is recovered by transferring it to a geothermal field. This also ensures the use of the same geothermal field throughout the property's life cycle.

"An even site temperature and air humidity ensure

the thorough drying of the structures. Covering and cladding are easy to install, while production efficiency and time management improve. When done correctly, conditions and dust control also have a significant impact on employees' job satisfaction and occupational safety," says Miikael Kuitto, senior foreman of Jatke Uusimaa. "I haven't come across conditions as good as these during the indoors completion phase in my career," he adds.

Thanks to Geolo, the final heat distribution technology to be installed in the property remains new and unused. The construction project's outcome is low carbon and energy efficient, and the implementation of its qualitative conditions management is unprecedented.

"A will to implement things in a new way is vital. This was visible in everyone's actions during the project, and everything progressed very smoothly among the onsite personnel," says Janne Vanhanen, CEO of RCS.

Helsingin Kanttiini accumulates notable savings in terms of both emissions and euros. The actual carbon dioxide emission reduction during the construction phase was 98 tCO₂, or 29.3 kgCO₂/m², which equates to a 7.3% reduction. Compared to fuel oil, this translates to a 3.3% decrease in the carbon footprint of the property's life cycle. The emission reduction is equal to the amount needed to drive a car roughly 18 times around the world. Geolo's use at the property has also enabled 73% savings in purchased energy.

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Geolo supports sustainable construction, which made it a natural choice for the construction-phase heating system and conditions management solution of Helsingin Kanttiini.

Kari Kangasmaa
Head of Development
OP Real Estate Asset
Management Ltd



The Geolo system in the yard of Asunto Oy Helsingin Kanttiini

Key figures

Energy consumption and production of properties

Reducing specific consumption and increasing renewable energy production as the goal

The continuing goal of our property maintenance is to reduce energy and water consumption. We work towards this goal without compromising on user convenience. The specific consumption of electricity remained at the previous year's level. The specific consumption of heat, on the other hand, declined slightly from the previous year. The decline is attributable to several factors, including energy conservation measures inspired by the Down a Degree initiative, Leanheat heat regulation and a shift from district heating to ground source heat. The specific consumption of water decreased in residential properties and increased slightly in other properties from the level the year before.

To reduce heat and electricity consumption and increase the share of carbon neutral energy, we have invested in the production of renewable energy at our properties. As part of every construction and modernisation project, we evaluate the potential for renewable energy production and adopt ground source heat, solar power or air-water heat pump solutions whenever they are justified. We also frequently carry out similar upgrades as part of energy renovation projects. A total of 30 properties have ground source heat, while three properties

have air-water heat pumps and 36 properties have solar panels.

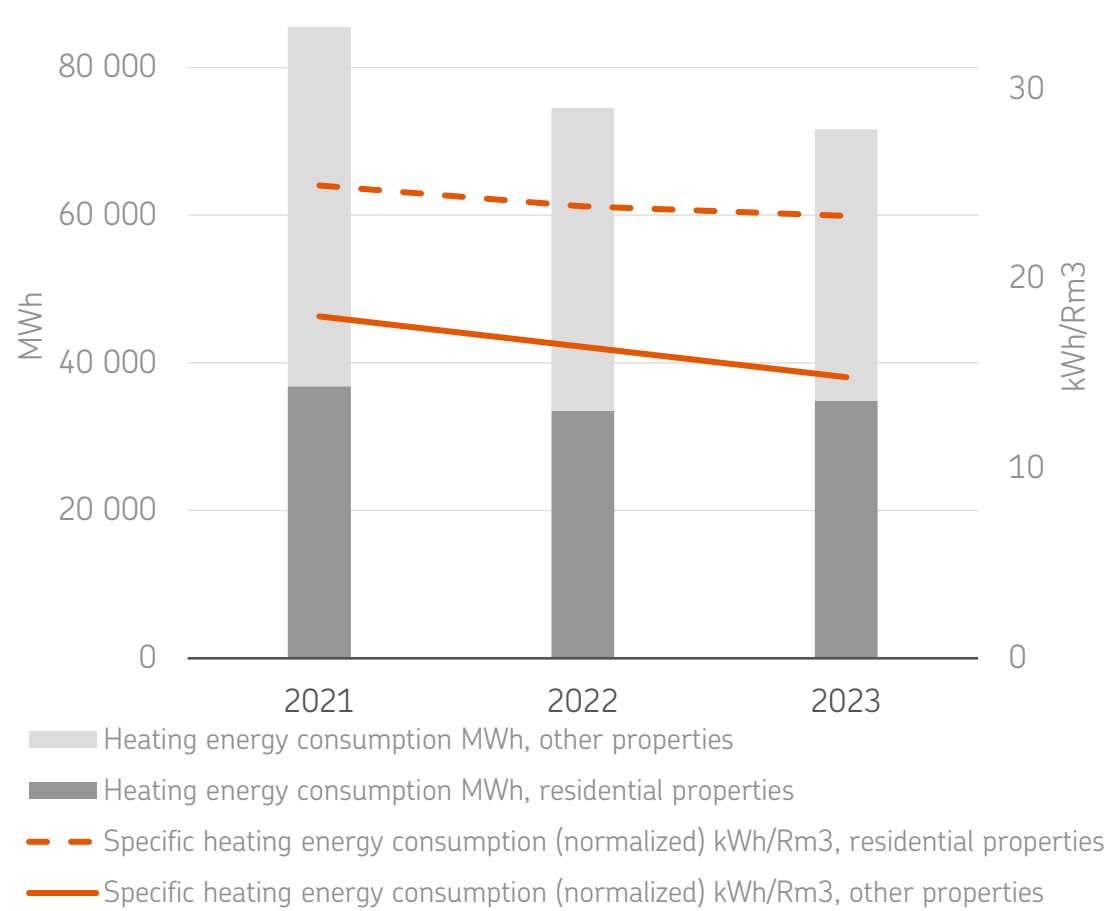
Basis for calculations

Triple net rent properties where the tenant is responsible for maintenance are excluded from the report. Tenants also have their own electricity agreements at gross lease properties. Of gross lease properties, we report the share of the electricity for the property's common areas in relation to its total electricity consumption.

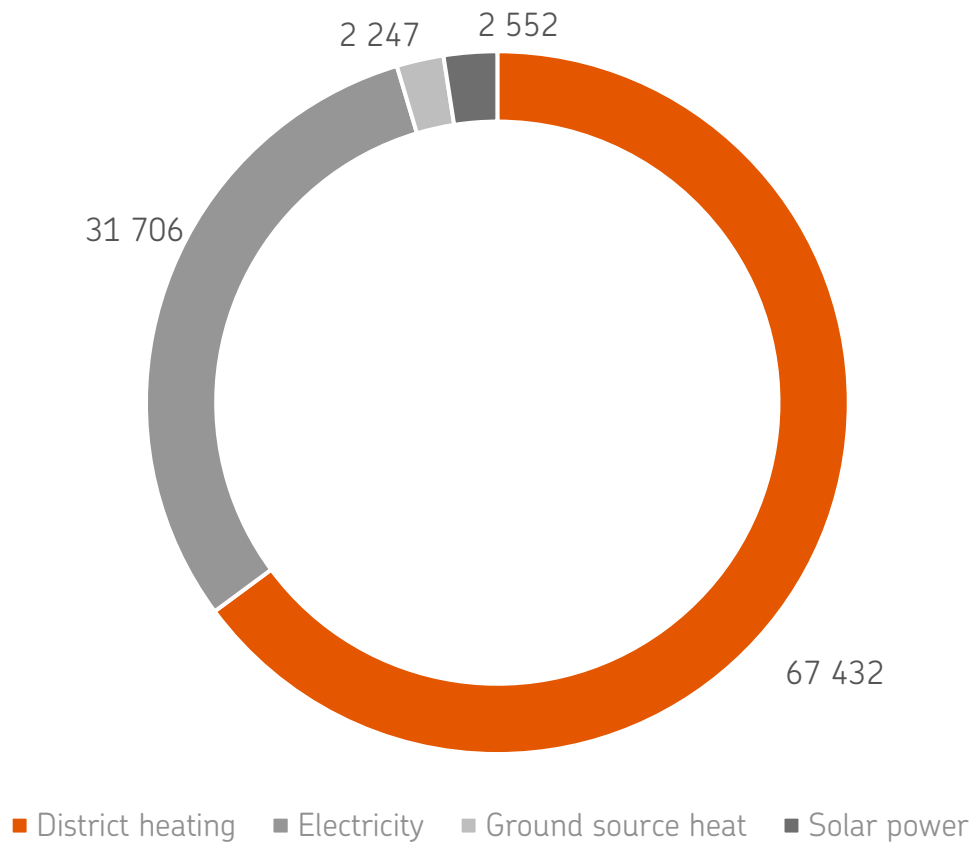
Total consumption (MWh and m3) includes consumption data measured at all our directly owned properties during our tenure of ownership. The figures include all properties in which we have a holding of more than 50%. For these, 100% of consumption is included in the calculations. The numbers for specific consumption only include comparable properties (in our ownership for the entire year, without any major basic renovations). The consumption data for electricity, heat and water covers roughly 75% of the value of all our real estate assets. In respect of gross lease properties, the coverage is 100%.

The climatological norm period for the standardisation of the specific consumption of district heating has changed, so 2023 is not entirely comparable with previous years with respect to the specific consumption of district heating.

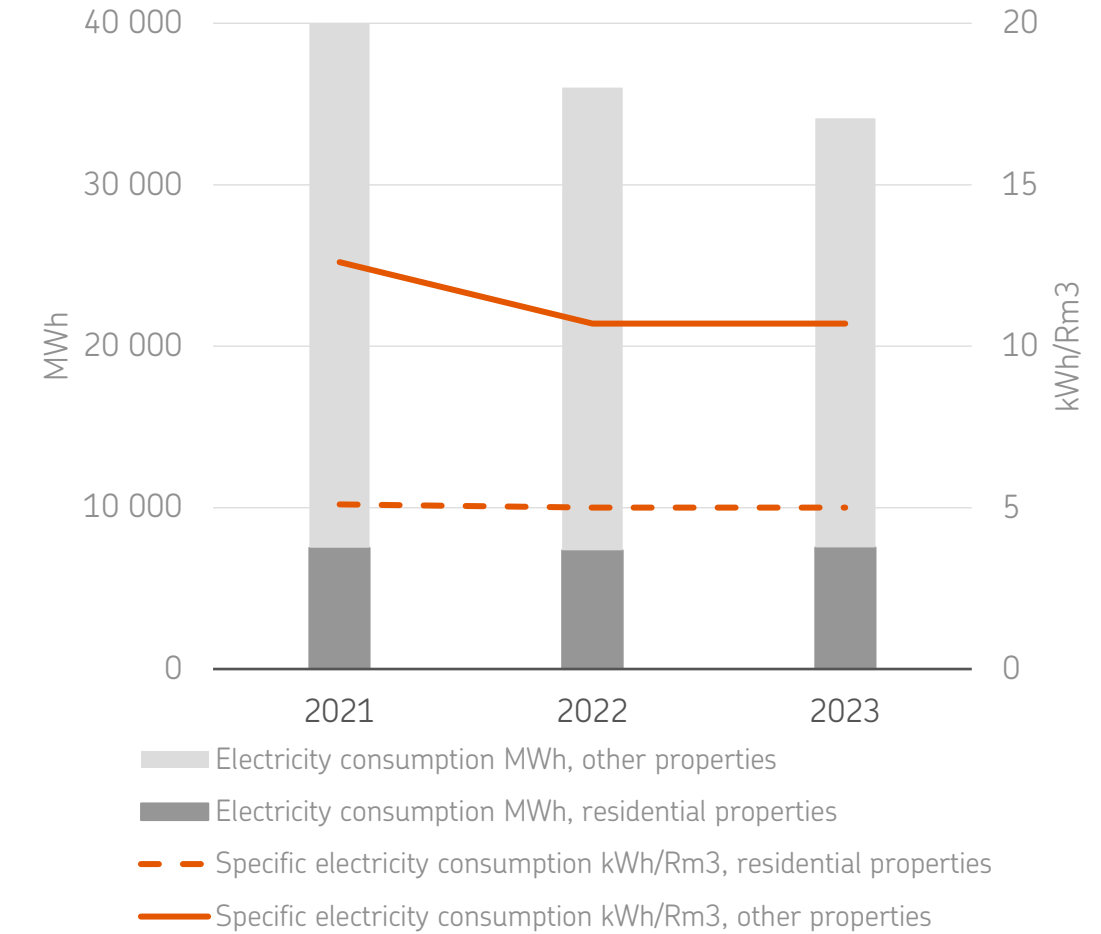
Heating energy consumption



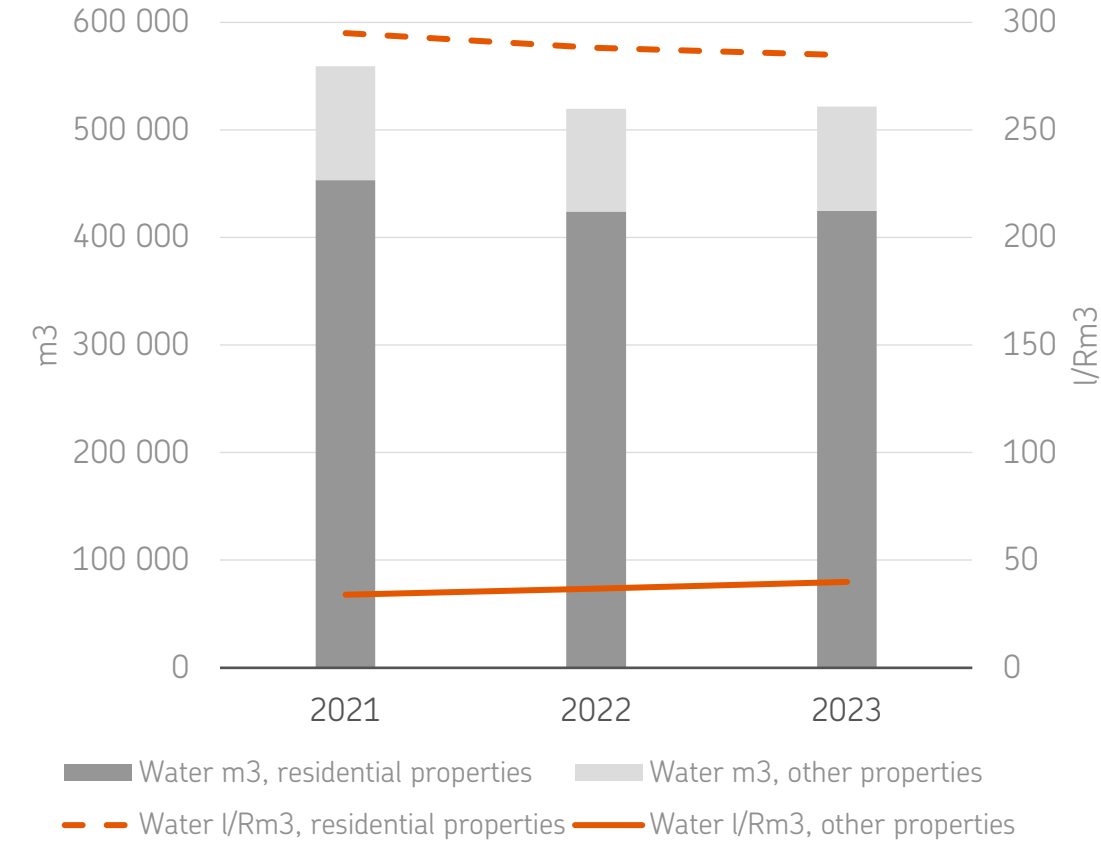
Distribution of energy consumption, MWh



Electricity consumption



Water consumption



Waste

We aim to continuously improve the recycling and reuse of waste at all our properties. We have improved recycling opportunities by adding plastic recycling capacity and signs informing users.

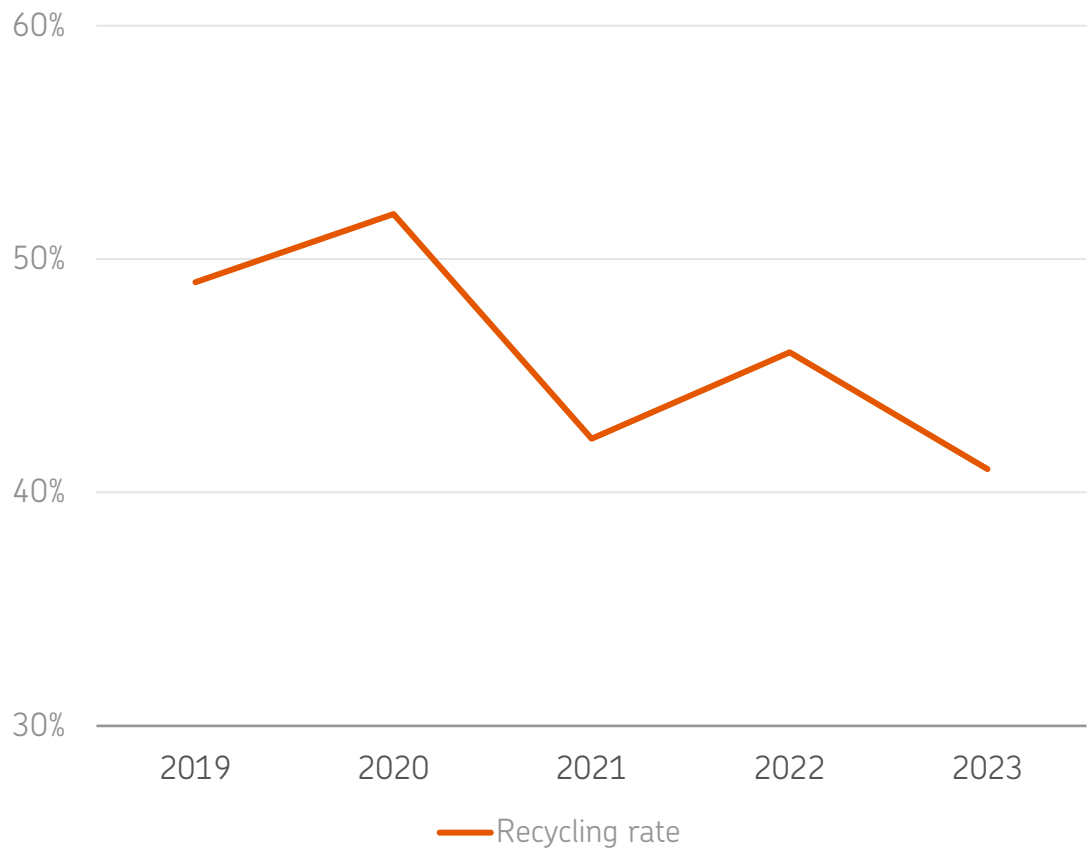
Lassila & Tikanoja plc is our nationwide partner in waste management. Since 2020, we have had net zero emissions from waste management in properties managed by L&T. This corresponds to around 49% of all waste generated at our properties. Since 2018, we have collected data on waste generated at our residential properties from both our partner and municipal waste management companies. We have data on about 78% of our residential properties. The waste management data includes all properties owned by us during the calendar year.

The average amount of waste produced at residential properties was 4.9 kg/m2, and the recycling rate decreased to 41%. In terms of value, the recycling rate covers 81% of residential properties. The average amount of waste produced at other properties was 2.7 kg/m2. The recycling rate decreased slightly from the previous year, to 48%. In terms of value, the recycling rate covers 36% of other properties.

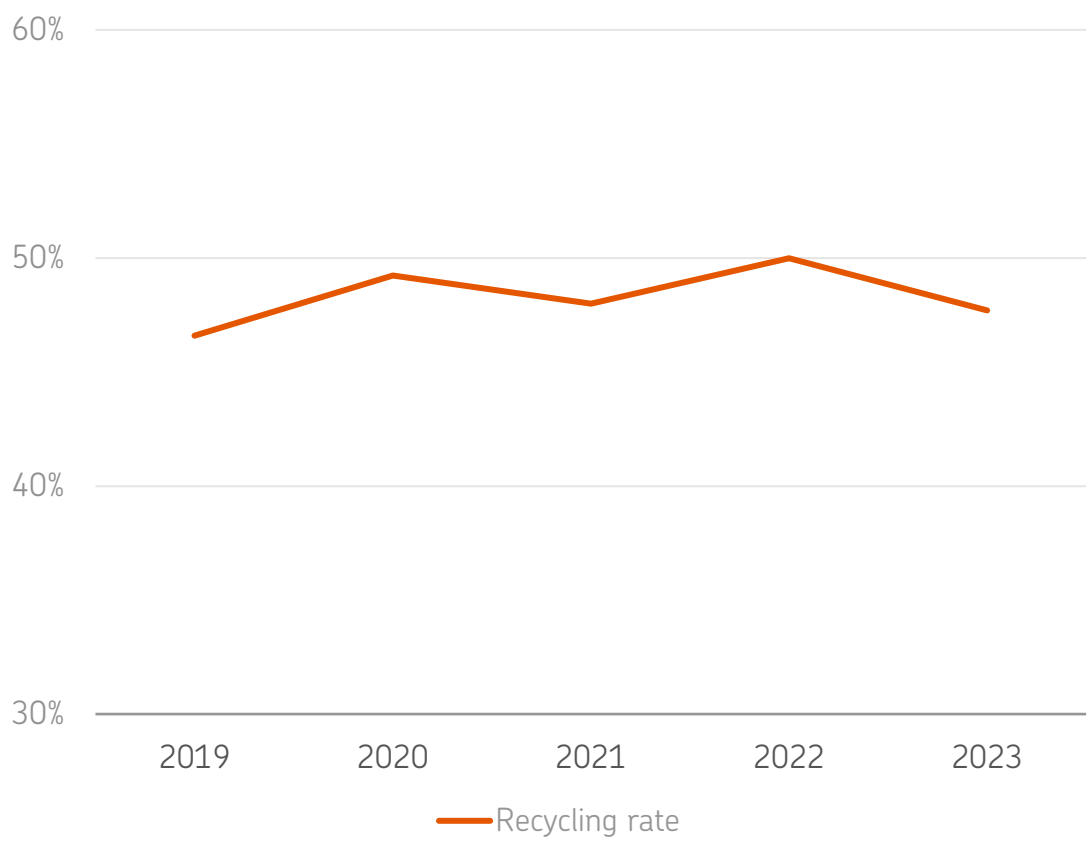
In 2023, the number of residential properties reported on was impacted by the properties completed in late 2022, which were not included in the 2022 reporting. The number of other properties reported on was impacted by the municipal competitive tendering process for waste management companies, as a result of which the waste management of many properties was transferred from larger operators to smaller ones, and we were provided with less data in 2023 than before.

Waste volumes of residential properties	2023	2022	2021	2020	2019	2018
Total volume of waste in tonnes	1,832	1,726	1,636	1,851	1,860	1,481
Number of properties reported on	86	78	74	73	86	69
Waste volumes of other properties	2023	2022	2021	2020	2019	2018
Total volume of waste in tonnes	1,205	1,564	1,318	1,341	1,530	1,700
Number of properties reported on	39	46	42	40	44	53

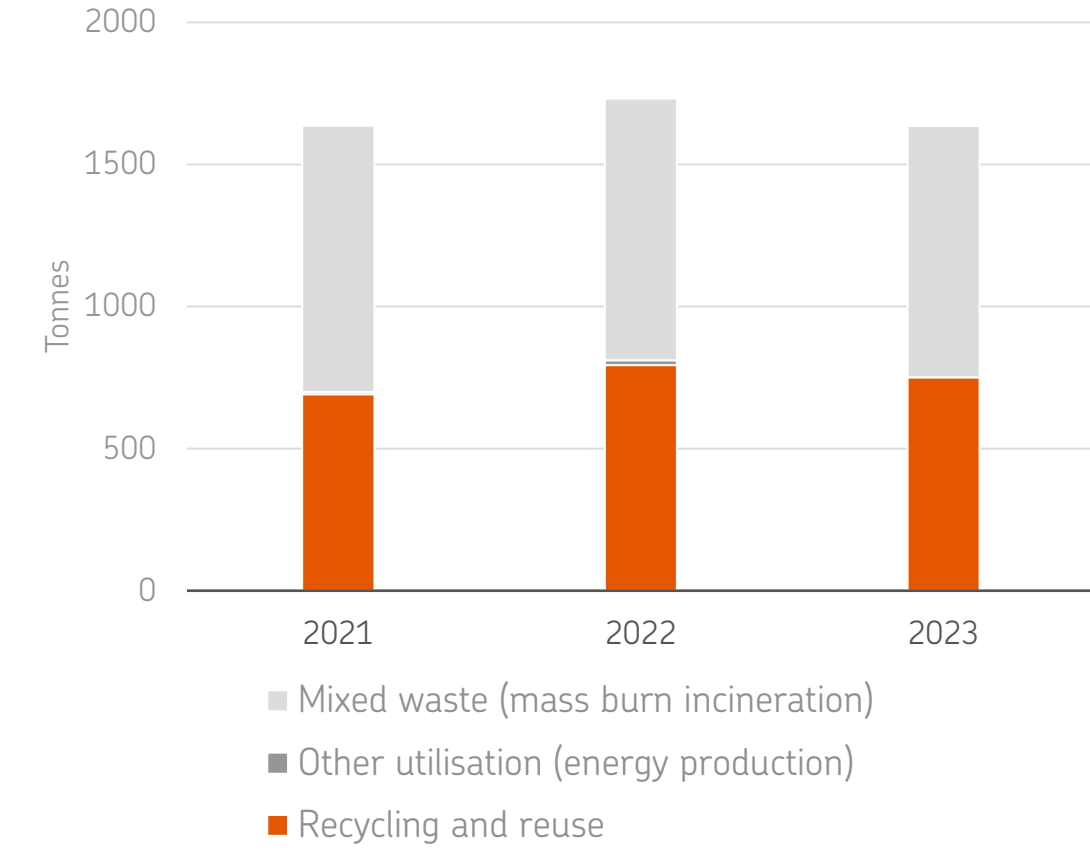
Recycling rate of residential properties



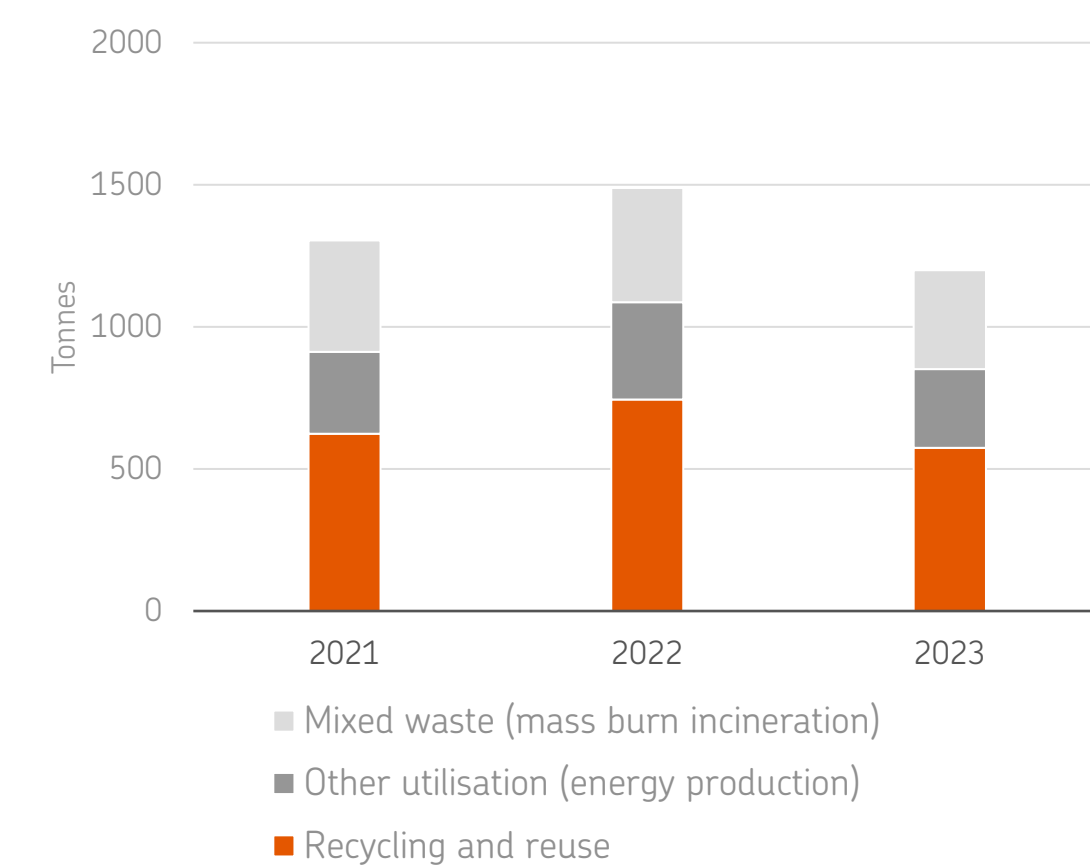
Recycling rate of other properties



Waste volumes of residential properties



Waste volumes of other properties



Appendices: fund specific pages

OP-Forest Owner (special common fund)

The fund invests in forest property both directly and indirectly, through forestry companies. In 2023, the fund directly owned some 1,300 forest estates, with a total area of 130,000 hectares. Through forestry companies, the fund owned approximately 43,000 hectares. The fund aims to engage in sustainable forestry which takes forests’ impact on climate change, biodiversity and people’s wellbeing into account.

The objective is to mitigate climate change and safeguard biodiversity

The forests invested in act as carbon sinks that store carbon dioxide emissions from the atmosphere. The wood raw material sourced from forests replaces fossil products, which in turn reduces the use of fossil raw materials that cause greenhouse gas emissions. In a sustainable investment, the rate at which tree stands grow surpasses felling and harvesting in the long run, thereby increasing the forest’s capacity as a carbon sink. In 2023, the carbon stock in the fund’s forest land grew by about 7%, to 115 tn CO2 per hectare.

When forests are felled, preserving biodiversity is taken into account. In sustainable investing, forestry operations are restricted in valuable habitats, endangered species are taken into account, water conservation is ensured, and structural features that promote biodiversity in forests are increased. The fund’s operations comply with current legislation, PEFC and FSC certification systems, and the fund’s

own sustainability procedures, including the restoration of mires. The forest assets owned by the fund are entirely certified under the PEFC system, and approximately 65% of the assets are also certified under the FSC system. Approximately 18 hectares of mires were restored in 2023.

Peatland forests into protected areas

The fund makes land lease agreements with parties that develop and build wind and solar power stations, and aims to promote the construction of fossil-free electricity production in Finland. In 2023, the fund leased forest estates for 26 new wind power projects. All in all, the fund has leased 145 forest estates and is involved in 105 wind power projects. None of the projects has entered the construction phase.

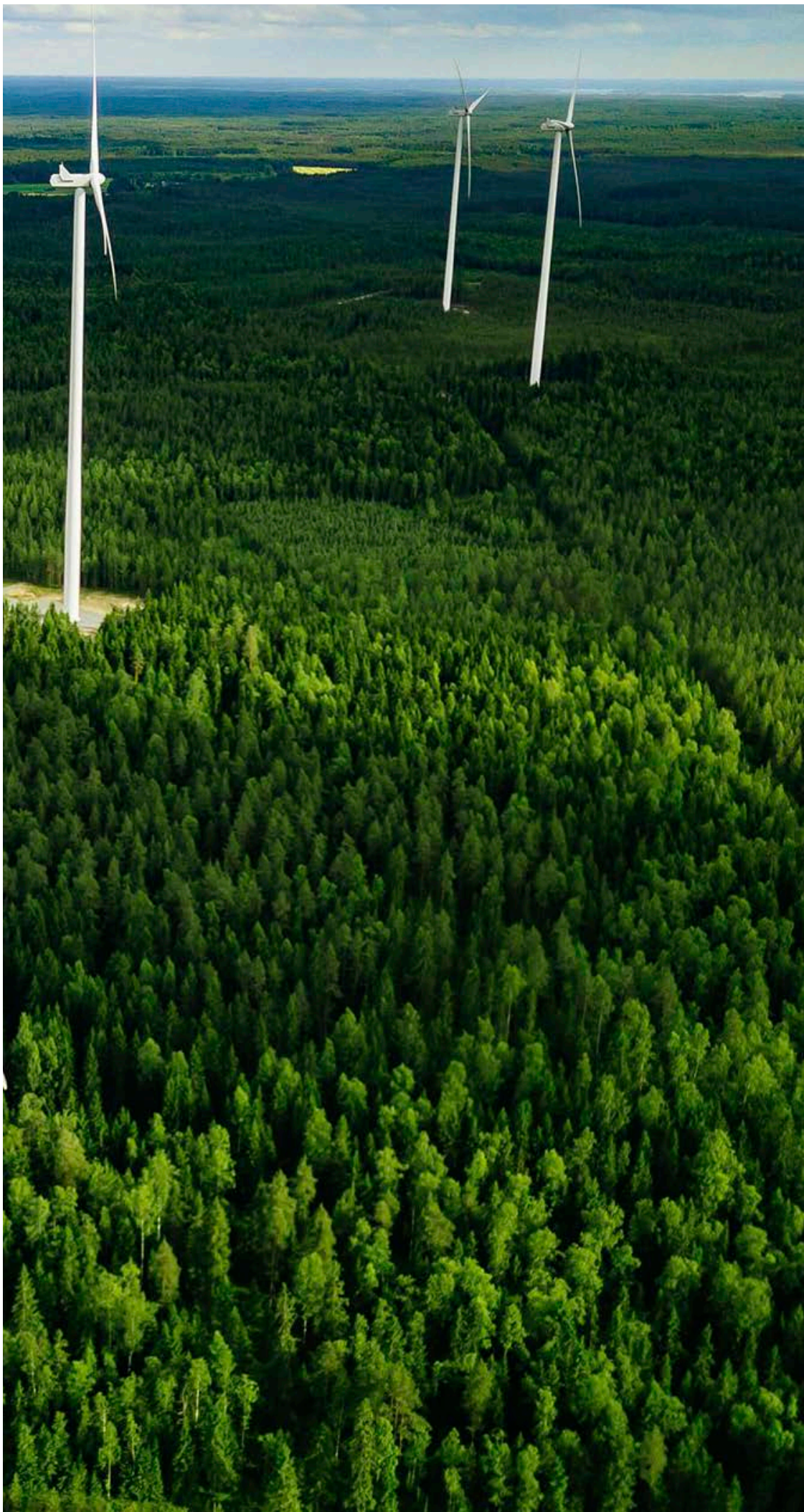
The fund excludes estates with significant environmental value from commercial use. In the FSC certification system, 5% of the forest land is excluded from commercial use. In addition, the fund transferred approximately 350 hectares of mires under permanent protection through land exchanges and deals made with a Centre for Economic Development, Transport and the Environment (ELY Centre). These areas, which are valuable in terms of protection, complemented existing areas of protected marshland.

The recreational use of forests was promoted with signatures of agreements concerning new outdoor routes in Posio and Kuopio. The fund also continued drafting hunting leases with local hunting clubs.

100%

of forests have PEFC™ certificates, and 65% also have FSC® certificates

The fund in figures	2023	2022
Hectares of forest	129,460	124,956
Change in hectares from prev. year, %	+ 3.6	+ 12
Carbon stock per ha, CO2e t	115	106.6
No. of forest estates	1,322	1,271
PEFC certificate, % of forests	100	100
FSC certificate, % of forests, approx	65	67
No. of wind farm contracts	105	79
No. of hunting leases	731	653
Hectares of protected forest, approx	3,210	2,684
Gross asset value, EUR million	557	495
Taxonomy alignment, %	24	24



More habitats that support biodiversity in our forests

Water conservation, carbon sequestration and biodiversity

In 2023, OP-Forest Owner special common fund launched a nature conservation project for the ecological restoration of a drained mire. The project is part of the fund's sustainability programme, which focuses on the restoration of mires, increasing carbon sequestration and the growth of forests with wood ash fertilisers, and establishing new forests on former agricultural land.

The mire to be restored is in Joensuu in North Karelia. The property covers a total area of 25 hectares. Its nutrient richness varies from lush coniferous swamps to poor marshes, and some of the area is treeless. The area is bounded by a body of water, and in addition to increasing biodiversity, the mire's restoration therefore aims to reduce the flow of nutrient and suspended loads into the body of water. The mire therefore also functions as a water conservation structure and what is referred to as an overland flow area. The restoration entails blocking the ditches running through the area in part or together so that the flow of water stops, and the property's water economy is restored to a state similar to its natural one. This allows the vegetation typical of mires and the peatland ecosystem to recover, and the latter to be restored to its natural state.

Slow-growing drainage areas are worth restoring

Tens of thousands of hectares of peatland ecosystems have been drained in Finland since the 1950s. The drainage aimed at a sizeable increase of the growing stock and was largely successful, too. Despite the drainage, however, some of the areas have never achieved growth equal to that of productive forest land (> 1m³/ha/a) or have achieved such growth only with great difficulty. The maintenance or artificial regeneration of such areas is also economically inefficient, which makes their ecological restoration to their natural state a sensible option. An area can also be left to restore itself, but such a process usually takes decades, during which the area may continue to function as a source of emissions from the perspective of both waterbodies and the climate. The fund indeed aims to restore mires on an annual basis, selecting the areas to be restored based on the restoration resulting in the best possible impact. Such areas include the edges of natural mires and the shores of waterbodies. The fund is currently preparing restoration plans for several areas, and these plans will be implemented over the next few years.

The project's planning kicked off with a field visit in the summer of 2023, and the restoration plan was

prepared in the autumn of 2023. Due to the soil's poor bearing capacity, the work involving machinery is carried out in the winter of 2024. The restoration plan was prepared in cooperation with Metsä Group and Vesistö- ja Luontokunnostus Janne Raassina.

3,210 ha

of protected forest

Carbon stock per ha

115 CO₂e tonnes

105

wind farm contracts



Ecological restoration of a mire

OP-Rental Yield (special common fund)

The fund invests in residential and commercial premises and their construction. About half of residential properties are located in the Helsinki Metropolitan Area, with the rest in other university cities and growth centres. The fund's commercial properties are located mainly in the Helsinki Metropolitan Area.

Comfortable homes, satisfied tenants

In customer satisfaction surveys, our residents' overall satisfaction and satisfaction with their residential building and services are high. The residents would be willing to actively recommend the lessor.

We encourage the tenants of our properties to be more environmentally conscious by providing them with good recycling options and encouraging reduced water and electricity consumption.

In 2022, all residential units in properties owned fully by OP-Rental Yield joined the Green Homes sustainability initiative organised by Rakli ry. The goal of the initiative is to improve cooperation between property owners and tenants with the goal of more environmentally friendly housing. Residents of Green Homes receive regular updates about their home's climate emissions and other information. Property owners participating in the initiative are committed to achieving net zero emissions during the buildings' service life by 2030.

In 2023, the fund implemented

two new ground heat projects

in apartment buildings

The fund in figures	2023	2022
Gross asset value, EUR million	1,741	1,960
Jobs created, full-time equivalent*	1,138	1,242
Tax footprint, EUR million	9.5	9.4
Taxonomy alignment, %	70	35
Residential properties	2023	2022
No. of residential properties	123	120
No. of homes	6,012	5,966
Gross leasable area, m ²	285,181	283,800
No. of homes under construction	102	376
Occupancy rate of residential units, %	97	97
Commercial properties	2023	2022
No. of commercial properties	23	25
Gross leasable area, m ²	148,775	164,300
Occupancy rate of commercial properties, %	87	90

*estimate, calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation)



Asunto Oy Järvenpään Kurki

Sustainability in the fund's investments

We continuously develop the sustainability of the fund's investments. Sustainability efforts include reducing the environmental impact of properties, ensuring the functionality of properties in a changing environment, protecting the safety and health of property users and responsible property ownership.

The development and certification of sustainability also extends to our network of partners. We always try to identify and know our partners well and only collaborate with reputable companies. This ensures smooth and reliable cooperation in any process.

During construction, the fund has its own supervisor on each construction site, and we actively collaborate to minimise our environmental impact. For example, we require a waste management plan to be drafted before a project is launched, and data on waste volumes must be submitted after each project has ended. The possibilities for using renewable energy are always investigated before construction.

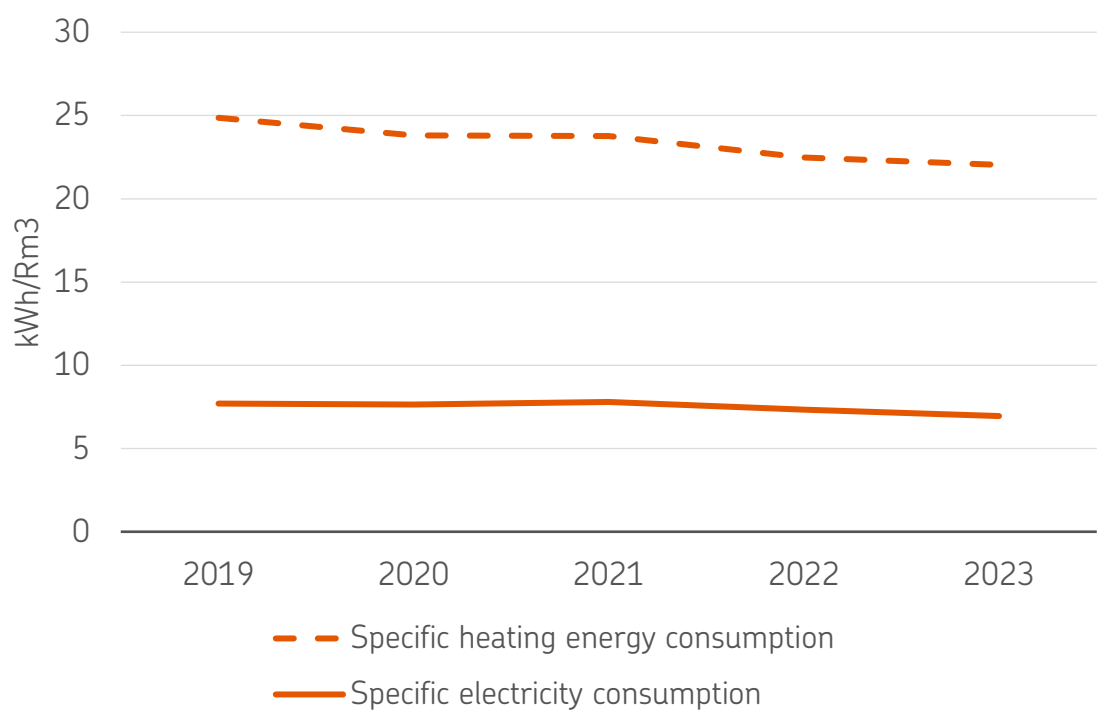
Zero emissions heating with ground source heat

Our goal is energy efficiency and the use of renewable energy. In 2023, OP-Rental Yield implemented two new ground source heat projects in apartment buildings. OP-Rental Yield uses renewable electricity at its properties, and the waste management for which OP-Rental Yield is responsible is carbon neutral. We have equipped several of our properties with water-saving plumbing and other

equipment that reduces water consumption. We use wood construction and careful material choices to reduce our carbon footprint. The fund owns a wooden apartment building in Tampere, Turku and Helsinki. We choose properties in central locations to promote sustainable mobility. All the properties we develop have been prepared for charging electric vehicles, and some also offer car-sharing vehicles. We have fitted many properties with bicycle maintenance points.

The recycling rate of 44% accounts for 80% of the value of OP-Rental Yield fund's real estate assets. In 2023, Scope 1 and Scope 2 emissions totalled 5,650 CO2 tonnes. The Scope 1 emissions account solely for emissions from energy consumption. The Scope 1 emissions cover roughly 100%, and Scope 2 emissions approximately 83%, of the real estate assets' value.

Energy consumption



Environmental figures	2023	2022
No. of solar power plants	12	15
No. of ground source heat plants	6	5
Renewable energy production, MWh	2,635	2,246
No. of environmental certificates	7	9
Properties with EV charging stations	34	29
Average energy class	B	C

No. of apartments

6,012

Average energy class

B

Taxonomy alignment

70%



Asunto Oy Tampereen Santalahden Värttinä

OP-Public Services Real Estate Fund (special common fund)

OP Public Services Real Estate invests in public service properties such as assisted living residences, schools and daycare centres, health centres, care homes, multipurpose properties, and other public properties. The fund is the developer in the construction of the majority of its owned properties. As of the end of 2023, the fund had 54 completed, fully owned properties and one property of diversified ownership. The fund had no properties under construction at the end of the year. OP-Public Services Real Estate sold 15 properties and did not acquire any properties in 2023.

Sustainability in the fund's investments

Op-Public Services Real Estate submitted its first GRESB report in 2023, achieving two stars. GRESB supports the development of our sustainability efforts, and we will improve the coverage of the data on the portfolio level for the next report. The fund's alignment with the EU Taxonomy has also been updated, and a climate risk analysis has been carried out on the taxonomy-aligned properties. We have also conducted a transition risk analysis of the fund's properties which, following specifications, will become an important tool on our path towards net zero emissions.

The fund takes sustainability into account in its investments and portfolio management. Our sustainability includes reducing the life cycle environmental impact of properties, protecting the safety and healthy use of properties, and responsible property

ownership. Sustainability begins before the purchase decision with a due diligence review of the property's finances and technical condition and the parties to the purchase process. In development projects, a construction supervisor appointed by the fund is present on the site, which helps prevent costly building errors and ensures that the property can be used for its intended purpose. We require our contracts to submit a Reliable Partner report, waste management plan and a report on total waste volume after the completion of the project. Since 2021, we have also required a report on the carbon footprint of projects.

We encourage users to sort waste responsibly. We also enable commuting, for example, at a majority of our properties with the appropriate social facilities and bike parking. An increasing number of our new properties also have charging stations for electric vehicles. We audit the maintenance level of properties maintained by users with 1 to 2 annual audits held jointly with the user. We carry out regular user satisfaction surveys in our properties.

Two of the fund's
properties attained
LEED Gold certification

in 2023



Asunto Oy Tampereen Fanni ja Arvid

Renewable energy and other climate actions

Of the public service properties, 33 are timber-framed. The wood stores CO2 and reduces emissions from construction. Of the timber-framed properties, nine are log-framed. As a material, logs have a calming effect on users and improve indoor air quality and sound insulation in daycare centres and care homes, for example. Two of the fund’s properties, Järvenpään Perhelä 5 and Espoon Kampelatie 4, attained LEED Gold certification in 2023 or immediately after the turn of the year. In addition, we invested in improving the energy efficiency of the new Pormestarinkatu property in Lappeenranta during its service life even before construction began.

Most of the carbon footprint from construction comes from new buildings. Public Services Real Estate owns six properties for which a new purpose of use has been found through the renovation of an old building. Conserving the existing frame of the building saves natural resources and energy compared to new construction. Furthermore, the carbon emissions in a conversion remain much smaller than in new construction. According to the year-end situation in 2023, ground source heat is the principal form of energy at 15 of our properties, while an air-water heat pump system is the principal form of energy at three of our properties. In addition, five properties have been fitted with solar panels.

The recycling rate of 46% covers 17% of the value of OP-Public Services Real Estate fund’s real estate assets. Given that most of the fund’s properties are net lease properties, waste data is unavailable.

In 2023, Scope 1 and Scope 2 emissions totalled 826 CO2 tonnes. The Scope 1 emissions account solely for emissions from energy consumption. The Scope 1 emissions cover roughly 100%, and Scope 2 emissions approximately 66%, of the fund’s real estate assets’ value.

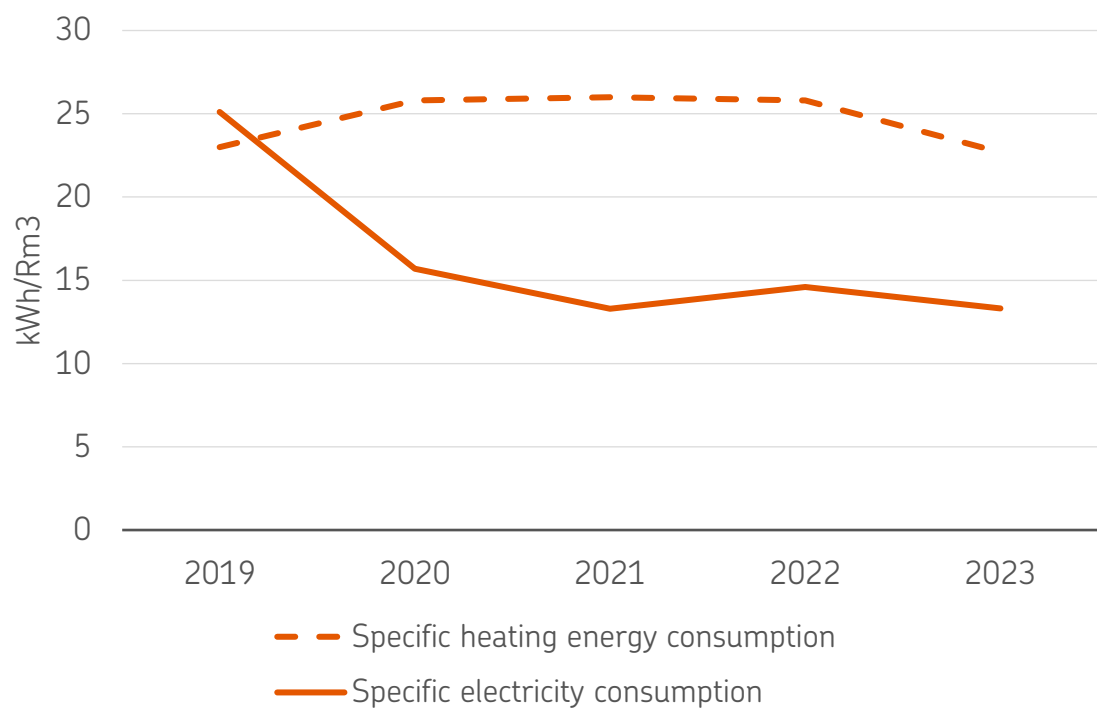
Occupancy rate

99%

No. of wooden buildings,

32

Energy consumption



The fund in figures	2023	2022
Gross asset value, EUR million	454	473
Jobs created, full-time equivalent*	289	442
Tax footprint, EUR million	0.5	-0.5
No. of completed properties	55	64
Taxonomy alignment, %	73	58
Customer capacity of properties	2,654	3,464
Occupancy rate, %	99	98
No. of apartments	288	276
Environmental figures	2023	2022
No. of properties constructed from wood, of which timber-framed	329	4517
No. of properties constructed from stone	21	21
No. of conversion projects	6	7
No. of redevelopment projects involving demolition	14	15
No. of solar power plants	5	5
No. of ground source heat plants	15	20
No. of air-water heat pumps	3	3
Renewable energy production, MWh	1,341	1,302
No. of environmental certificates	4	3
Properties with EV charging stations	11	9
Average energy class	B	B

*estimate, calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation)



Kiinteistö Oy Hämeenlinnan Tervapadankatu 2 B

OP Toimitilakiinteistö Ky

OP Toimitilakiinteistö Ky offers investors an opportunity to invest in a highly diversified portfolio of Finnish commercial properties that generate high cash flow.

Sustainability in the fund's investments

The selection of assets emphasises geographical sustainability and evaluates the accessibility and adaptability of the asset. We continuously develop the sustainability of the fund's investments. Sustainability efforts include reducing the environmental impact of properties, ensuring the functionality of properties in a changing environment, protecting the safety and health of property users and responsible property ownership. By supervising construction, we ensure the quality of construction, and that the buildings have a long life and are safe for users. The fund participates in the international GRESB sustainability reporting.

Energy efficiency through audits and monitoring

An energy audit has been carried out at all of the fund's properties to ensure that building technology is used properly and works as planned. The audits identify any potential for energy savings at

No. of solar power stations

9

the properties and assess the payback period of investments. All the fund's properties carry out energy monitoring, which provides up-to-date usage data and comparisons with similar properties.

Energy production supports net zero emissions

The fund's properties have used green electricity since the start of 2020. As of the start of 2022, purchased electricity is sourced from wind power. When developing our properties, we always investigate options for producing renewable energy at the site and improving energy efficiency. The fund's properties are equipped with nine solar power plants, two ground source heat plant and one air-water heat pump.

Sustainable choices for tenants

Three of the fund's properties are equipped with electric vehicle charging stations. More charging stations will be installed as demand increases. The carbon footprint from waste management has been compensated since 2020 and is fully zero emission. The fund maintains active communication with tenants and carries out annual audits of properties maintained by tenants. The audits ensure that maintenance measures are appropriate, and the property serves its intended purpose. Tenants are asked to respond to an annual tenant satisfaction survey on the effectiveness of services and properties. The fund seeks to promote pedestrian and bicycle traffic by building secure bike parking spots with charging stations and additional staff facilities for users.

Average energy class

B

The fund in figures	2023	2022
No. of commercial properties	24	26
Gross leasable area, m²	175,366	179,100
No. of tenants	59	62
Occupancy rate, %	89	91
Gross asset value, EUR million	216	219
Jobs created, full-time equivalent*	55	163
Tax footprint, EUR million	4.2	2.4
Taxonomy alignment, %	52	46
Environmental figures	2023	2022
No. of wooden buildings	1	1
No. of solar power plants	9	9
No. of ground source heat plants	2	2
No. of air-water heat pumps	1	1
Renewable energy production, MWh	2,407	2,535
No. of environmental certificates	2	2
Properties with EV charging stations	5	3
Average energy class	B	C

*estimate, calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation)



Kiinteistö Oy Vantaan Meiramitie 3

LEED Gold certificate for ecological industrial property

The industrial property KOy Rovaniemen Ratavartijankatu 2, which was completed in Rovaniemi in 2022, attained LEED Gold certification in the autumn of 2023. The criteria for the certification included the property’s good energy efficiency, large solar power system, water-efficient plumbing fixtures, widely used low-emission indoor materials, good site practices and low volumes of waste. The property’s energy and water consumption are metered more extensively than usual, and operational reliability has been implemented in line with best practices, continuing until the warranty period. The property has plenty of space for storing bicycles and an adequate number of showers in the staff facilities, as well as reservations for EV charging stations.

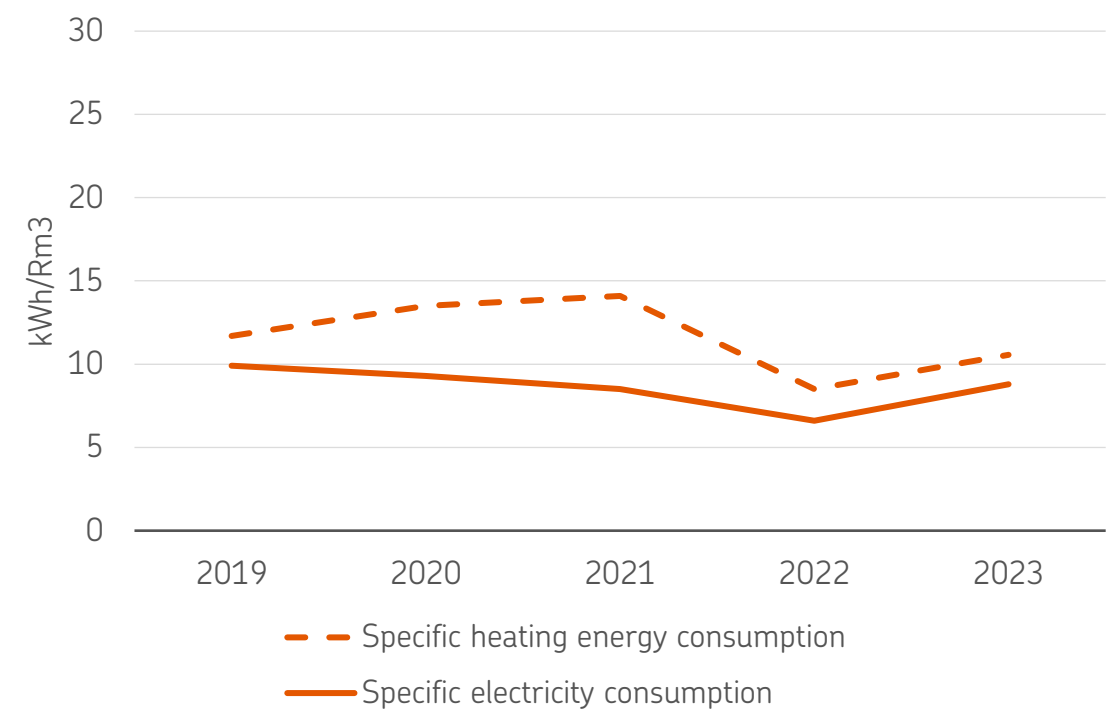
Results of GRESB reporting

We participated for the third time in the international GRESB assessment, receiving 73 points and two stars in the Standing Investments Benchmark, improving our score slightly from the previous year. For the Development Benchmark, we received 89 points and three stars, also an improvement from the previous year. Our scores have improved every year in both categories. In the Standing Investments Benchmark, we received full points for sustainability management and policy, reporting and sustainability targets. What we most need to improve is the number of properties with environmental certification, as well as our data coverage and backup. In the Development Benchmark, in contrast, we also received full points for environmental certificati-

on, while having the most room for improvement in risk management.

The recycling rate of 42% accounts for 5% of the value of OP Toimitilakiinteistöt Ky. Half the fund’s properties are net lease properties, for which waste data is unavailable. The coverage of the recycling data of Toimitilakiinteistöt was also impacted by the municipal competitive tendering process for waste management companies, as a result of which the waste management of many properties was transferred from larger operators to smaller ones, and we were provided with less data in 2023 than before. Scope 1 and Scope 2 emissions totalled 839 tonnes of CO2. The Scope 1 emissions account solely for emissions from energy consumption. The Scope 1 emissions account for roughly 100%, and Scope 2 emissions approximately 49%, of the fund’s real estate assets’ value.

Energy consumption



Kiinteistö Oy Rovaniemen Ratavartijankatu 2

Real Estate Fund of Funds V Ky

The strategy of Real Estate Fund of Funds (REFoF V) emphasises the development of existing properties. Sustainability plays a key role in the selection of the underlying investee fund.

The fund's investments are diversified in several countries, various real estate sectors and more than one underlying investee fund. Both equity and leverage are used in the investments. The assets of the underlying investee funds typically require either modernisation investments or development to begin a new life cycle. There is exceptionally good potential to improve sustainability at this stage of a property's life cycle through choices that have tangible impacts on its energy efficiency, quality, user comfort and health, and emissions, for example.

The fund's underlying investee funds are at different stages of maturity. Some of the underlying investee funds have completed the development of the properties; successful sales have also already been made from some of the underlying investee funds. The main emphasis of the underlying investee funds' management firms is currently on advancing the development measures, leasing and the sales of any completed properties. The properties'

emphasis is on sustainability criteria. Transaction markets in Europe have currently slowed down considerably, and on the tenant market, decision making has slowed down, particularly on the office side. We can nevertheless expect demand for developed, low-risk and sustainable properties to continue among both investors and tenants.

All the underlying investee funds take responsible investment investing into account in both their investment decisions and portfolio management. OP Real Estate Asset Management influences the responsibility of underlying investee funds through its active investment policy. All management firms of the underlying investee funds have signed the UN Principles for Responsible Investment, and all management firms of private equity real estate funds participate annually in extensive GRESB reporting.

The fund managed by Tishman Speyer, which invests in the biggest cities of Western Europe, mainly develops office premises for future needs

Tishman Speyer is a relatively large real property development firm with global operations. The firm was established in 1978 and has extensive experience of developing and managing properties. It has acquired a total of 406 properties (amounting to 15.5 million m²) and has experience of the construction of skyscrapers of a significant size. The firm employs more than 1,300 people, and its assets under management total \$67.1 billion (2022).

Sustainability and responsibility are an integral part of the firm's operations. The firm has a globally operating sustainability committee tasked with ensuring that the firm's daily operations are in line with its sustainability policy and objectives. The firm publishes a corporate-level sustainability report every year detailing, among other things, how the firm has promoted responsible investing and its target of net zero emissions by 2050. The report also includes

examples of the properties managed by the firm and the measures effected.

The Tishman Speyer European Real Estate Venture VIII (TSEV VIII) fund established by Tishman Speyer invests in existing properties and new construction projects in big Western European cities, employing a value-add strategy. Significant improvements are made to existing properties to achieve energy-efficient high-quality office and multipurpose premises. The underlying investee fund has nine investments in the big European cities of Paris, London, Madrid, Frankfurt and Berlin. The projects are at varying stages of their life cycles, and high-standard environmental certificates are being sought for each property. The fund participates in annual GRESB reporting and achieved four out of five stars for 2023.

The fund's first completed development project is a suite of offices in Madrid. Sustainability has been considered at every stage of the project, and the

ambitious targets were set according to the LEED and WELL standards. The property is in the northern part of the city, with good traffic connections to both the city centre and the airport. It can also be reached easily by public transport. The area is home to several international companies, and its services are developing. The property has a total of 20,000 m² of space over six floors.

The Life Cycle Assessment (LCA) conducted during the property's planning phase reduced carbon dioxide emissions by 2,700 tonnes. The property has invested in energy efficiency, the minimisation of consumption, the selection of used materials, and user comfort and the premises' healthiness. The floors have been designed to allow adaptability, and the property's planning has invested in user comfort by ensuring that the premises are light and include green spaces. The property has the LEED Platinum and WELL Platinum environmental certificates.



Office property Puerto de Somport, Madrid, Spain

Real Estate Fund Finland III Ky

Real Estate Fund Finland III Ky offers investors an opportunity to invest in a highly diversified portfolio of Finnish commercial properties.

Sustainability in the fund's investments

The selection of assets emphasises geographical sustainability and evaluates the accessibility and adaptability of the asset. We continuously develop the sustainability of the fund's investments. Sustainability efforts include reducing the environmental impact of properties, ensuring the functionality of properties in a changing environment, protecting the safety and health of property users and responsible property ownership. By supervising construction, we ensure the quality of construction, and that the buildings have a long life and are safe for users. The fund participates in the international GRESB sustainability reporting.

Energy efficiency through audits and monitoring

An energy audit has been carried out at all of the fund's properties to ensure that building technology in properties owned by the fund is used properly and working as planned. The audits identify any potential for energy savings at the properties and assess the payback period of investments. All of the fund's properties carry out energy monitoring, which provides

up-to-date usage data and comparison with similar properties. This monitoring covers electricity, water and heating energy usage. Since early 2020, electricity purchased for the fund's properties has been renewably sourced. As of the start of 2022, purchased electricity is sourced from wind power. When developing our properties, we always investigate options for producing renewable energy and improving energy efficiency. The fund's properties include three ground source heat plants and three solar power plants.

Sustainable choices for tenants

Three of the fund's properties are equipped with electric vehicle charging stations. More charging stations will be installed as demand increases. The carbon footprint from waste management has been compensated for 2023 and is completely carbon free.

The fund maintains active communication with tenants and carries out annual audits for properties maintained by tenants. The audits ensure that maintenance measures are correctly scaled and appropriate, and that the property is functional for its intended purpose. Tenants are asked to respond to an annual tenant satisfaction survey on the effectiveness of services and properties. The fund seeks to promote pedestrian and bicycle traffic by building secure bike parking spots with charging stations and additional staff facilities for users.



Kiinteistö Oy Aleksis Kiven katu 21-23
Photo: Niki Soukkio

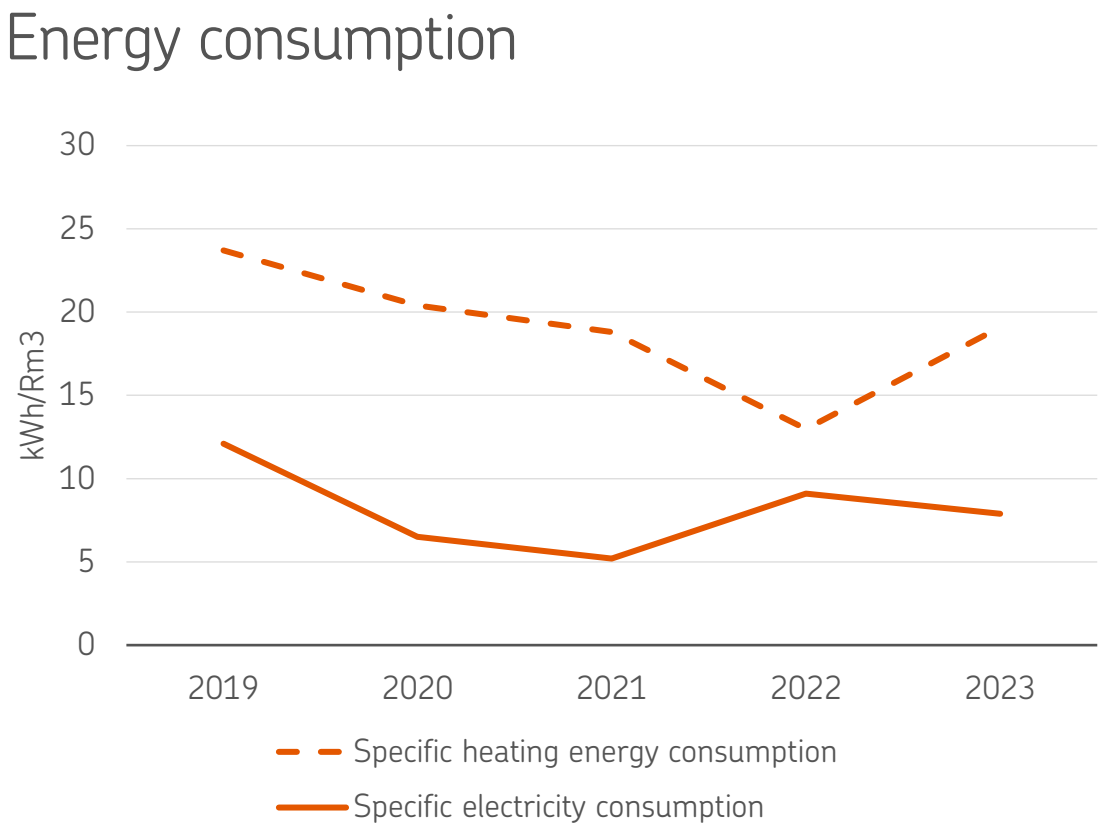
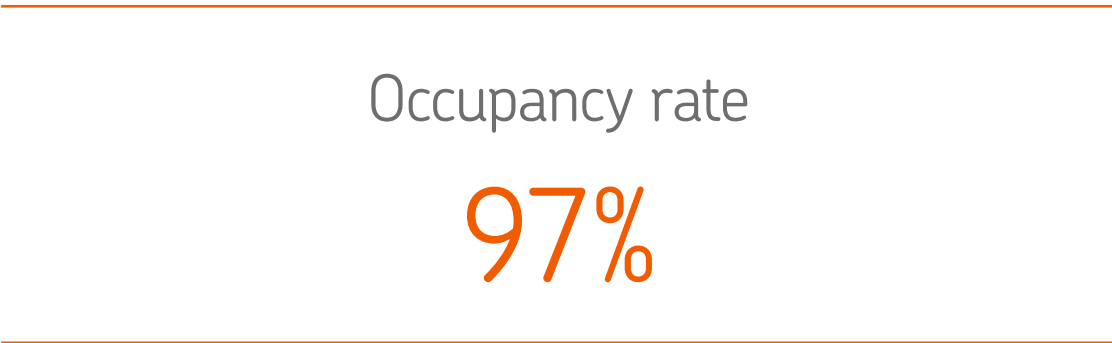
Results of GRESB reporting

We participated for the third time in the international GRESB assessment, receiving 75 points and two stars in the Standing Investments Benchmark, improving our score slightly from the previous year. When we last participated in the Development Benchmark in 2021, we received 61 points. In 2023, our score improved significantly, and we received 77 points and two stars. In the Standing Investments Benchmark, we received full points for sustainability management and policy, reporting and sustainability targets. What we need to improve most is data coverage and backup and waste management. In the Development Benchmark, we also received a very good score for the engagement of stakeholders and for materials, while having most room for improvement in the efficiency and monitoring of water consumption.

The most important development measures in all funds are connected with improving data coverage, meaning that we will also attempt to obtain energy and water consumption and waste accrual data from properties managed by tenants. We also intend to back up the energy data for the next report.

The recycling rate of 35% covers 5% of the value of Real Estate Fund Finland III Ky’s real estate assets. Given that most of the fund’s properties are net lease properties, waste data is unavailable. The coverage of the recycling rate data of the properties owned by the fund was also impacted by the municipal competitive tendering process for waste man-

gement companies, as a result of which the waste management of many properties was transferred from larger operators to smaller ones, and we were provided with less data in 2023 than before. Scope 1 and Scope 2 emissions totalled 956 tonnes CO2. The Scope 1 emissions account solely for emissions from energy consumption. The Scope 1 emissions account for roughly 100%, and Scope 2 emissions approximately 65%, of the fund’s real estate assets’ value.



The fund in figures	2023	2022
No. of investment properties	20	20
Gross leasable area, m²	88,130	99,200
Occupancy rate, %	97	97
Gross asset value, EUR million	197	191
No. of tenants	61	63
No. of investments in rental plots	7	7
Jobs created, full-time equivalent*	38	111
Tax footprint, EUR million	2.9	0.8
Taxonomy alignment, %	31	25
Environmental figures	2023	2022
No. of solar power plants	6	6
No. of ground source heat plants	3	3
Renewable energy production, MWh	1,233	1,242
No. of environmental certificates	1	2
Average energy class	C	C

*estimate, calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation)



Kiinteistö Oy Kanta-Sarvis II

OP Tonttirahasto Ky

OP Tonttirahasto Ky is a fund for professional investors that invests in residential land in Finland. The fund promotes environmental and social sustainability by supporting sustainable urbanisation and facilitating energy efficient solutions and infill development.

The fund enables efficient housing production

OP Tonttirahasto Ky invests in residential land in growth centres, reducing the capital needed by small, medium-sized and large construction firms to launch development projects. By providing an alternative financing solution for development land, the fund facilitates the construction of healthy new homes and enables home ownership for a larger pool of buyers. A total of 106 new homes will be built on land acquired in 2023 in growth centres and their surrounding regions. The fund currently invests in 108 residential plots, the majority of which are undergoing redevelopment involving demolition or infill development of existing urban structures.

Sustainability as part of the fund's investment decisions

The fund invests in land in locations that enable the use of public transport and pedestrian and bicycle traffic. In selecting investment assets, we place emphasis on locations that have access to services without the need for a private car. Accessibility by public transport is assessed with a scoring system

based on distance to the nearest public transport stop (up to 1 kilometre or up to 500 metres) and the frequency of service during peak hours (up to 15 minutes). In addition, the diversity of local services is assessed before each investment decision.

The developer is asked to provide a report on the energy efficiency of the property. The fund's terms of lease are transparent, and tenants always have the option of purchasing the land or part of it at no additional cost, as well as the option to extend the lease at the end of the lease term.

The fund's investment decisions take the energy class of new developments, the use of renewable energy, the number of homes built in the invested assets and accessibility by public transport into account. The average energy class of new investment assets acquired in 2023 was A, renewable energy is used at 86% of the assets, and 95% of the assets comply with the accessibility by public transport accessibility criteria. In addition, 71% of the buildings to be constructed on the fund's land will be timber-framed or otherwise use wood materials in significant amounts.

The average energy class
of the new buildings
to be constructed on plots acquired in 2023
is A, and renewable energy will be
used at 86% of the assets

The fund in figures	2023	2022
Gross asset value, EUR million	128	130
Tax footprint, EUR million	0.2	1.7
Jobs created, full-time equivalent*	2	1
No. of rental plots	108	105
Lease agreements	107	105
No. of investments**	2023	2022
Infill construction, %	100	100
Redevelopment involving demolition, %	71	61
Average energy class	A	B
Access to public transport, %	95	94
Wood-framed, %	71	67
Heating method of invested properties**	2023	2022
District heating, %	14	33
Air-water heat, %	29	22
Ground source heat, %	57	50
Solar power, %	0	17

*estimate, calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation).

**Figures apply to investments made during the reporting year, not the entire portfolio.



A virtual photo of a terraced house to be built at Kurjenpolventie 4

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