

OP Real Estate Asset Management Ltd Sustainability Review 2022



The year 2022 was again warmer than average in Finland and included record rainfall, a snowy winter and hot temperatures in late summer.

Current measures are not sufficient to stop the rise in global temperatures in line with the Paris Agreement. The energy crisis raised concerns about the availability of energy.

At the same time, biodiversity loss requires urgent action and decisions.

Much remains to be done.

Contents

OP Real Estate Asset Management’s key figures in 2022.4

 From words to verifiable actions in sustainability6

 OP Real Estate Asset Management Ltd in a nutshell7

 OP Real Estate Asset Management is the developer of the year 20238

 Real estate investment products9

 The EU-taxonomy and the Sustainable Finance Disclosure Regulation (SFDR) is becoming a daily part of real estate investing 10

 Distribution of economic added value..... 11

 Indirect real estate investment..... 12

ESG at OP Real Estate Asset Management..... 13

 Sustainable investing and climate targets at OP Asset Management..... 14

 Sustainability journey of OP Real Estate Asset Management..... 15

 Sustainability work requires long-term development 16

Our solutions in 2022.....17

 Sustainable construction 18

 Sustainability in property maintenance in 202219

 Construction of an environmentally friendly and comfortable car park in Tammisto, Vantaa 20

 Increasing habitats that support biodiversity in our forests 21

Key figures..... 22

 Energy consumption and production of properties 23

 Emissions from energy consumption24

 Environmental certificates 25

 Waste 26

Appendices: fund-specific pages..... 27

 OP-Forest Owner (special common fund) 28

 OP-Rental Yield (special common fund)..... 29

 OP-Public Services Real Estate Fund (special common fund)..... 30

 OP Toimitilakiinteistö Ky 31

 Real Estate Fund of Funds V Ky 32

 Real Estate Fund Finland III Ky 33

 OP Tonttirahasto Ky 34

 Contact information35

 Keran kehittämishankkeessa kiertotalous on pääosassa..... 36

OP Real Estate Asset Management's key figures in 2022

38 (+36%*)

ground source
and air-water heat
systems

40

properties with solar
panels

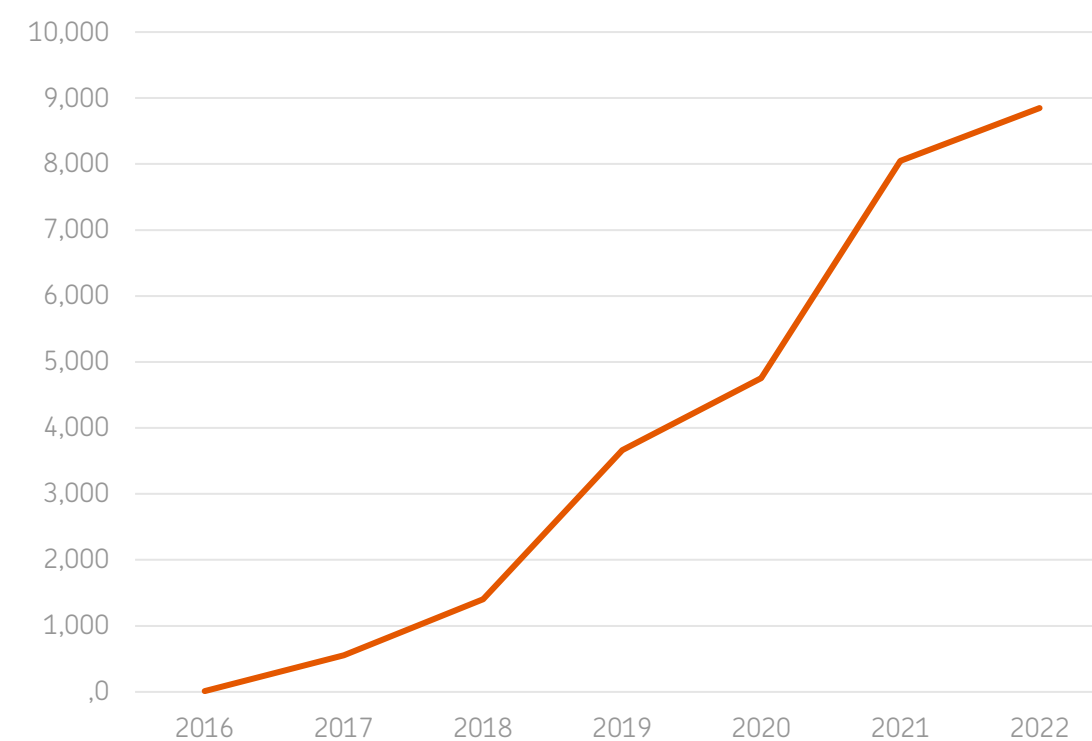
50 (+19%*)

properties constructed
from wood

38% (+1%*)

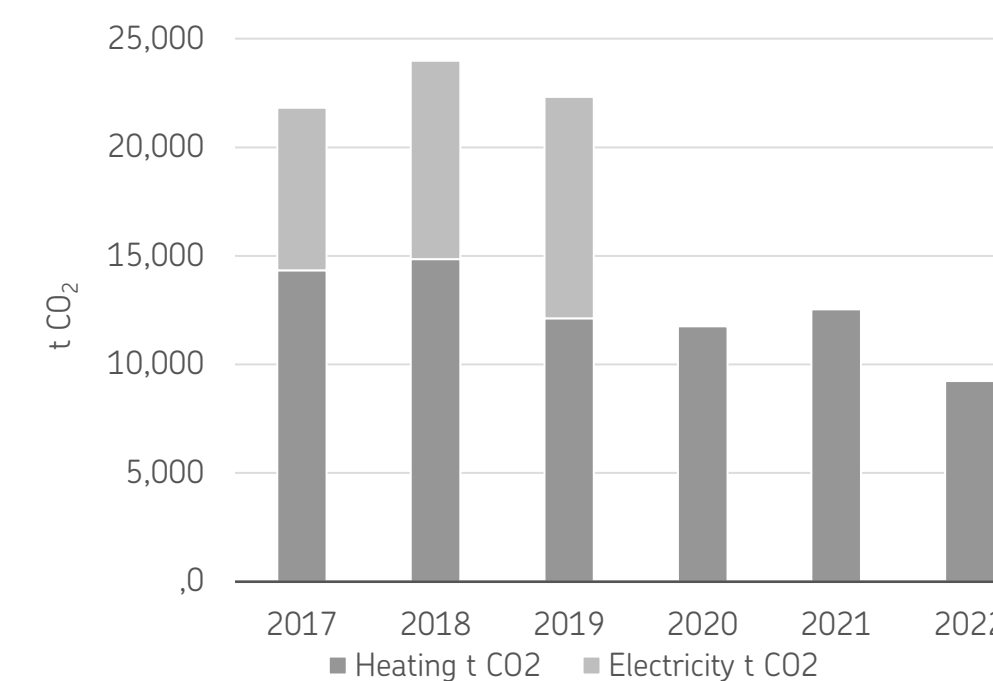
share of renewable
energy

Renewable energy production, MWh



Charging stations for
electric cars at
48 properties (+23%*)

Emissions from energy consumption



14
properties with
environmental
certifications

*compared to previous year

An aerial photograph of a city, likely Tampere, Finland, showing a dense urban area with various apartment buildings. In the background, a large lake (Tampereenjärvi) is visible, surrounded by green islands and forests. The sky is clear and blue. The text 'OP Real Estate Asset Management Ltd' is overlaid in the center of the image.

OP Real Estate Asset Management Ltd

As Oy Kuopion Klaava (middle bottom)

From words to verifiable actions in sustainability

The year 2022 was historical in many ways, both geopolitically as well as for the financial world and real estate markets.

As the pandemic subsided, Russia's aggressive war in Ukraine upended global stability and security and set off increases in inflation and interest rates and an energy crisis. On the other hand, the events accelerate developments that are positive for the environment, including energy saving measures and transitions to local renewable energy sources. Towards the end of the year as buyers in the real estate market became increasingly cautious, properties that had systematically adopted sustainability measures proved to have better liquidity.

This report is a summary of the sustainability work and key figures of OP Real Estate Asset Management in 2022. Sustainability work and reporting have been a part of our operations since 2014. Sustainability work is the "new normal" in real estate investing and made more transparent through reporting on concrete sustainable investing actions – from words to verifiable actions.

In 2022, OP Real Estate Asset Management managed four funds classified as Article 8 funds under

Regulation (EU) 2019/2088 (SFDR) (OP Tonttira-hasto, OP Toimitilakiinteistö, OP-Rental Yield and OP-Public Services Real Estate). Of these, a minimum allocation of 20% in sustainable and taxonomy-aligned investments has been specified for OP Toimitilakiinteistö, OP-Rental Yield and OP-Public Services Real Estate. We have defined the OP-Forest Owner fund as an Article 9 investment product under the SFDR, with sustainable investment as its objective.

In 2022, OP Real Estate Asset Management participated in the Global Real Estate Sustainability Benchmark (GRESB) assessment with two commercial property investment funds and was able to increase its GRESB score to the next level in accordance with its target. The targets for 2023 are a further improvement in our scores, as well as the inclusion of a new fund (OP-Public Services Real Estate) in the benchmark assessment.

Our business environment is becoming increasingly complex. As regulations become more complex, we may be faced with difficult choices in terms of sustainability goals. For example, the planned nature restoration directive by the European Commission may punish municipalities whose land use has focu-



sed on the development and controlled expansion of existing urban infrastructure in line with climate targets. Regulatory affairs and advocacy work in the industry must continue to ensure the adoption and consistent interpretation of an effective and expedient regulatory framework.

”

Towards the end of the year, properties that had systematically adopted sustainability measures proved to have better liquidity.

Markku Mäkiäho
Managing Director, OP Real Estate
Asset Management

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 a 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.

Real Estate Assets
EUR 4.2 billion

Our portfolio includes a diverse range of real estate assets.

Networked operating model

Our team consist of **20 employees**. We work in close co-operation with the following key partners:

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

Tax Footprint
EUR 20.2 million
(+9%*)

Our most significant tax categories are real estate taxes and value added tax.

Investor clients

Our investor clients are:

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

Job creation
2,004 person-years (+2%*)

Calculated based on property maintenance and construction costs. The most significant impact on jobs is in the construction sector.

*compared to previous year

| Investment portfolio | 2022 | 2021 |
|---|---------|---------|
| Commercial properties and others* | | |
| No. of properties | 141 | 154 |
| Gross leasable area, m² | 701,100 | 740,662 |
| No. of tenants in commercial properties | 414 | 404 |
| Utilisation rate, % | 89 | 90 |
| Residential properties* | | |
| No. of properties | 137 | 114 |
| Gross leasable area, m² | 319,142 | 296,000 |
| No. of homes | 6,824 | 6,204 |
| Utilisation rate of apartments, % (including units in care homes) | 96 | 97 |
| Forests | | |
| Area in hectares | 125,000 | 112,000 |
| No. of properties | 1,271 | 1,075 |
| Indirect property investments | | |
| No. of funds and assets | 59 | 61 |
| Rental plot funds | | |
| No. of rental plots | 111 | 98 |

*numbers and areas of properties also include individual assets

OP Real Estate Asset Management is the developer of the year 2023

Finnish property owners' and developers' association Rakli has selected us as the developer of the year 2023. We develop a wide range of properties across Finland, from apartment buildings to public service properties. We are also known as a developer of demanding properties, such as the Kansi ja Areena project in Tampere.

Finnish property owners' and developers' association Rakli has selected the developer of the year since 2007. As the client of the construction project, the functionality of the completed building is largely based on the developer's requirements and competence. The selection criteria for the developer of the year award emphasise exemplary conduct and compliance with good construction practice. The winner of the award must understand the requirements of sustainable development and the application of different real estate development procedures. The selection also emphasises participation in industry development and training activities and successfully meeting customer needs.

Sustainability strongly shapes our operations. We have committed our sustainability targets and activities to Finnish and international agreements and act as an example to other entities in the sector. As part of social responsibility, we engage in ongoing dialogue with stakeholders on issues such as the

shared sustainability goals of the developer and tenants. We are also actively involved in developing the industry. Examples of this include wood construction projects and the use of data models in building permit processes. We are also closely involved in work related to the EU Taxonomy to determine the effects of the taxonomy on the real estate and construction sector. New procurement and implementation models and the efficiency of operations are at the core of our real estate development as the developer of the year.

”

We are very appreciative of the award and delighted that our persistent work has been noted. This recognition will encourage us to continue our work in the changing business environment.

Kari Kangasmaa
Head of Development,
OP Kiinteistösijoitus



Pictured from left: Matti Puromäki, Kari Kangasmaa, Markku Mäkiäho, Anni Lakanen, Pami Pihlström, Antero Tenhunen (front)

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 | Special common funds |
| Real Estate Fund of Funds II Ky | OP-Rental Yield (special common fund) ● |
| Real Estate Fund Finland III Ky | OP-Forest Owner Fund (special common fund) ● |
| Real Estate Debt and Secondaries Ky | OP-Public Services Real Estate Fund (special common fund) ● |
| Real Estate Fund of Funds V Ky | |
| Semi-open funds in the form of limited partnerships | OP Financial Group's insurance and pension institutions |
| OP Toimitilakiinteistö Ky ● | OP Bank Group Pension Foundation |
| OP Tonttirahasto Ky ● | OP Life Assurance Company Ltd |
| | Pohjola Insurance Ltd |
| Debt investment | |
| A channel for funding Finnish and European real estate investment projects | ● Light Green Fund (Article 8) ● Mid-green Fund (Article 8+) ● Dark Green Fund (Article 9) |



As Oy Tampereen Tammelan Kustaa

The EU-taxonomy and the Sustainable Finance Disclosure Regulation (SFDR) is becoming a daily part of real estate investing

In 2022, the effects of the EU's sustainable finance regulations have become strongly visible in our operations. OP Real Estate Asset Management manages four Article 8 real estate funds and one Article 9 fund. Sustainability has for long been an integral part of our work, and is a natural continuation that real estate funds have been elevated to the ranks of sustainable funds. As reporting requirements become stricter, the need has also arisen to review the sustainability principles of real estate funds from a regulatory perspective.

For us, the decision to define real estate funds as Article 8 and 9 investment products primarily means that sustainability data will be reported in a more transparent and comparable way than previously. In addition, as of August 2022, customers have had the opportunity to define their personal sustainability preferences in investment recommendations. We have tried to address these needs in our real estate investments. We calculated the taxonomy alignment of our real estate funds as early as in spring 2022. At the same time, we set a minimum sustainable investment allocation of 20% for three Article 8 funds. In other words, in the future, OP-Rental Yield, OP-Public Services Real Estate and OP Toimitila-kiinteistö will invest at least 20% of their funds in sustainable investments. In addition to sustainable

investments, all Article 8 funds promote environmental and social characteristics, for which separate sustainability indicators have been defined. The sustainability indicators are also monitored and reported annually.

As the only Article 9 fund managed by OP Real Estate Asset Management, the objective of OP-Forest Owner is to make sustainable investments. This means that the OP-Forest Owner fund strives to only make sustainable investments that in long-term contribute to achieving positive impacts on climate change, biodiversity and human well-being. For more information on the sustainability indicators we use and what types of investments are considered sustainable, see the page of the fund in question at op.fi.

Our work in implementing regulations in our real estate activities is by no means complete and will continue for years to come. For example, the taxonomy-aligned share of assets of funds managed by OP Real Estate Asset Management currently includes only buildings constructed before 31 December 2020. In the future, new buildings completed after 2020 will also be included in the assessment where possible, which will increase the taxonomy-aligned share of the funds' assets. This means that going forward, the EU Taxonomy will help guide investment decisions and more attention will be given in future acquisitions to the taxonomy alignment of the project.



Distribution of economic added value

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 more than two thousand people and paying over 20 million euros in taxes.

Job creation

Our real estate business employed about 2,004 people in 2022. The largest source of employment was construction, which created jobs for about 1,607 people. A smaller number of jobs were also created in annual repairs (161 persons), property use and maintenance (89 persons) and cleaning (37 persons). In addition to these, the total number of jobs created includes the management of outdoor areas, 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

We paid a total of 20.2 million euros in taxes in 2022. Real estate taxes accounted for the largest share of taxes (42%). We also paid value added taxes (36%), transfer taxes on investments (21%), insurance premium taxes (1%) and energy taxes (1%).

In 2022, we paid nearly two million euros more in taxes compared to 2021. This consists of 1.4 million euros more in value added tax and 0.6 million euros more in transfer tax than the previous year. On the other hand, our real estate tax burden decreased slightly from 2021.

| OP Kiinteistösijoitus | 2022 | 2021 |
|---------------------------------|------|------|
| Number of personnel | 20 | 20 |
| Net sales, EUR million | 14.7 | 14.7 |
| Real estate assets, EUR billion | 4.2 | 4.2 |
| Liabilities, EUR million | 0 | 0 |
| Restricted equity, EUR thousand | 425 | 425 |

Investments in new construction and renovation

EUR 218 million

Real estate assets

EUR 4.2 billion

Job creation

2,004 person-years

Tax footprint

EUR 20.2 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 59 underlying investee fund and businesses that invest in real estate with equity or non-equity capital. In a fund investment, the underlying investee fund's management company manages the property holdings. 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. Many management firms have also committed to various initiatives and reporting frameworks that promote sustainability, such as the TCFD (Task force for Climate-related Financial Disclosures) and Climate Action 100+. 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 of our new real estate fund investments outside Finland in the last few 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.

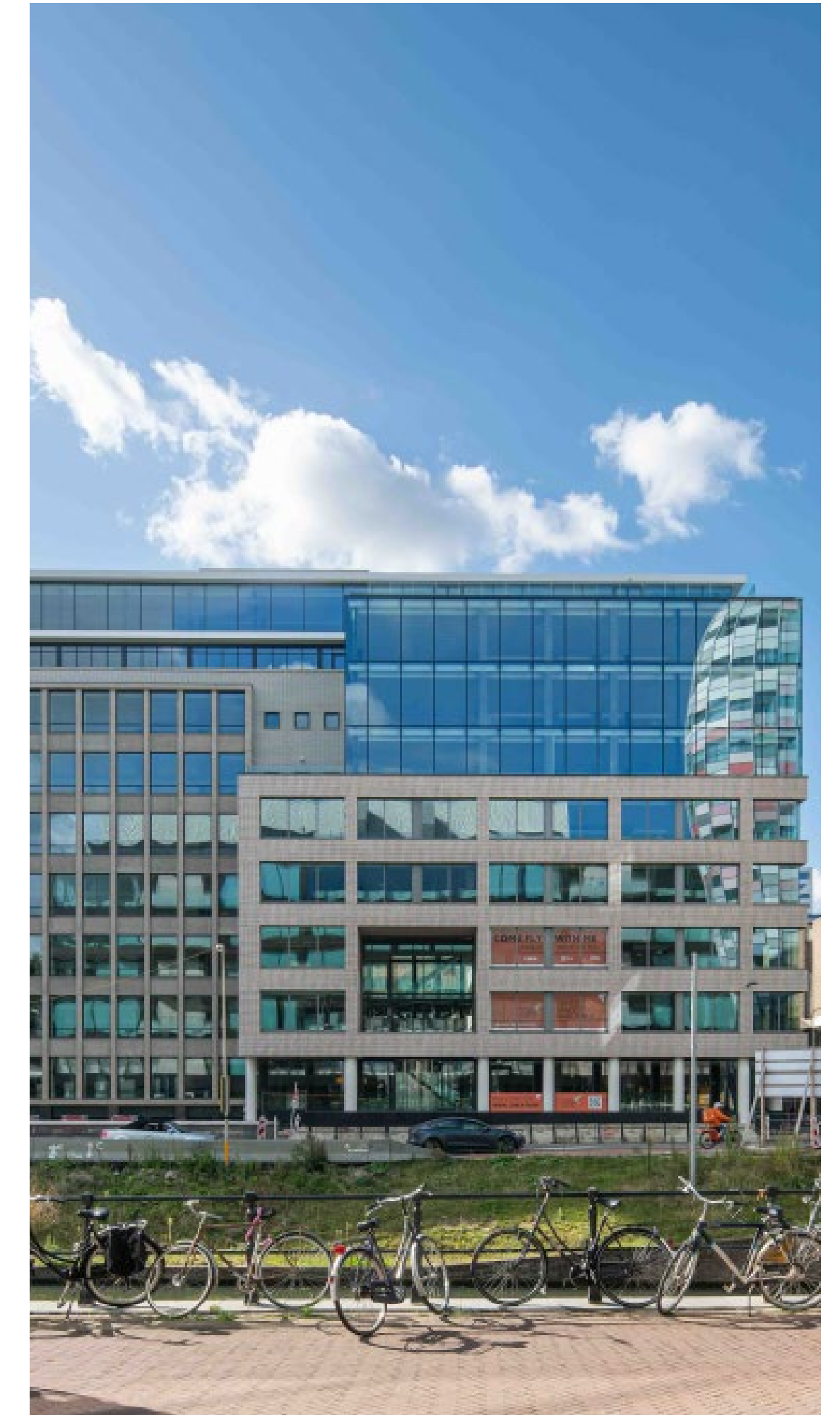
Giving office buildings a new service life through extensive modernisation

Tristan Capital Partners is an independent real estate investment management firm that creates added value for its investment properties through active asset management. The firm takes sustainable investing into account throughout its investments' life cycle, and the development of existing assets provides good opportunities for investing in measures that promote sustainability. Tristan has personnel focusing on

sustainability as well as an ESG committee, where members of different teams develop the company's sustainable operations together. Tristan has signed the UN Principles for Responsible Investment and participates in GRESB reporting.

The CCP 5 fund managed by Tristan was founded in 2017 to invest in diversified assets across various European real estate sectors. In the development of investment assets, the fund focuses on energy efficiency, reduction of emissions and the use of renewable energy. The fund also seeks to obtain environmental certificates for completed developments. The fund participates in GRESB reporting and achieved three green stars in 2022.

An example of the development measures taken by the CCP 5 fund is a centrally located office property in Utrecht in the Netherlands. The property consists of two buildings that were let out on short-term leases at the time of purchase. After the leases ended, an extensive modernisation project was undertaken until the end of 2022, resulting in a high-quality property that meets sustainability criteria. At the same time, the leasable floor area was expanded by 2,825 m², an increase of 35% of the original area. As part of the modernisation, energy efficiency was improved significantly to the best rating A. Several green roofs were also built for the properties. The property is being applied for the BREEAM environmental certificate level "Excellent".



47 Catharijnesingel, Utrecht, Netherlands

ESG at OP Real Estate Asset Management

KOy Kajaanin Kaikukatu 3

Sustainable investing and climate targets at OP Asset Management

OP Real Estate Asset Management is a part of OP Asset Management, and sustainability work is carried out in close cooperation between the two. Sustainability is an important part of all our asset management investment operations.

OP manages a total of around 98.2 billion euros in client funds and is actively involved in promoting sustainability issues. We take sustainability issues into account in our investment decisions through active ownership and positive themed investing. The investment activities of OP Asset Management are guided by its Principles for Responsible Investment. At OP Real Estate Asset Management, these are complemented by the Principles for Responsible Real Estate Investment.

Our Principles for Responsible Investment include our commitment to adapt our investments in line with the Paris Agreement. In the future, the investment strategies of different asset classes must be in line with the target to limit global warming to below 2 °C and as close to 1.5 °C as possible. Our goal is to both manage the climate risks of our investments and identify future oppor-

tunities for profit. In the choice of methodology, the key is to try to achieve true reductions in emissions.

OP Asset Management is committed to promoting the Paris climate goals and achieve net zero emissions from investments by 2050. A concrete interim goal is our target to halve the total CO₂ intensity of OP funds by the end of 2030 compared to 2019. In its real estate investment activities, OP Real Estate Asset Management has the goal of achieving net zero emissions from energy consumption in directly managed properties by 2030. In addition, our goal is to achieve net zero emissions from construction by 2050 in our real estate investment activities.

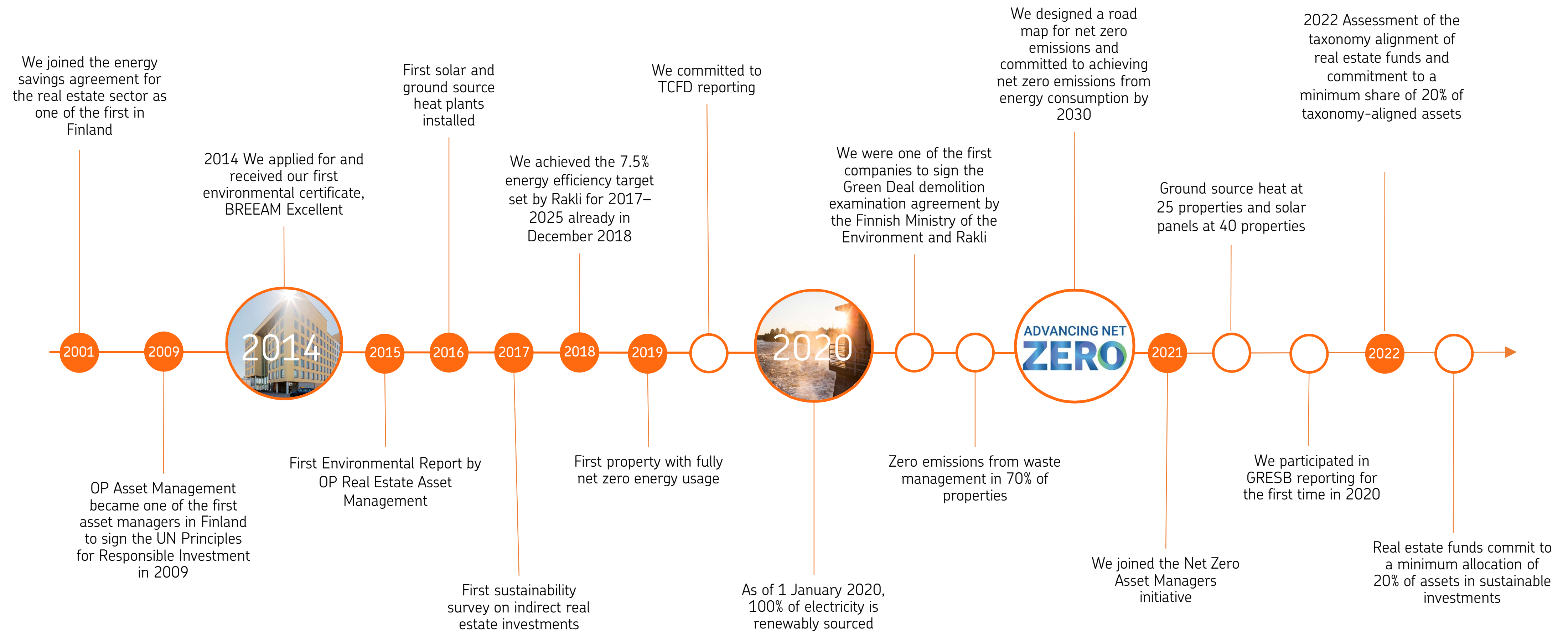
OP Asset Management and OP Real Estate Asset Management have joined the international Net Zero Asset Managers initiative, which reinforces our pledge to achieve net zero emissions. OP Financial Group has also joined the Partnership for Carbon Accounting Financials project (PCAF), which seeks to harmonise the calculation formula and reporting of greenhouse gas emissions related to investments.



Signatory of:



Sustainability journey of OP Real Estate Asset Management



Sustainability work requires long-term development

Our sustainability work is promoted by our sustainability working group. The group meets regularly to ensure the implementation of the programme's measures and updates the programme as needed. In addition, the sustainability working group ensures that the programme is disseminated to key stakeholders and partners. Our sustainability programme is built around 4 objectives. The following sections describe the progress we have made in each of the objectives in more detail.

1. We advance net zero emissions

Measures implemented in 2022 included:

- Increases in renewable energy production ([more on page 24](#))
- Completion of the first net zero emissions property ([more on page 18](#))
- Monitoring the life cycle carbon footprint of all completed new constructions ([more on page 18](#))
- Addition of new EV charging stations
- Improvements in the coverage of energy monitoring in net properties.

2. We work towards a more sustainable real estate portfolio

Measures implemented in 2022 included:

- Pilot study on biodiversity ([more on page 20](#))

- Demolition assessment and assessment of the potential for reusing building parts ([more on page 19](#)).

3. We encourage dialogue and wellbeing

Measures implemented in 2022 included:

- GRESB reporting for two funds
- Indoor air quality improvements in two properties
- Joining the Green Homes sustainability initiative ([more on page 29](#))
- Participation in the Energy Saving Week
- Updating our tenant guidelines for commercial properties
- Updating the leases of our commercial real estate portfolio continued with green lease terms.

4. We uphold our principles of sustainable business

Measures implemented in 2022 included:

- Development of reporting in line with the EU Taxonomy SFDR
- Launch of climate risk assessments of properties
- Development of the ESG analysis of investment decisions
- Prevention of corruption through Know Your Client (KYC) practices.

GRESB reporting

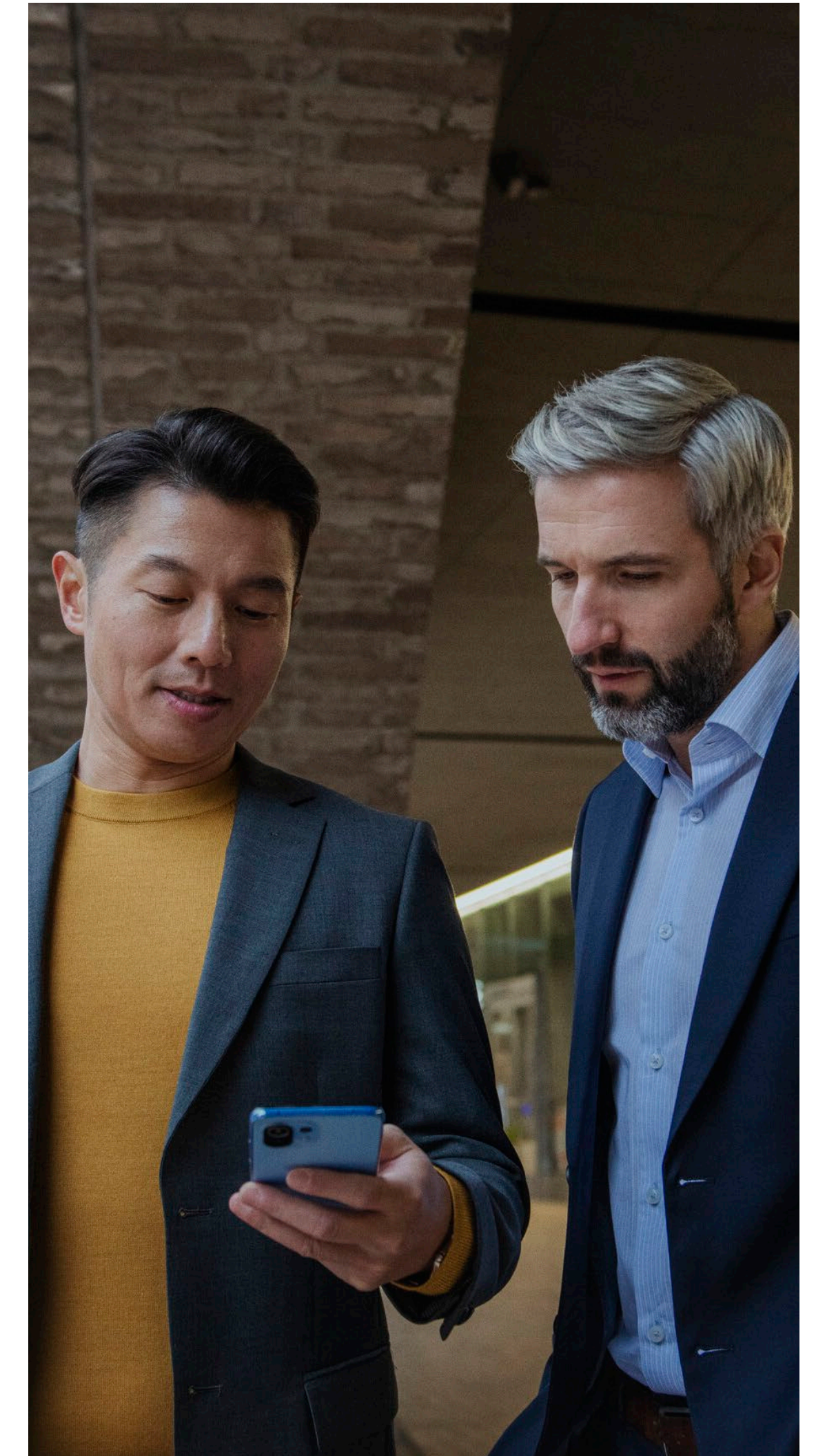
In 2022, we participated for the second time in the Global Real Estate Sustainability Benchmark (GRESB) reporting with two funds, OP Toimitilakiinteistö and Real Estate Fund Finland III.

OP Toimitilakiinteistö received a score of 71/100 for the Performance section and 85/100 for the Development section. The scores gave us a 2-star rating in the Performance section and a 3-star rating in the Development section. Real Estate Fund Finland III received a score of 69/100 for the Performance section and a 2-star rating.

Our scores improved significantly from the previous year. As of 2023, a third fund, OP-Public Services Real Estate, is also included in GRESB reporting.

GRESB reporting

for two funds in 2022



Our solutions in 2022

As Oy Turun Fabriikin Femma, Frami and Facto

Sustainable construction

Together with our stakeholders, we can influence the sustainability of construction. Reducing the carbon footprint of construction is a key part of the process to achieve carbon neutrality. We take into account the entire life cycle sustainability of the building and enable the realisation of a sustainable way of life.

Promoting carbon neutral construction is an important part of efforts to achieve net zero emissions, both at OP Real Estate Asset Management and on the scale of Finland and the world. Our goal is to achieve net zero emissions from construction by 2050. Our most important tool for promoting net zero emission construction is active dialogue with construction firms.

The largest emissions impact in construction comes from the production of building materials. We constantly look for low-carbon alternatives to emission-intensive materials as part of our sustainability programme. We also request a life cycle carbon footprint analysis for each of our developed properties.

65% sorting rate
in our construction projects

The average carbon footprint of properties completed in 2022 was 2,223 CO₂ tonnes (about 14 CO₂ tonnes per m² per year), representing a decrease of nearly 16% from the previous year.

New Waste Act increased requirements on waste sorting

The new Waste Act that entered into force in summer 2022 introduced more extensive sorting requirements for construction sites. New waste types to be sorted separately include bitumen and roofing felt, mineral wool insulants and plastic, among others. Efficient sorting at source improves opportunities for reusing waste, and the purpose of the Act is to achieve a 70% recycling rate for construction and demolition waste.

We want to ensure the effectiveness of waste management at all times and have required waste management plans at the start of construction work and reports of waste amounts at the completion of work since 2015. We are also updating our building guidelines to meet the new waste sorting requirements. In properties completed in 2022, the average amount of

construction waste was 9.3 kg/m³ and the sorting rate of waste was 65%. The percentage of waste recycled for reuse of materials was 38%. The figure includes metal, gypsum, concrete and brick waste, for example.

Carbon neutral daycare centre

Wood construction offers a way to reduce emissions from building construction. During the raw material supply stage, the CO₂ emissions of a wood-framed building are about 40% less than those of a concrete-frame building.

A carbon neutral daycare centre was completed in Haukilahti, Espoo in 2022. Net zero emissions were achieved for the building thanks to low-emission solutions such as chemical pulp insulant, solid timber partition walls and conversion of the ventilated base floor to be in contact with the earth. The carbon footprint of the property is 40% less than of a concrete-frame building while the carbon handprint of a solid timber building is considerably higher than that of a concrete-frame building as wood stores CO₂ to the structure.

| Construction site waste | 2022 | 2021 | 2020 |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Projects completed | 16 | 17 | 16 |
| Total volume of waste from projects | 2,295 tonnes (16 projects) | 1,365 tonnes (10 projects) | 2,823 tonnes (13 projects) |



As Oy Turun Fabriikin Frami, Facto and Femma

Sustainability in property maintenance in 2022



Flexibility and adaptability of the daycare centre and school in Syväniemi

A school and daycare centre constructed of wood-framed modules was completed in Syväniemi, Kuopio. The building can be scaled up and down flexibly by adding or removing modules. Parts of the building can also be transferred and adapted for use at another location. The foundation is a fixed part of the portable module. The flexible adaptability is hardly noticeable in the interior or exterior of the building, and users cannot tell the difference from a regular non-portable building. The energy efficiency rating of the building is B, and the form of heating is an air-water heat pump.



Demolition assessment of Kutojantie 12 in Espoo

A demolition assessment of the property has been carried out in accordance with the Green Deal for sustainable demolition. The assessment includes estimates of the amount and quality of demolished materials and reuse possibilities. The City of Espoo has collected information from local landowners on the demolition materials and their schedules in order for materials such as excess crushed concrete to be used in the construction of infrastructure in the area. The possibility of dismantling the building in one piece for reuse was also looked at as part of the development project. This proved to be unfeasible, but as the industry and regulations develop, dismantling in one piece for reuse in the same or a new purpose will become a normal part of a building's life cycle.



Extensive indoor air quality renovation

The Kanta-Sarvis property in Tampere underwent an extensive indoor air quality renovation that included the dismantling and replacement of floors, floor fillers and parts of intermediate floors, modernisation of HVAC and building automation systems, cleaning and adjustment of ventilation ducts, sealant repairs in the basement, and the demolition and reconstruction of one entire floor. Structures which could not be dismantled were encased. At the same time, window and floor junctions and unused spaces in the basement were sealed. Most partition walls were remade, and fire compartment walls were repaired. As a result of the renovation, indoor air quality and user comfort improved significantly. The total renovated gross floor area was 21,960 brm².



Increased renewable energy production

A new ground source heat and cooling system was built for our commercial property KOy Turun Lemminkäisenkatu 59. With the new system, heating and cooling of the property and electric energy are accomplished with zero emissions. At the annual level, the reduction in emissions in terms of heating is more than 34 CO₂ tonnes. Energy from ground source heat wells drilled on the property is used to heat and cool the property and to heat domestic water. The energy wells also serve as heat stores for excess heat load from the property. Stored heat is used during the cold season, which improves energy efficiency and reduces electricity consumption.

Construction of an environmentally friendly and comfortable car park in Tammisto, Vantaa

The surroundings of the commercial property in Tammisto are transformed as the concrete car park is redesigned into a more attractive, greener, and environmentally friendly space. A biodiversity guide was used to assist designers. The work began in 2022, and the project is scheduled to be completed in spring 2023.

The edges of the car park will be cleaned up and converted into a meadow for pollinators and butterflies. The excess soil will be used for landscaping the meadow into mounds. On the edge of the car park, a small storm water catchment basin will also be built for various wetland perennial plants, and more species of meadowsweet will be planted. The traffic islands will be decorated with natural stones and various species of grass that support local biodiversity. Trees will also be planted to increase layering and biodiversity. Along the narrow stretch of vegetation, climbing vines will be planted on steel-framed supports. The bright red illuminated climbing vine supports are designed to be a landmark of the shopping centre.

The entrance to the shopping centre was also redesigned to be more comfortable and user-friendly with the addition of a green roof. New seating places were added under the roof and in the front of the centre. New bicycle stands and bins will also be

installed in the car park. To improve the comfort of customers, the new parking spaces are wider and include charging stations for electric vehicles. Old concrete and stone areas will be repaired, cleaned and reused to save materials and reduce the project's carbon footprint. The property will be equipped with ground source heat and solar panels to produce renewable energy at the location. Some trees had to be removed to install the ground source heat system, but these will be replaced with new trees.

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We are delighted that the property owner has invested in ground source heat and solar power, which will also help Tokmanni achieve its environmental goals.

Harri Koponen
Director, Tokmanni Oy



Redesigned car park in K0y Valimokuja 2, Vantaa.

Increasing habitats that support biodiversity in our forests

In 2022, the OP-Forest Owner special common fund carried out a significant nature conservation project, in which a former peat bog of around 10 hectares that had come into the fund's possession was restored into a wetland. Wetlands have a positive impact on biodiversity as nesting areas and stopover site for water birds and by shielding nearby waterways against nutrient runoff.

Unused former peat bogs serve as emission sources due to the fact that the remaining layer of peat continues to decompose as the groundwater table is below the surface of the peat. In the wetland project, the groundwater table was raised considerably. At the same time, open water valuable for the wetland ecosystem was created. Peat stops decomposing as the groundwater table rises, which significantly reduces CO₂ emissions. As vegetation slowly recovers, new peat is also formed. The height of the groundwater table is kept relatively stable throughout the year with overflow channels.

Wetland habitats are rare in Southern Finland, and the project seeks to achieve significant improvements in biodiversity. Wetlands serve as habitats for many endangered species from water birds to insects. Discussions have taken place with local birdwatchers, and the future will tell how bird species will adopt the

area as a nesting ground and stopover site. Hunting is also banned in the area for the time being to minimise external disruptions.

The restoration of peat bogs also has a positive impact on the condition of nearby aquatic ecosystems. Peat bogs have caused significant nutrient and sediment load to aquatic systems, and restoration helps stop this development. Bog and wetland ecosystems take years to recover, and the results of the project will not be visible for a while. However, many positive impacts on biodiversity, landscape values and the health of aquatic systems have been reported from similar projects, so expectations remain high.

10 hectares of new wetland

to improve biodiversity



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 heating and electricity decreased slightly in 2021 and 2022. The decrease is due to the fact that the year 2021 was cooler than average, while 2022 was warmer than average. Specific water consumption decreased in residential properties but increased in other properties, which may be due to workers returning to the office.

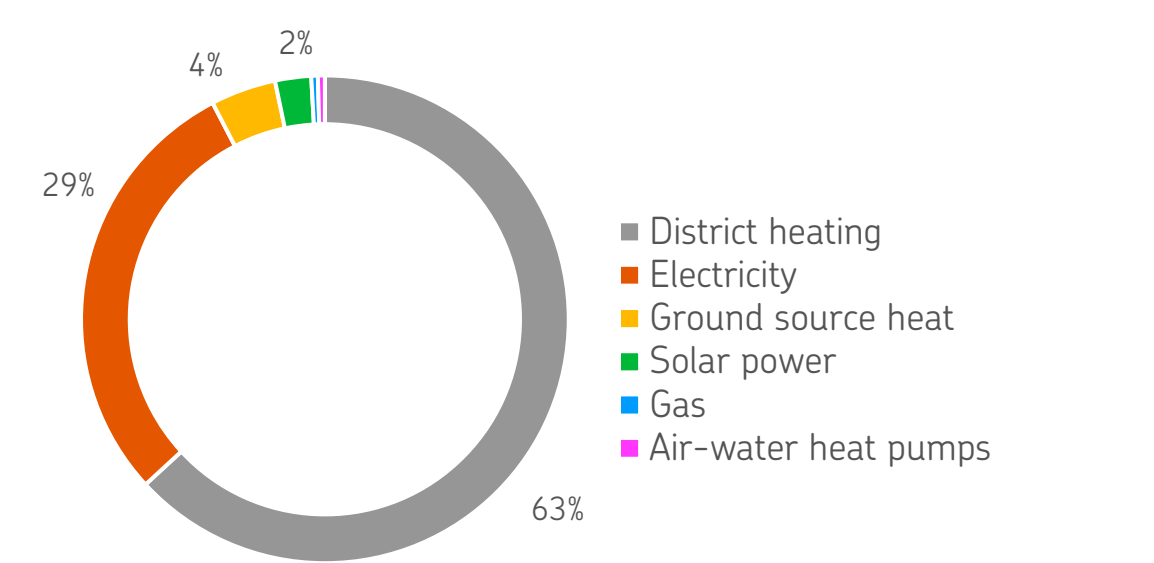
To reduce heating and electricity consumption and increase the share of carbon neutral energy, we have invested in the production of renewable energy at our properties. As part of every construction and modernisation project, we evaluate the potential for renewable energy production and adopt ground 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. In 2022, we invested in nine ground source heat plants as well as one air-water heat pump solution. Our number of properties with ground source heat already amounts to 34 in total. Renewable energy produced at our properties amounted to 4.65% of all energy consumption in 2022, including ground source heat, air-water heat pumps and solar power. We have also adjusted water

flows in potential properties. In an example property, the reduction in water consumption was calculated at 12%.

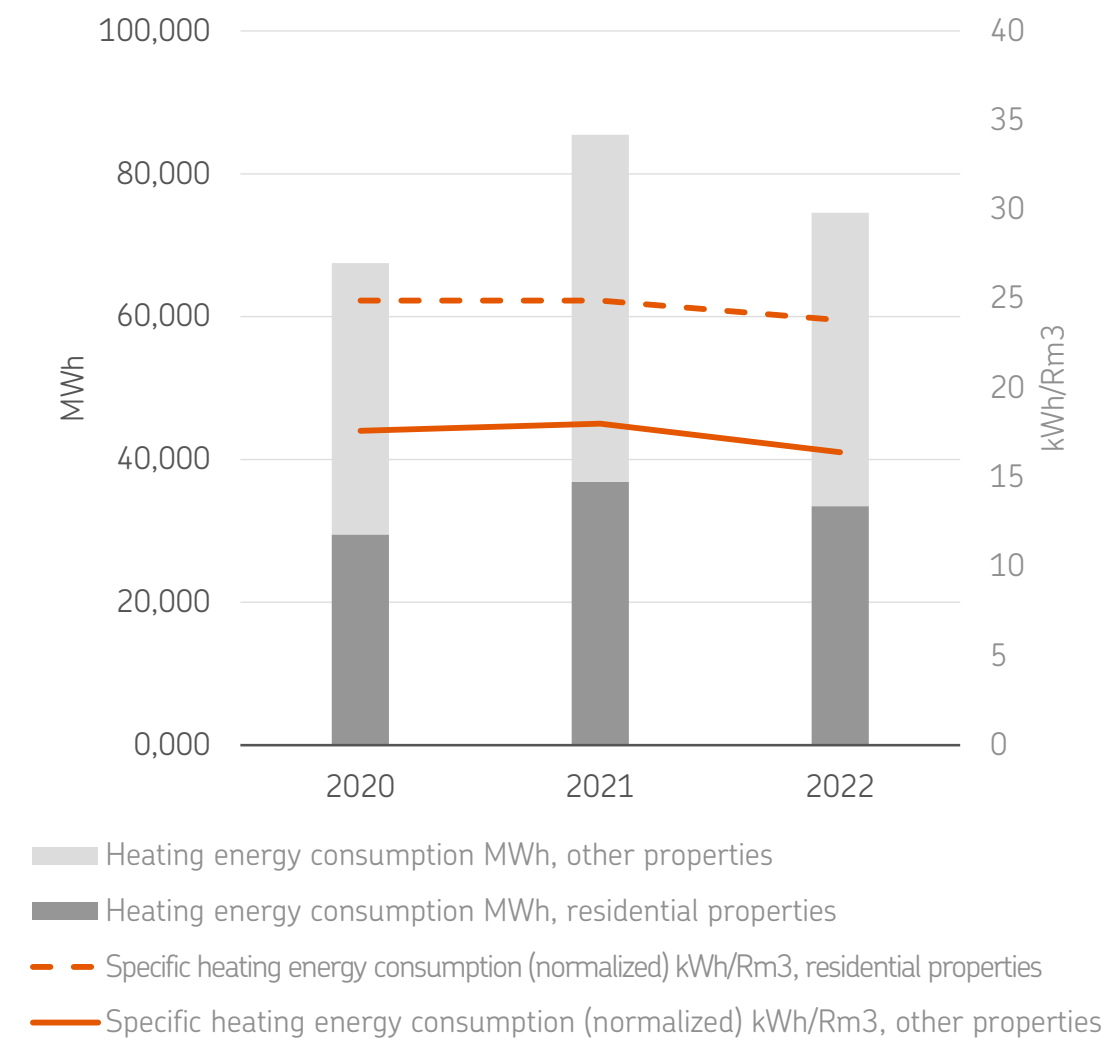
Basis for calculations

Triple net rent properties where the tenant is responsible for maintenance are excluded from the report. Total consumption (MWh and m³) includes consumption data measured at all of 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 on specific consumption only include comparable properties (in our ownership for the entire year without any major basic renovations).

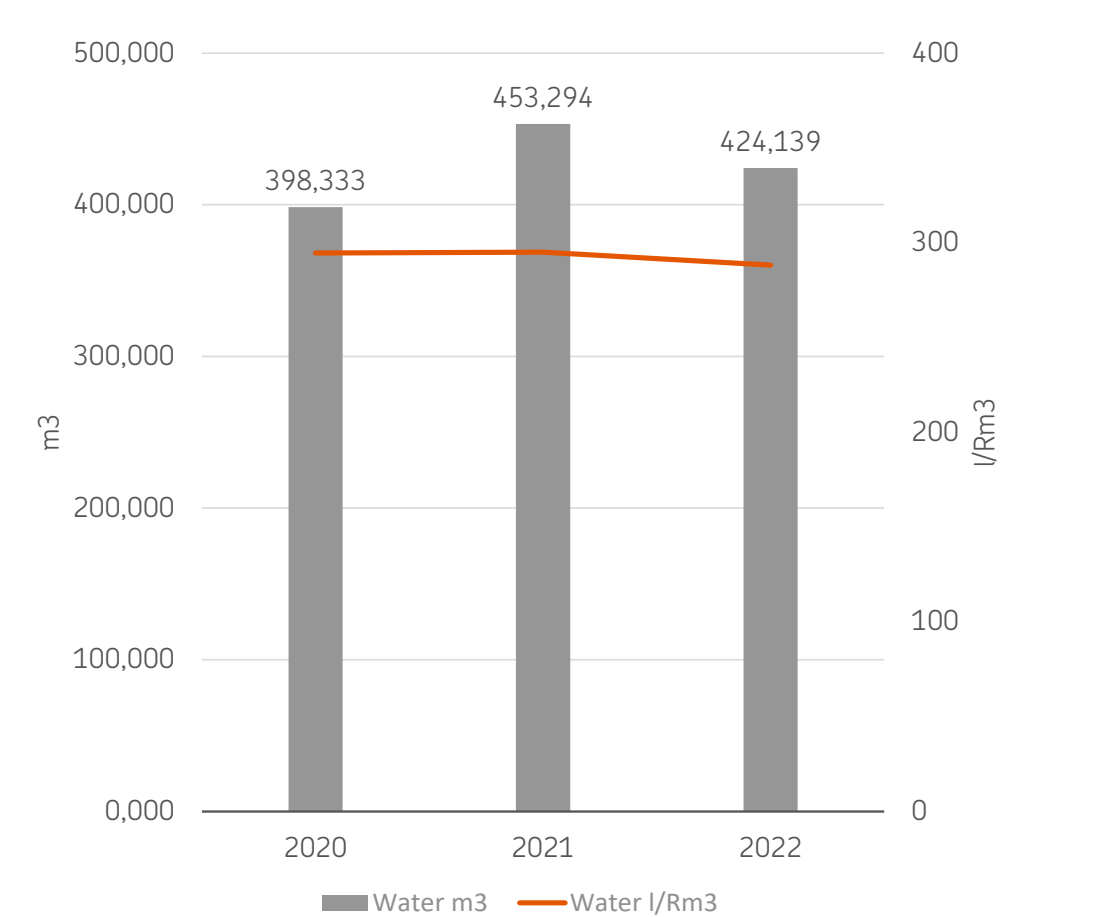
Distribution of energy consumption in 2022



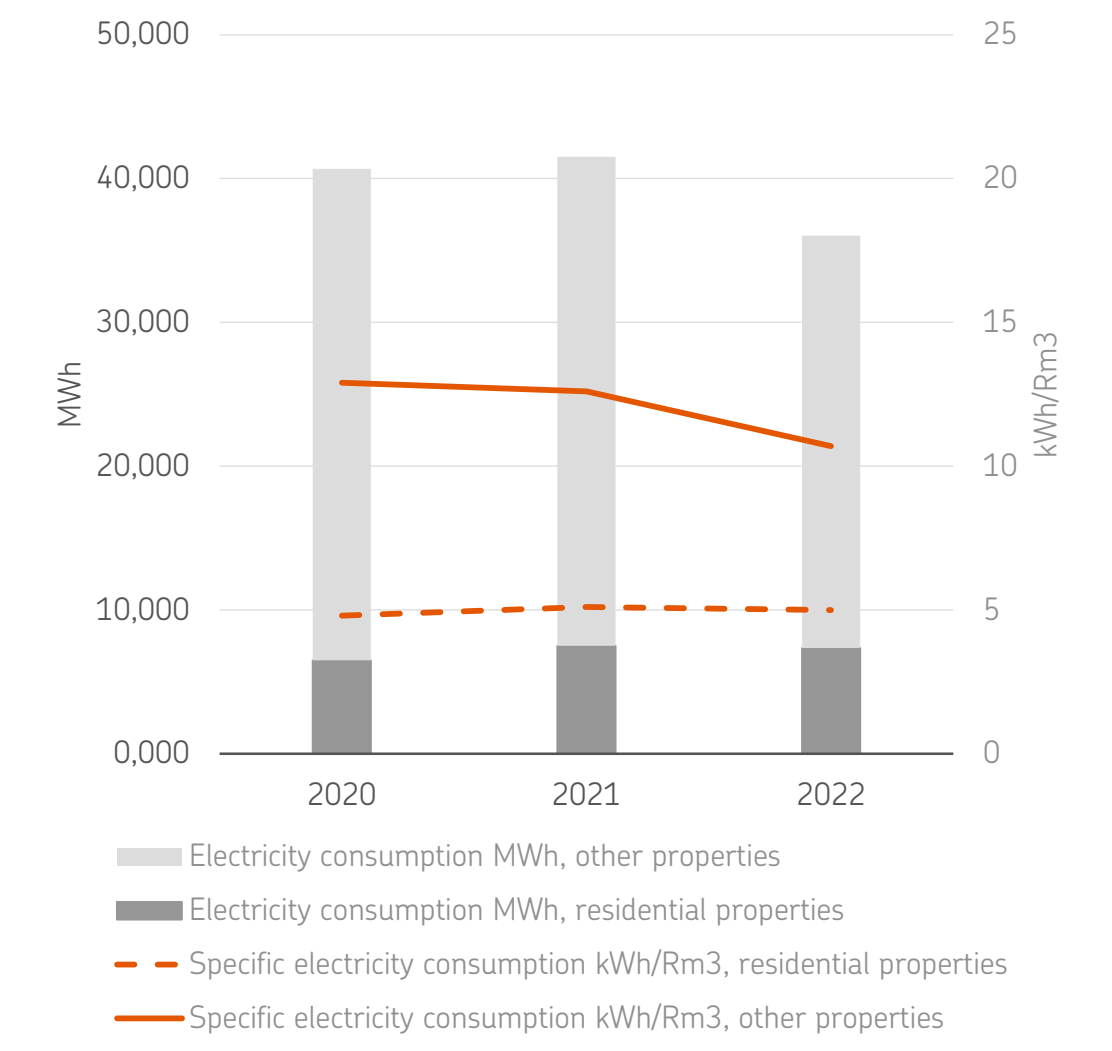
Heating energy consumption, all properties



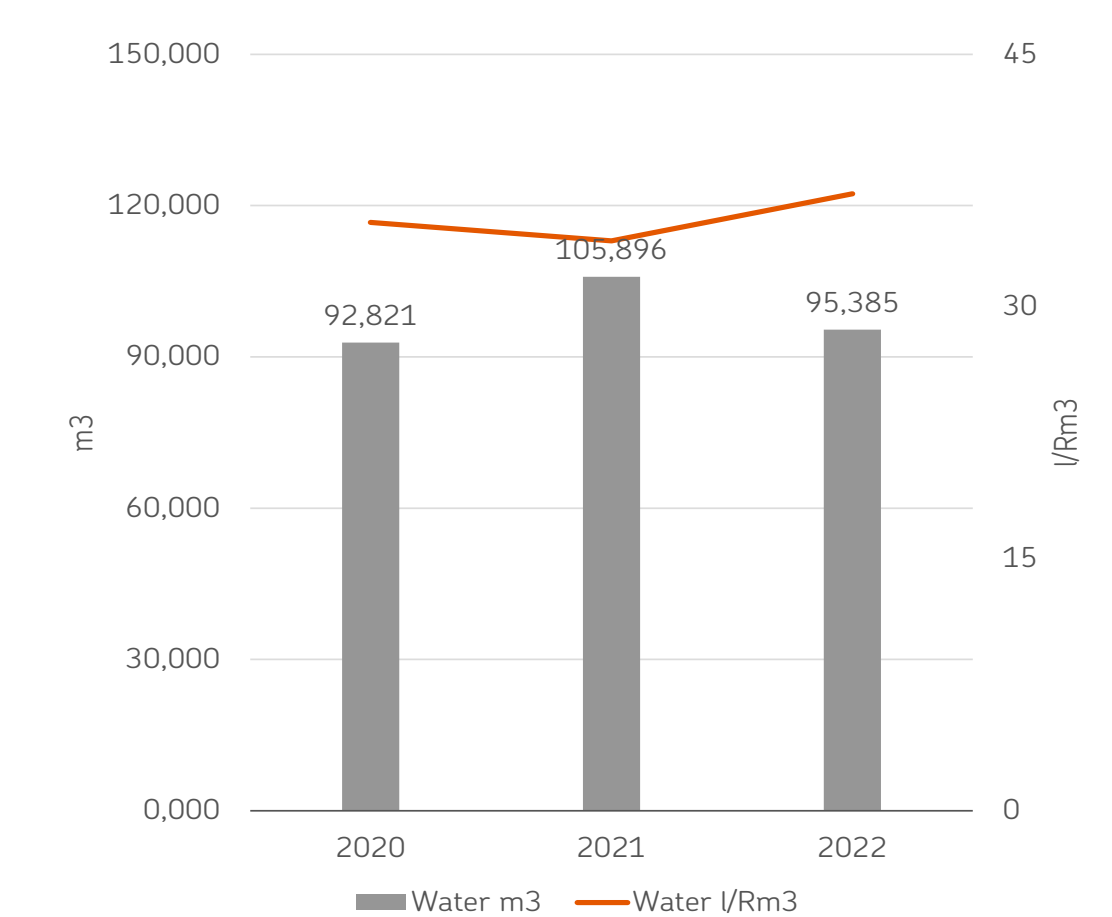
Water consumption, residential properties



Electricity consumption, all properties



Water consumption, other properties



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 2022, our properties produced nearly 9,000 MWh of renewable energy, which is the equivalent of the annual energy consumption of about 450 single-family homes heated with electricity.

Development of emissions

The graph shows actual energy emissions up until 2022 and estimates of future emissions from 2023 onwards. In 2020, we made the switch to renewable electricity and completed several ground source heat systems, which significantly reduced our emissions. In 2021, changes in our real estate portfolio and colder than average temperatures during the year increased emissions from heating. In 2022, our emissions from energy consumption decreased by 26% from the previous year. Over the long term, our most important efforts involve renewable energy production at our properties and improvements in energy efficiency. Future estimates take into account both renewably sourced purchased energy and renewable energy produced at our properties, as well as the emissions reduction targets of major district heating companies. We have not yet identified all the measures necessary

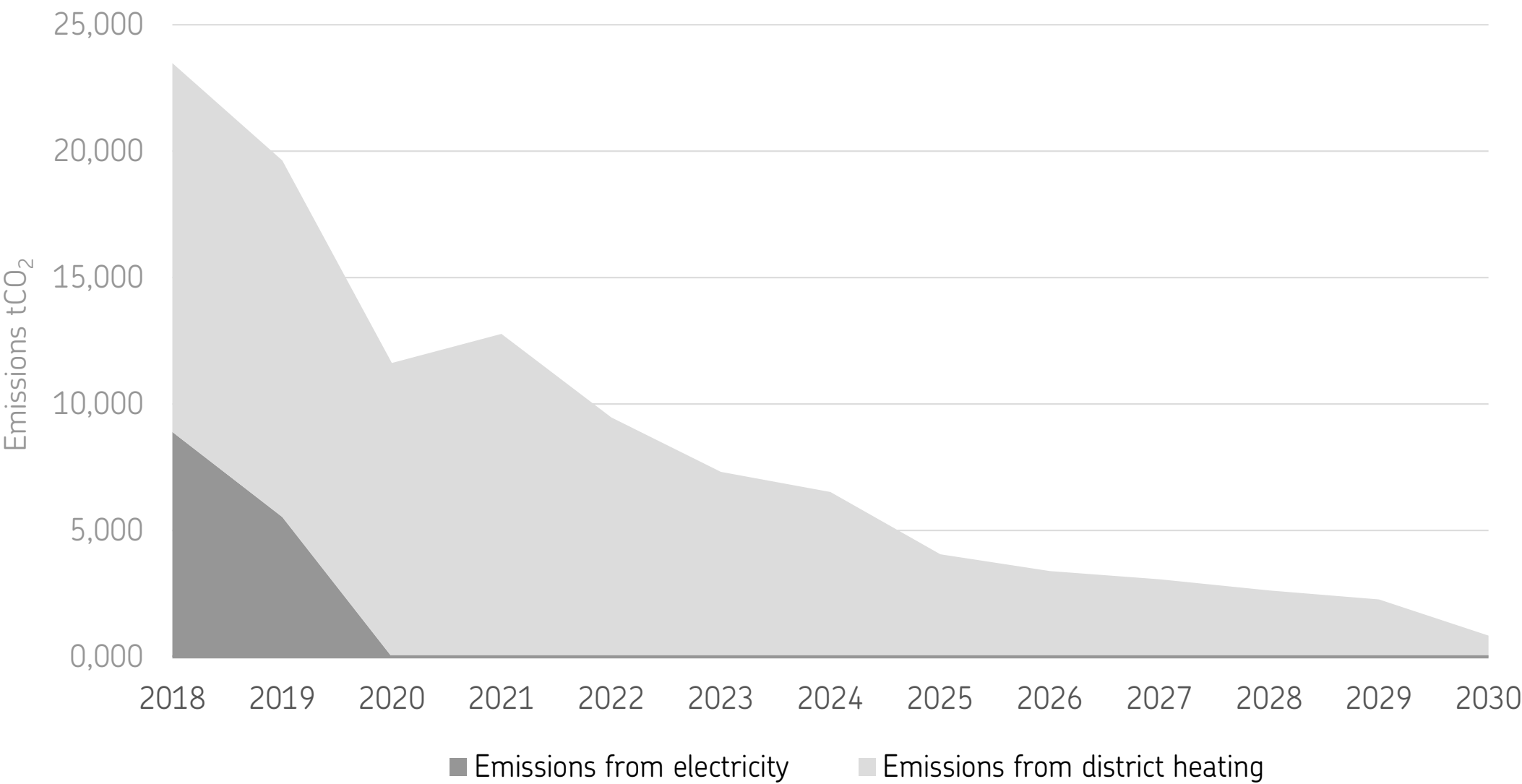
to achieve net zero emissions by 2030 but are constantly looking for possible solutions. We prioritise other measures in favour of emissions compensation.

Basis for emissions calculations

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 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). In this report, emissions are calculated based on the Operational Control Approach 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. Going forward, we will develop our reporting in line with the PCAF standard to include Financed Emissions and Scope 3 emissions.

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



Scope 1 Emissions

107 CO₂ tonnes

Scope 2 Emissions

9,233 CO₂ tonnes

Environmental certificates

We analyse a property's environmental certificates as part of our investment decision. When constructing commercial premises or carrying out significant renovations, we always obtain environmental certification when permitted by the property's nature and financiers.

Environmental certification is proof that a building's construction, modernisation or maintenance takes certain environmental principles into account,

such as energy efficiency, waste management and renewable energy. We have obtained international LEED and BREEAM certificates for our commercial premises. In our certifications, we try to obtain the highest certification levels (Gold or Platinum in the case of LEED and Very good or Excellent in BREEAM). International environmental certifications enable comparisons between properties and their energy efficiency. In 2022, we applied for a certificate for two newly constructed properties.



KOy Espoon Kampelatie 4, for which we are applying the LEED certificate

| Property | Certification | Level | Owner |
|---|-------------------------------|----------------|---------------------------------|
| KOy Aitio Business Park Vivaldi, Helsinki | BREEAM, new construction | Excellent | OP-Vuokratuotto |
| KOy Aitio Business Park Verdi, Helsinki | BREEAM, new construction | Excellent | OP-Vuokratuotto |
| KOy Alberga, talo D, Espoo | BREEAM, new construction | Very good | OP-Vuokratuotto |
| KOy Alberga, talo E, Espoo | BREEAM, new construction | Very good | OP-Vuokratuotto |
| KOy Vallila AKO, Helsinki | BREEAM, new construction | Very good | OP-Vuokratuotto |
| KOy Avia Line 3, Vantaa | LEED CS v3 | Platinum | OP-Vuokratuotto |
| KOy Lönnrotinkatu 11, Helsinki | LEED CS v3 | Platinum | OP-Vuokratuotto |
| KOy Espoon Niittykummun metrokeskus | LEED CS v3 | Gold | OP-Vuokratuotto |
| KOy Koskitammi, Tampere | LEED CS v3 | Gold | Real Estate Fund Finland III Ky |
| KOy Hämeenlinnan Wähäjärvenkatu 6 | LEED NC v4 | Gold | OP-Palvelukiinteistöt |
| KOy Högbergintie 5, Tuusula | LEED NC v4 | Gold | OP-Vuokratuotto |
| KOy Tuusulan Högberginhaara 10 | LEED EB v4.1 | Gold | OP Toimitilakiinteistö Ky |
| KOy Tuusulan Jatke | LEED EB v4.1 | Gold | Real Estate Fund Finland III Ky |
| KOy Järvenpään Myllytie 1A | BREEAM In-Use (Part 1/Part 2) | Very Good/Pass | OP-Palvelukiinteistöt |

Waste

We are constantly making efforts to improve the sorting and reuse of waste in 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 70% of all waste produced at our properties. Since 2018, we have collected data on waste produced at our residential properties from both our partner and municipal waste management companies. We have data on about 80% of our residential properties. Waste management data

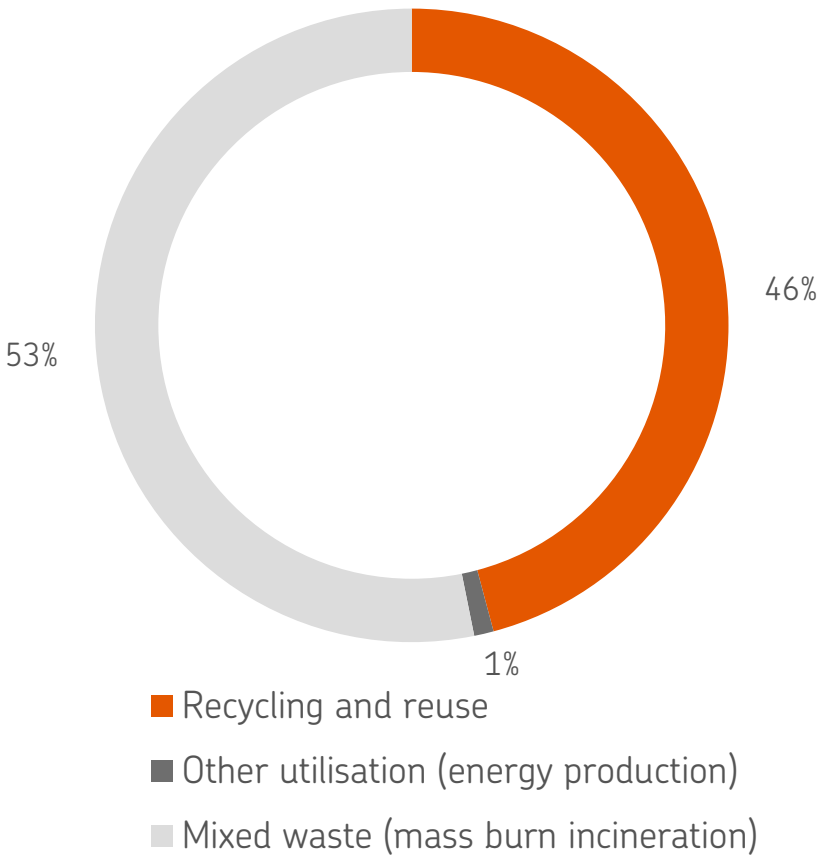
includes all properties owned by us during the calendar year.

The average amount of waste generated at residential properties was 4.8 kg/m², and recycling rate increased to 46%. Special attention has been given to waste sorting stations and signs, and the amount of waste has decreased from the previous year in many of our residential properties. Changes in residents' consumption habits and a general increase in awareness have also had an impact. The average amount of waste produced at other properties was 4.2 kg/m². Recycling rate improved slightly from the previous year to 49%. In 2022, several new properties were added to the scope of reporting, which explains the increase in total waste compared to the previous year.

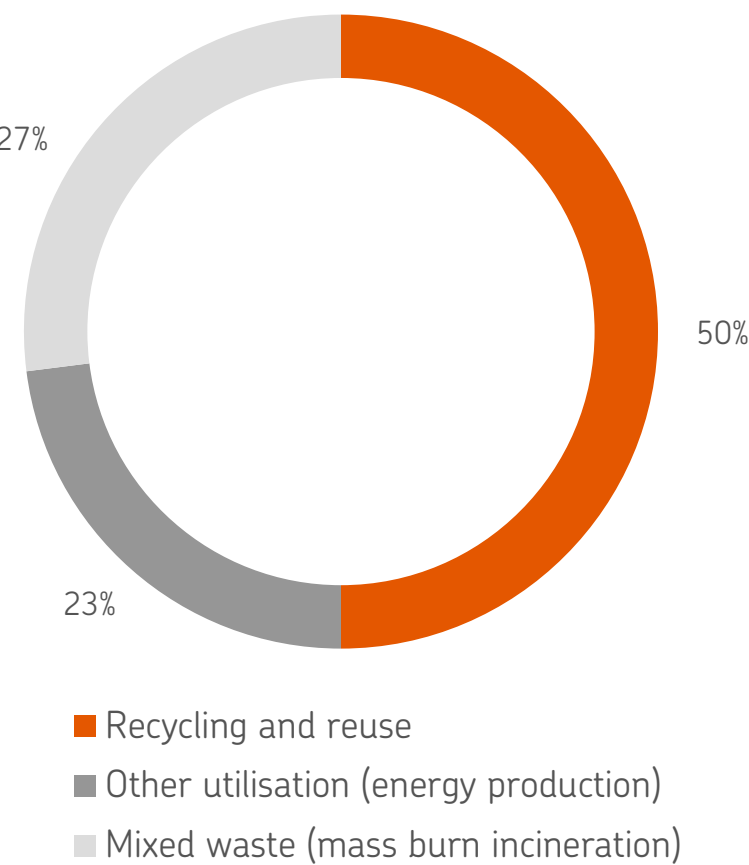
| Waste volumes in residential properties | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------|-------|-------|-------|-------|------|
| Total volume of waste in tonnes | 1,726 | 1,636 | 1,851 | 1,860 | 1,481 | 728 |
| Number of properties reported on | 78 | 74 | 73 | 86 | 69 | 60 |

| Waste volumes at other properties | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|-----------------------------------|-------|-------|-------|-------|-------|-------|
| Total volume of waste in tonnes | 1,564 | 1,318 | 1,341 | 1,530 | 1,700 | 1,490 |
| Number of properties reported on | 46 | 42 | 40 | 44 | 53 | 49 |

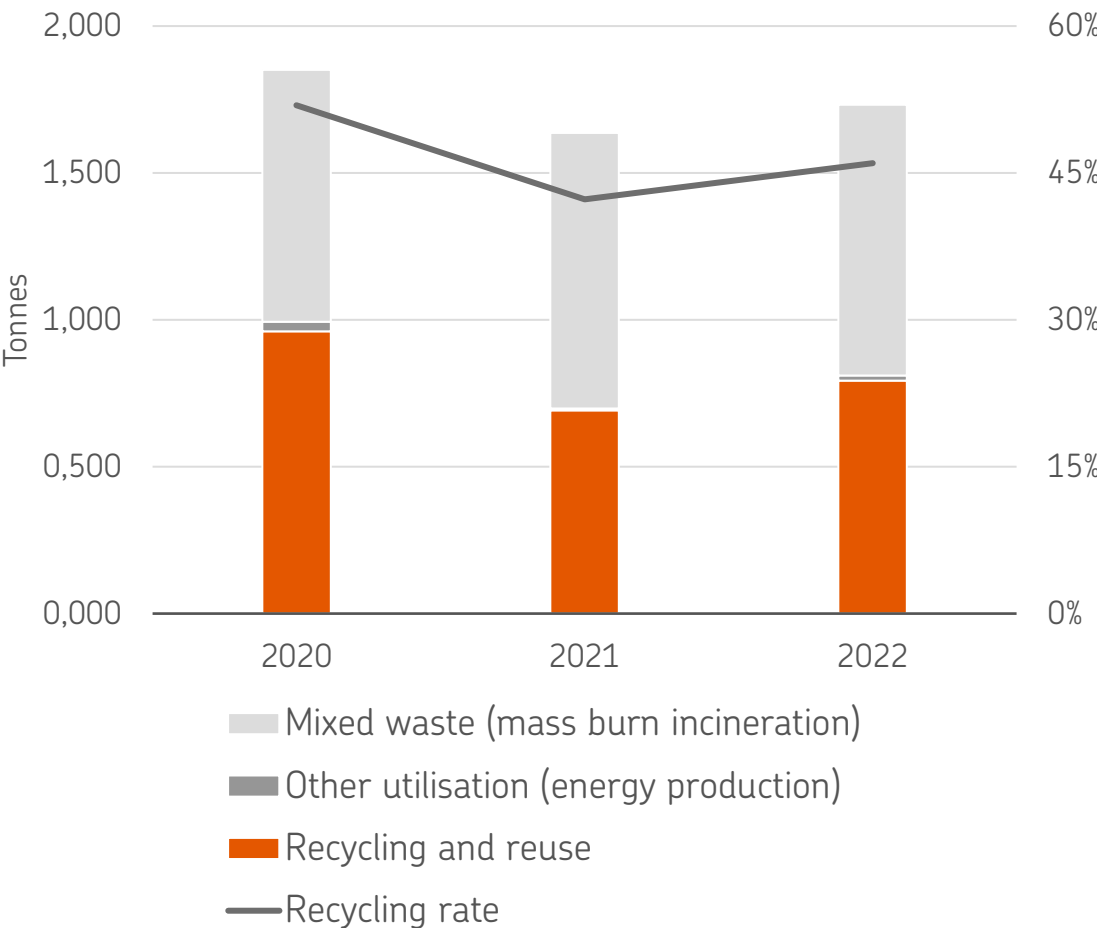
Waste recovery in residential properties



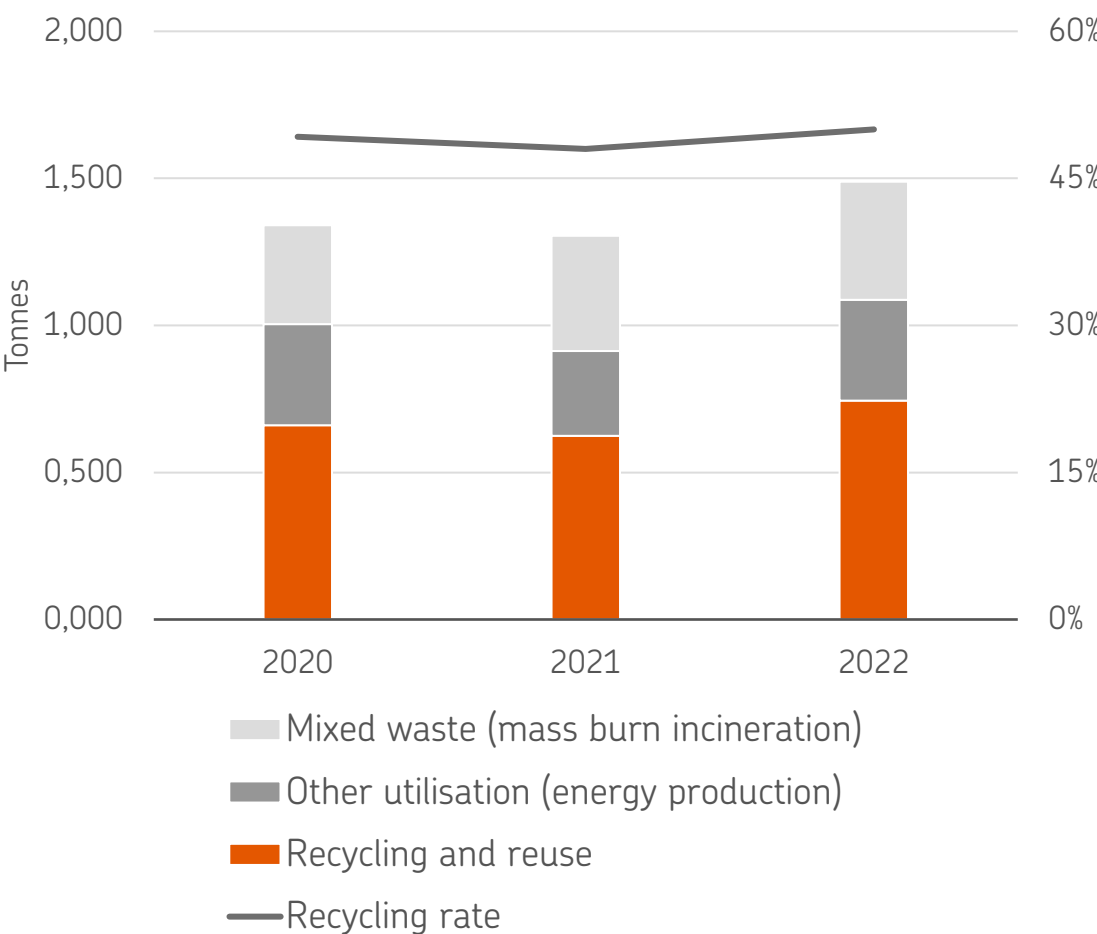
Waste recovery at other properties



Waste volumes in residential properties



Waste volumes at other properties



Appendices: fund-specific pages

OP-Forest Owner (special common fund)

The fund invests in forest property in Finland. The fund owned more than 1,200 forest estates in 2022, of which 116 are leased for wind power construction. The goal of the fund is to practice sustainable forestry and promote the construction of renewable electricity production in Finland. The fund owns around 125,000 hectares of forest.

Sustainable investment as the goal

The fund's goal is to make sustainable investments. Through sustainable investment, it is possible to achieve measurable positive impacts on climate change, biodiversity and human wellbeing.

The forests we invest in acts as carbon sinks that store greenhouse gas 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 sustainable forestry, the growth rate of trees outpaces logging volumes, improving the forest as a carbon sink. Sustainable investing promotes the construction of fossil-free electricity production, and we lease our forests for wind and solar power generation.

In 2022, logging in the fund's forests amounted to about 243,000 cubic metres. Applications of the timber included wood fibre packaging materials to replace plastic and wood structures that store CO₂. Logging volume was around 52% of the growth of tree stands, which means that the fund's forests also acted as carbon sinks.

Preserving biodiversity by restricting logging

Preservation of biodiversity is taken into account in logging activities in the fund's forests. 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. A part of the forests are excluded from commercial use, and forest conservation areas are established. Our work complies with current legislation, the PEFC and FSC certification systems and the fund's own sustainability programme.

In sustainable investing, access to forests is also ensured to third parties. We facilitate the public's right of access to our forests and ensure that new trails and structures are developed for the forests and that existing ones are maintained.

Measures taken in 2022

The fund increased its share of FSC certified forest from 28% to 52%. In the FSC certificate, at least 5% of forest land is excluded from commercial use and forests are audited annually by an independent third

party. The expansion of FSC certified forest also increased the fund's protected forests to 2.6% of total forest land.

The fund continued land lease agreements with wind power developers. At the end of 2022, the fund had land lease agreements with 79 wind farm projects. None of the projects have entered the construction phase.

The fund also signed new agreements for hiking trails and continued its hunting leases with local hunting clubs. Hunting clubs have also been given the right to build campfire sites and rest stops on the fund's estates.

*Licence number FSC-C109750, FSC-C111942

| The fund in figures | 2022 | 2021 |
|--|---------|---------|
| Hectares of forest | 124,956 | 112,034 |
| Change in hectares from prev. year, % | + 12 | + 16 |
| No. of forest estates | 1,271 | 1,075 |
| PEFC certificate, % of forests | 100 | 100 |
| FSC certificate, % of forests, approx. | 52 | 28 |
| No. of wind farm contracts | 79 | 40 |
| No. of hunting leases | 653 | 560 |
| Hectares of protected forest, approx. | 2,684 | 1,600 |
| Gross asset value, EUR million | 495 | 394 |

100%

of our forests are PEFC™ certified, with about 52% also FSC® certified



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 is at a high level, and residents say they would actively recommend us as a lessor. We encourage occupants of our properties to be more environmentally conscious by providing good recycling options and ways to reduce water and electricity consumption.

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 towards 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.

Sustainability of the fund's investments

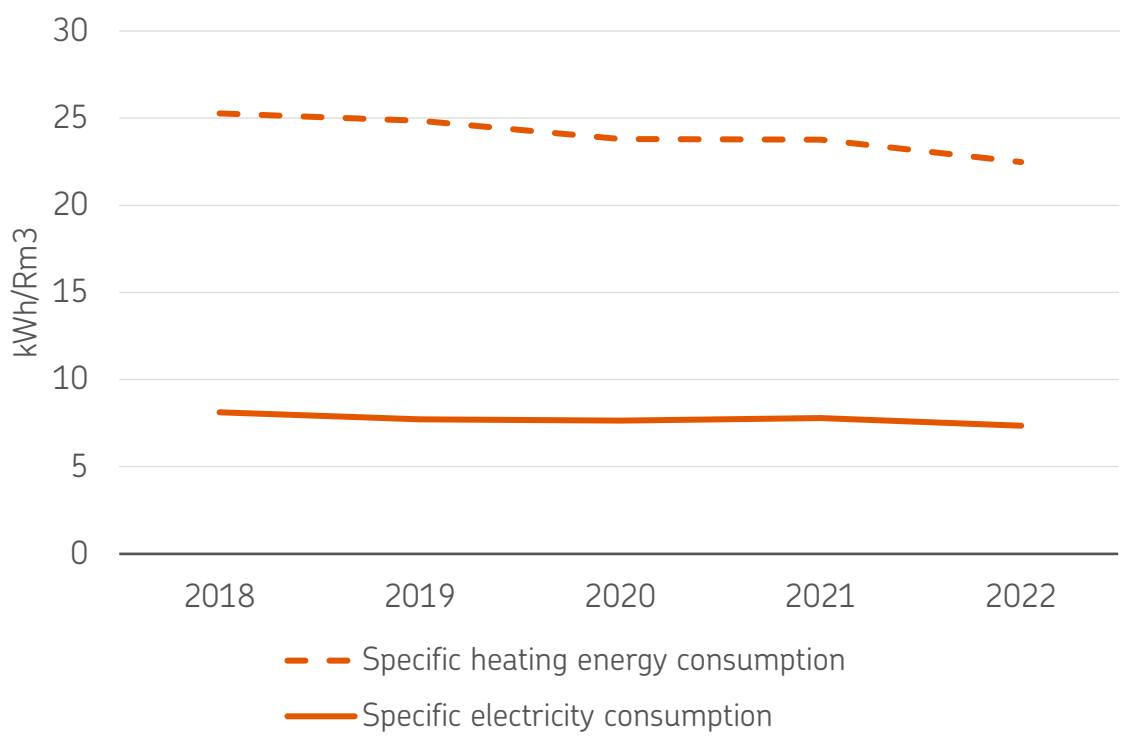
We continuously develop the sustainability of the fund's investments. Sustainability efforts include

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 strive to identify and know our partners. We only work with reputable companies and actors. This ensures smooth and reliable cooperation in any process.

During construction, the fund has its own supervisor at 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.

Specific energy consumption



| The fund in figures | 2022 | 2021 |
|--|---------|---------|
| Gross asset value, EUR million | 1,960 | 1,930 |
| Jobs created, full-time equivalent* | 1,242 | 1,317 |
| Tax footprint, EUR million | 9,4 | 4,3 |
| Residential properties | 2022 | 2021 |
| No. of homes | 5,966 | 5,859 |
| Gross leasable area, m² | 283,800 | 258,000 |
| No. of homes under construction | 376 | 174 |
| Occupancy rate of residential units, % | 97 | 97 |
| Commercial properties | 2022 | 2021 |
| No. of commercial properties | 25 | 25 |
| Gross leasable area, m² | 164,300 | 164,700 |
| Occupancy rate of commercial properties, % | 90 | 90 |
| Environmental figures | 2022 | 2021 |
| No. of solar power plants | 15 | 13 |
| No. of ground source heat plants | 5 | 3 |
| Renewable energy production, MWh | 2,246 | 1,454 |
| No. of environmental certificates | 9 | 8 |
| Properties with EV charging stations | 29 | 24 |
| Average energy class | C | C |

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



As Oy Oulun Telefooni

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 2022, the fund had 67 completed, fully owned properties and 4 properties under construction.

Sustainability of the fund's investments

The fund takes sustainability into account in its investments and portfolio management. 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 at 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 sustainably and promote commuter traffic by offering appropriate social facilities and bicycle parking in most of our properties. An increasing number of our new proper-

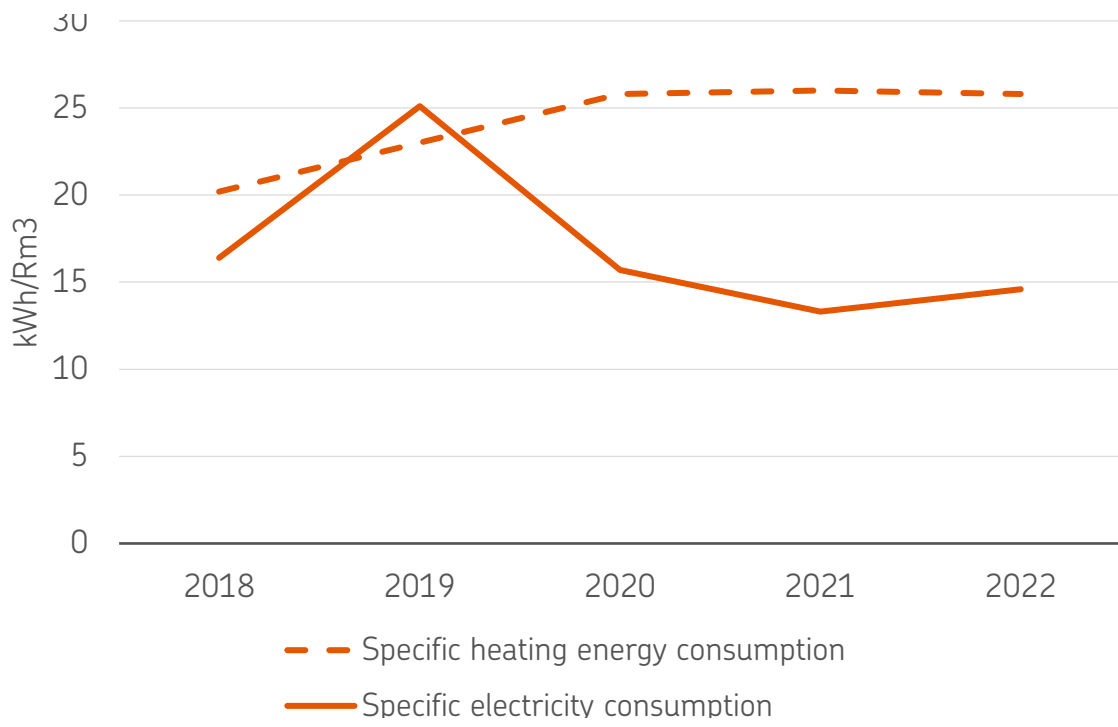
ties also have charging stations for electric vehicles. We audit the maintenance level of properties maintained by users with 1 to 2 annual audits together with the user. We carry out regular user satisfaction surveys in our properties.

Climate actions and renewable energy

Most of our public service properties are constructed of wood. The total number of these is 45, of which 17 are timber-framed. Wood stores CO₂ and reduces emissions from construction. In 2022, the number of timber-framed properties increased by five in total. As a material, timber has a calming effect on users and improves indoor air quality and sound insulation in daycare centres and care homes, for example.

The majority of the carbon footprint from construction comes from new buildings. OP-Public Services Real Estate owns seven properties in which an old building has been modernised and given a new purpose.

Specific energy consumption



Conserving the existing frame of the building saves natural resources and energy compared to new construction.

After 2022, the share of renewable energy in our properties is as follows: ground source heat is the main form of energy in 20 properties and an air-water heat pump system in three properties. In addition, five properties are equipped with solar panels. Properties acquired in 2022 have a total customer capacity of 472 and average energy rating of B. Six of these properties are wood-framed.

| The fund in figures | 2022 | 2021 |
|--|-------|-------|
| Gross asset value, EUR million | 473 | 419 |
| Jobs created, full-time equivalent* | 442 | 311 |
| Tax footprint, EUR million | -0.5 | 1.8 |
| No. of completed properties | 64 | 59 |
| Customer capacity of properties | 3,464 | 3,126 |
| Our environmental key metrics | 2022 | 2021 |
| No. of properties constructed from wood, | 45 | 41 |
| of which timber-framed | 17 | 12 |
| No. of properties constructed from stone | 21 | 23 |
| No. of conversion projects | 7 | 7 |
| No. of solar power plants | 5 | 5 |
| No. of ground source heat plants | 20 | 15 |
| Renewable energy production, MWh | 1,302 | 945 |
| Average energy class | B | B |

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



KOy Lahden Mariankatu 12

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 of 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 are long-lived and safe for users. The fund has participated in international GRESB reporting since 2021.

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 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 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

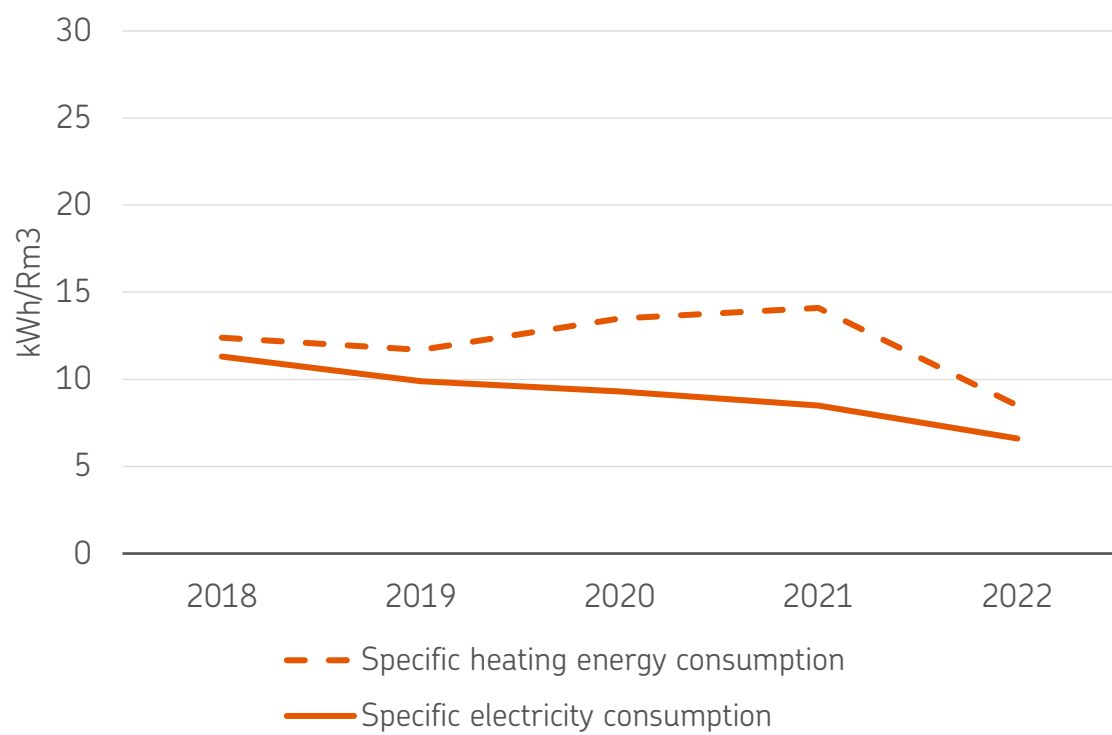
Three of the fund's properties are equipped with electric vehicle charging stations. More charging stations will be installed as demand increases. The carbon footprint from waste management has been compensated since 2020. The fund maintains active communication with

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. As a pilot project, the fund has equipped KOy Meiramitie 3 in Vantaa with an easily portable and responsibly sourced bike shelter that also takes the needs of winter cyclists into account.

| The fund in figures | 2022 | 2021 |
|-------------------------------------|---------|---------|
| No. of commercial properties | 26 | 26 |
| Gross leasable area, m² | 179,100 | 171,000 |
| No. of tenants | 62 | 77 |
| Occupancy rate, % | 91 | 94 |
| Gross asset value, EUR million | 219 | 219 |
| Jobs created, full-time equivalent* | 163 | 95 |
| Tax footprint, EUR million | 2.4 | 3.7 |
| Our environmental key metrics | 2022 | 2021 |
| No. of solar power plants | 9 | 8 |
| No. of ground source heat plants | 2 | 1 |
| Renewable energy production, MWh | 2,535 | 2,382 |
| Average energy class | C | C |

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

Specific energy consumption



KOy Rovaniemen Ratavartijankatu 2

Real Estate Fund of Funds V Ky

The Real Estate Fund of Funds V Ky (REFoF V) is a real estate fund investing in Europe established in 2016.

The fund's investments are diversified in several countries and real estate sectors. 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 user comfort and health and emissions, for example.

The fund's underlying investee funds are at different stages of maturity. Some underlying investee funds have completed their modernisation or development projects and successfully sold the properties. In other underlying investee funds, development is still actively ongoing. The real estate market still has demand for fully developed, low-risk and sustainable properties among both tenants and buyers. All of the underlying investee funds take sustainable investing into account in both their investment decisions and portfolio management. OP Real Estate Asset Management influences the sustainability 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 annually participate in extensive GRESB reporting.

AF III Fund as an example of REFoF V's investments

The AF III Fund, which is managed by Flins Capital Partners (FCP), invests in mortgage-backed mezzanine and senior loans in major German cities. For several years, banks have tightened conventional real estate lending, which has opened up new opportunities for alternative lenders. FCP has invested in several funds using the same strategy and the most recent fund, AF III, was established in 2019. The fund currently has 13 loans and is nearly fully invested. Most of the loans have a short term of less than three years on average. The borrowers are local real estate developers in Germany.

The management firm is owned by NREP, which is a major real estate company investing in the Nordic countries. NREP actively promotes sustainability in the real estate sector, and the company has a goal of achieving net zero emissions from its managed real estate portfolio by as early as 2028.

FCP takes sustainability and ESG into account in its investment process. Most of the fund's investments are development projects that will result in high-quality properties that meet sustainability criteria. As a lender, the underlying investee fund seeks to influence the sustainability of the financed property through the borrower, in other words the real estate developer, by stressing the importance of the property's energy efficiency and possible environmental certificates as part of the due diligence process. Of investments made in 2022, more than 85% were in

properties that seek a high-level environmental certificate (DGNB / LEED / ÖGNI level Gold or better).

More than 85%

of the investments of the AF III Fund are seeking a high-level environmental certificate (2022)

One example of the fund's investments is a mezzanine loan issued to an experienced local real estate developer in 2022. A development project situated in a central location in Munich was used as collateral for the loan. When completed, the property offers high-quality office and residential premises that meet sustainability criteria.

Construction of the property emphasises sustainability and energy efficiency. The property is being applied for the LEED Gold environmental certificate. The building is implemented as a hybrid construction, with wood used as one of the main materials. Recyclable materials are used in the construction wherever possible. The building's exterior will feature plants to diversify the urban environment, and the property will have charging stations for electric bikes and vehicles and support for car-sharing.



Rupperechtstrasse 22, Munich, Germany

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 of 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 are long-lived and safe for users. The fund has participated in international GRESB reporting since 2021.

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 2022 and is fully zero emission.

The fund maintains active communication with tenants and carries out annual audits for properties maintained by tenants. The audits ensures that

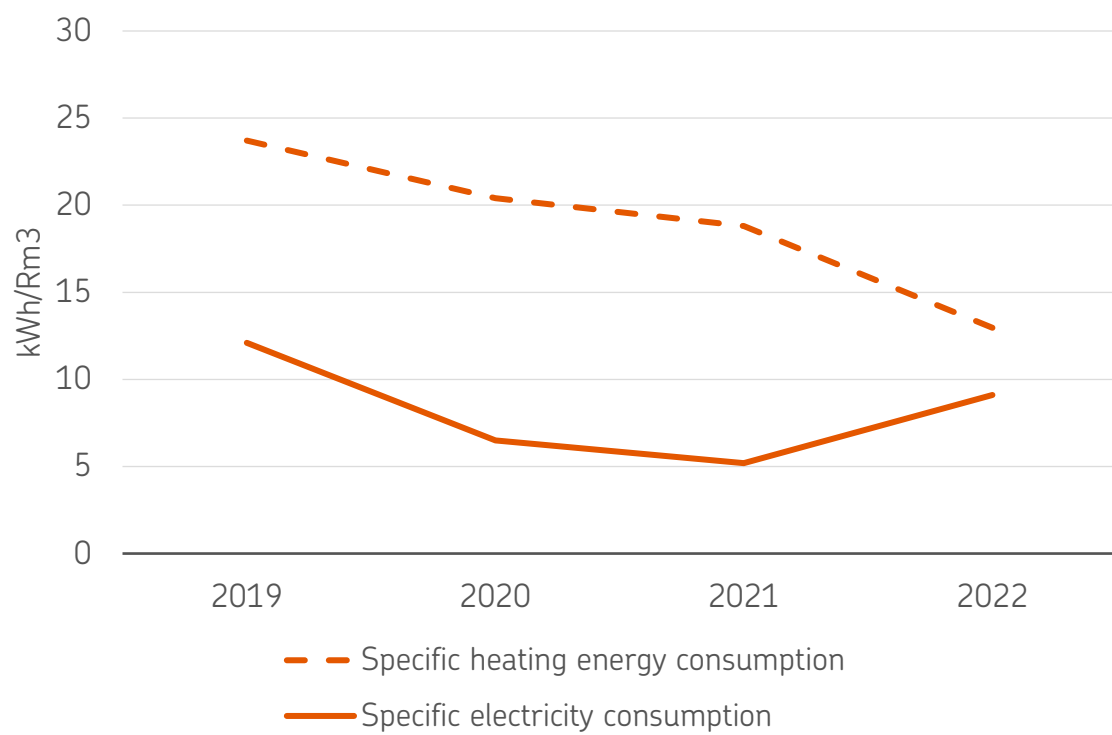
maintenance measures are correctly scaled and appropriate and that the property functions in its intended purpose.

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.

| The fund in figures | 2022 | 2021 |
|-------------------------------------|--------|--------|
| No. of investment properties | 20 | 20 |
| Gross leasable area, m ² | 99,200 | 98,700 |
| Occupancy rate, % | 97 | 98 |
| Gross asset value, EUR million | 191 | 192 |
| No. of tenants | 63 | 64 |
| No. of investments in rental plots | 7 | 7 |
| Jobs created, full-time equivalent* | 111 | 208 |
| Tax footprint, EUR million | 0.8 | 0.7 |
| Our environmental key metrics | 2022 | 2021 |
| No. of solar power plants | 7 | 6 |
| No. of ground source heat plants | 3 | 3 |
| Renewable energy production, MWh | 1,242 | 1,308 |
| Average energy class | C | D |

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

Specific energy consumption



The fund's properties Kanta-Sarvis I and II underwent extensive indoor air quality repairs

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 895 new homes will be built on land acquired in 2022 in growth centres and their surrounding regions. The fund currently invests in 105 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 a 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 into account the energy class of new developments, use of renewable energy, number of homes built in the invested assets and accessibility by public transport. The average energy class of new investment assets acquired in 2022 was B, renewable energy is used at 72% of the assets, and 94% of assets comply with the criteria on accessibility by public transport. In addition, 67% of the buildings to be constructed on the fund's land will be wood-framed or otherwise use wood materials in significant amounts.

Of investments made in 2022, 100% were infill developments and 50% were equipped with ground source heat

| The fund in figures | 2022 | 2021 |
|---|------|------|
| Gross asset value, EUR million | 130 | 103 |
| Tax footprint, EUR million | 1.7 | 0.6 |
| Jobs created, full-time equivalent* | 1 | 1 |
| No. of rental plots | 105 | 89 |
| Lease agreements | 105 | 89 |
| No. of investments** | 2022 | 2021 |
| Infill construction, % | 100 | 100 |
| Redevelopment involving demolition, % | 61 | 73 |
| Average energy class | B | B |
| Access to public transport, % | 94 | 64 |
| Wood-framed, % | 67 | 72 |
| Heating method of invested properties** | 2022 | 2021 |
| District heating, % | 33 | 45 |
| Air-water heat, % | 22 | 36 |
| Ground source heat, % | 50 | 18 |
| Solar power, % | 17 | 9 |

*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 the plot of Asunto Oy Sundsbergin Rakkapuisto, Sundetin Puistotie 31, Kirkkonummi

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