

A photograph of two construction workers, a woman on the left and a man on the right, both wearing white hard hats and high-visibility yellow safety vests. They are looking at a set of blueprints held by the woman. The man is pointing at a specific area on the blueprint. The background is a blurred city skyline.

eQ Real Estate Funds ESG Report 2020

Sustainability is present in all eQ Group's activities

- Responsible and sustainable operations are part of eQ's entire business
 - It is very important for eQ that we act in a responsible and sustainable manner as eQ Group and integrate this work systematically and in practice to eQ Asset Management's investment operations and Advium's corporate finance operations
 - Sustainability is regularly on the agenda of eQ Plc's Board of Directors
- eQ Asset Management has for several years acted as an active forerunner for responsible and sustainable investment. Driving impact through Industry Organisations:



- Sustainability is continuously and systematically integrated in the selection, monitoring and reporting of investees in all investment areas of eQ
- Reporting
 - Regular ESG-reporting in all investment areas
 - eQ Group's Sustainability Report
 - The table below shows the ratings of our PRI reporting in 2020

Reported areas	eQ Asset Management's result 2020	Median of respondents
Strategy and Governance	A+	A
Private Equity	A+	A
Listed Equity – Incorporation of ESG	A+	A
Listed Equity – Active Ownership:		
I Active interaction with investments A+	B	B
II Voting at General Meetings C		
Property	A	B

PRI reporting scale E to A+



As a result of the sustainability performance at Group level, eQ Plc was given the international ISS ESG Prime responsibility rating in the autumn of 2019. eQ Plc was among the best tenth in its sector regarding responsible operations.

eQ Real Estate Funds



eQ Care (2012)

- Investments in modern care and social infrastructure properties
- Well diversified portfolio
 - Invests in the welfare and social sectors. The investments are distributed geographically in different regions, main focus is on the Helsinki region
 - Tenants: private and public operators
- Capital invested: 1,255 M€* (12/2020)
- Return +9.0% p.a. (1 July 2012 - 31 December 2020)**



eQ Finnish Real Estate (2014)

- Investments in commercial and office real estates
- Well diversified portfolio
 - Main focus of investments are in commercial real estate and in office property.
 - Strong and trustable tenants.
 - Real estates are located in Helsinki and Tampere region as well in growth and regional centers.
- Capital invested 985 M€* (12/2020)
- Return +8.4 % p.a. (31 Dec 2014 - 31 December 2020)**



eQ Residential (2020)

- Investments in residential properties located in the Helsinki region, Tampere and Turku
- NAV 75 M€ (target for NAV 100 M€ and for GAV 330 M€) (as of 12/2020)
- Approx. 1,500 units during a 3-year time period
- Closed ended fund, available only for professional investors
- Expected return IRR 8-10 %
- First closing Q2/2020, final closing H1/2021



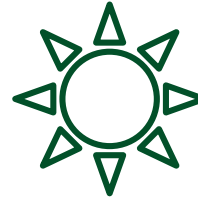
*The fund is valued quarterly.

**Past performance is not a guarantee of future results. All of our real estate fund performance figures include fees (except subscription and redemption fees) and exclude any possible taxes payable by the investor.

eQ Real Estate Funds as part of society



Functional, safe and healthy premises
(eQ's operating model for indoor air quality)



Utilization of renewable energy sources and
implementation of energy renovations

Care Homes provide care place for more
than 3,000 people



Kindergartens offer care facilities for about 1,600
children, and schools provide a learning
environment for more than 4,000 students

Our properties offer business premises for
about 750 entrepreneurs



Our shopping and service centres are mainly local
centres - more than 20 million visitors a year

In 2020, a total of 8 ongoing construction projects
in the Care and Finnish Real Estate funds. There
are 345 apartments under construction



Property development provides services for the
people in the area and supports the environmental
development

Our offices provide workspaces for more
than 5,000 employees



We actively participate in the development of the
construction and real estate industry in Rakli* and
the Helsinki Region Chamber of Commerce

*RAKLI is the most comprehensive and prominent association of professional property owners, real estate investors, corporate real estate managers and construction clients in Finland

Sustainability in property management



- Taking into account and developing sustainability is the daily work of every employee in the real estate team
- Technical and environmental due diligence - e.g. condition assessment, energy systems and sources, compliance with regulatory requirements, indoor air quality, land use planning, operating history, soil, radon inspections, flood risks
 - Location, accessibility and services of the area are also assessed
- During the ownership period, measures are taken in separate properties in order to promote sustainability
 - Collecting consumption data regarding properties (energy, water and waste), monitoring deviations and taking action based on the data
 - Each property is in good condition in terms of basic systems and adjustments as well as works efficiently
 - Breeam In-Use certifications: performance, current status and development requirements
 - The GRESB assessment: results are an important tool in monitoring and developing sustainability
 - We look at our operations as so-called “permanent owner”: long-term sustainable solutions
- Tenant satisfaction is very important
 - eQ wish to be a professional, honest, skilled and high performing partner for its stakeholders
 - Tenant satisfaction is measured regularly and findings are actively developed in cooperation with tenants
- eQ Supplier Code of Conduct is attached to all agreements
 - eQ and the contractors used by eQ have zero tolerance for the gray economy, underpayment and illegal labor
- eQ Real Estate Funds ESG report is published once a year

Property selection

Property management, rental as well as property development and construction

Regular ESG-reporting for investors

*BREEAM (Building Research Establishment's Environmental Assessment Method) -certification

**GRESB (Global Real Estate Sustainability Benchmark) -assessment

Highlights of 2020



Low-carbon roadmap for eQ Real Estate Funds

- The prepared roadmap defines the target timetable as well as the most important measures for achieving carbon neutrality. Read more on pages 14-16
- Green district heating has been taken into use
- New five solar power plants in 2020. The production capacity of all solar power plants is about 800MWh

Good results in the GRESB sustainability assessment accelerate development

- eQ Asset Management participated in the global GRESB assessment measuring the sustainable management of a real estate portfolio now for the second year in a row. eQ Care Fund received two stars and eQ Finnish Real Estate received three stars out of five. Overall, the results of both funds improved considerably, more than ten points from the results in 2019
- Read more on pages 11-13

No ESG incidents in eQ Real Estate Funds in 2020

Tenant satisfaction is very important

- The tenant satisfaction survey was conducted for the second year in a row
- The purpose of the survey is to collect information on the satisfaction of tenant of properties and to identify areas for development both for individual properties and for eQ's own operations and processes.
- Communication was added. A newsletter is sent to all customers on a quarterly basis and site-specific electronic bulletin boards were added to the service books

Survey results	2020	2019
✓ Suitability of the properties :	3,89	3,66
✓ Property maintenance services :	3,91	3,32
✓ Manager services:	3,65	3,36
✓ eQ as an owner:	3,36	3,35

Less than 3 = poor results, 3,00 - 3,50 = moderate results, 3,50 – 4,00 = good results ja more than 4,00 = excellent results

Total Consumption And CO2-emissions:	2019	Coverage -% 2019	2018	Coverage % 2018	Coverage -% 2017	Set objectives
✓ Energy consumption, MWh:	64 966*	72 %	46 945	61 %	36 %	TETS 7,5% 2017-2025**
✓ Carbon footprint, tCO2:	9 477	72 %	9 372	69 %	48 %	Carbon neutrality in energy consumption by 2030
✓ Water, m3:	154 596	60 %	137 318	54 %	33 %	Not yet, in process
✓ Waste, t:	263	14 %	277	19 %	-	Not yet, in process

* Share of renewable energy 6 653 MWh

The source of key figures is used eQ Care GRESB 2020 report

With regard to CO2 emissions, the coverage of the data is affected by the extent of the available data, i.e. the so-called scopet: scope 1: emissions from own production (eg own oil boiler on the property): scope 2: emissions from the energy used by the property and scope 3: emissions from activities, in this case emissions from the energy purchased by the tenant. 100% coverage requires that consumption data is known and emissions calculated for all levels.

**Signing of the Energy Efficiency Agreement TETS in 2019.

- The coverage of mainly all key figures is improved

Solar power plants and geothermal systems	2020	2019	2018
Number of properties:			
✓ Solar power plants:	5	1	-
✓ Geothermal systems:**	14	22	13

** Due to the sale of properties in 2020, the number of geothermal properties in the fund has decreased

- Green district heating has taken in use in Espoo, Vantaa, Jyväskylä, Järvenpää, Kuopio, Turku and Tampere

Total of environmental certifications:	2020	2019	2018
✓ BREAAAM In Use:	17	10	3

New BREAAAM In Use-certificates 2020 Properties:	Rating Asset Performance
✓ Kiinteistö Oy Helsingin Bulevardi 22:	Good
✓ Kiinteistö Oy Tampereen Biokatu 14:	Very good
✓ Kiinteistö Oy Espoon Tietotie 6:	Very good
✓ Kiinteistö Oy Helsingin Maistraatinportti 2:	Very good

Rating scale: Acceptable, Pass, Good, Very Good, Excellent and Outstanding

- Site analysis: performance, current status and development requirements
- The goal is to certify all properties over € 5 million by the end of 2022, rating with 'Very Good'

Key figures

eQ Finnish Real Estate



Total Consumption And CO2-emissions:	Coverage -%		Coverage %		Set objectives	
	2019	2019	2018	2018		
✓ Energy consumption, MWh:	91 731*	85 %	84 023	84 %	28 %	TETS 7,5% 2017-2025**
✓ Carbon footprint, tCO2:	11 530	80 %	11 275	53 %	17 %	Carbon neutrality in energy consumption by 2030
✓ Water, m3:	114 886	82 %	104 187	89 %	26 %	Not yet, in process
✓ Waste, t:	987	41 %	1 365	45 %	-	Not yet, in process

* Share of renewable energy 24 789 MWh

The source of key figures is used eQ Finnish Real Estate GRESB 2020 report

With regard to CO2 emissions, the coverage of the data is affected by the extent of the available data, i.e. the so-called scopet: scope 1: emissions from own production (eg own oil boiler on the property): scope 2: emissions from the energy used by the property and scope 3: emissions from activities, in this case emissions from the energy purchased by the tenant. 100% coverage requires that consumption data is known and emissions calculated for all levels.

**Signing of the Energy Efficiency Agreement TETS in 2019.

- The coverage of mainly all key figures is improved

Solar power plants and geothermal systems			
Number of properties:	2020	2019	2018
✓ Solar power plants:	8	5	3
✓ Geothermal systems:	-	-	-

- Green district heating has taken in use in Espoo, Vantaa, Jyväskylä, Järvenpää, Kuopio, Turku and Tampere

Total of environmental certifications:	2020	2019	2018
✓ BREAAM In Use:	14	12	7

New BREAAM In Use-certificates 2020 Properties:	Rating Asset Performance
✓ Kiinteistö Oy Espoon Sinimäentie 18-22:	Good
✓ Kiinteistö Oy Vantaan Ratatie 11:	Very good
✓ Kiinteistö Oy Espoon Keilaranta 5-7:	Very good
✓ Kiinteistö Oy Espoon Alberga Talo B:	Very good
✓ Kiinteistö Oy Espoon Alberga Talo C:	Very good

Rating scale: Acceptable, Pass, Good, Very Good, Excellent and Outstanding

- Site analysis: performance, current status and development requirements
- The goal is to certify all properties by the end of 2022, rating with 'Very Good'

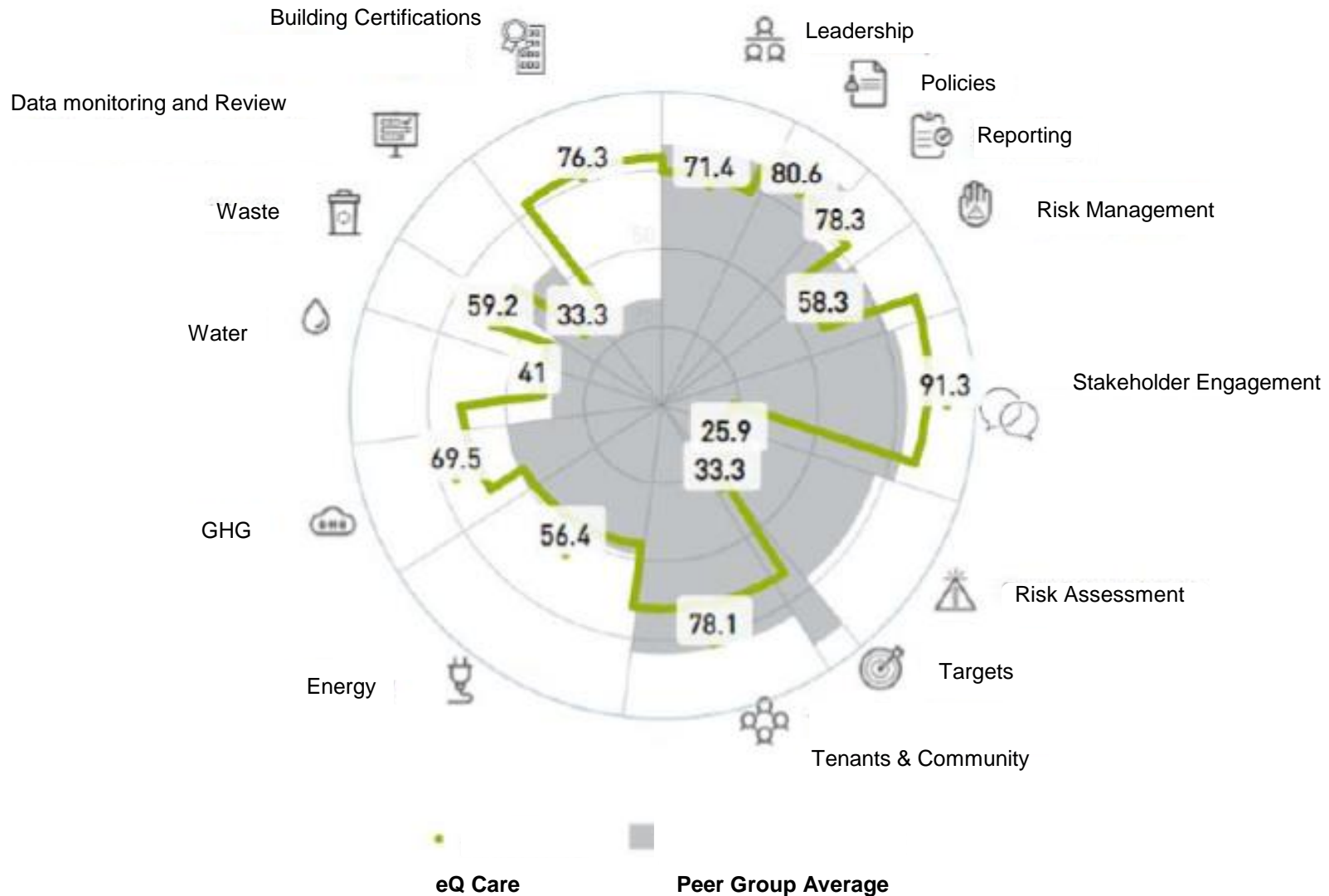
Good results in the GRESB sustainability assessment accelerate development

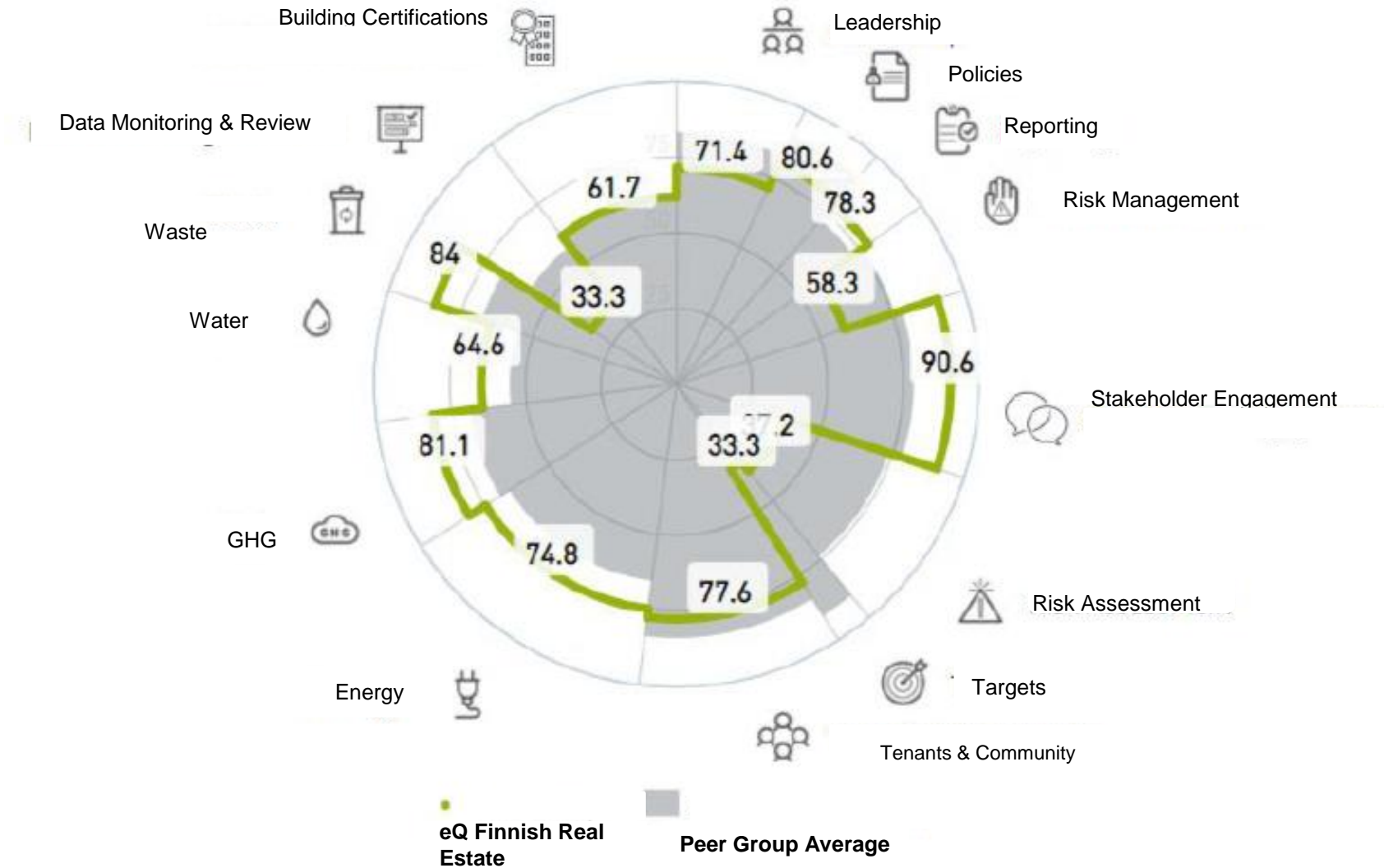


- eQ Asset Management participated in the global GRESB assessment measuring the sustainable management of a real estate portfolio now for the second year in a row
 - eQ Care Fund received two stars and eQ Finnish Real Estate received three stars out of five. Overall, the results of both funds improved considerably, more than ten points from the results in 2019
- The results in the different areas of the GRESB assessment showed our strengths and development objects
 - The extensive number of participants in GRESB also makes comparison with other actors possible - in 2020 more than 1,200 portfolios from 60 countries
- The areas that are compared cover responsible leadership and governance, policies and reporting, risk management, carbon footprint, water and energy consumption, data monitoring, co-operation with stakeholders and environmental certification. The assessment in 2020 is based on the reporting year 2019
- Read more about GRESB <https://gresb.com>
- The following pages show the performance of eQ Real Estate Funds in their own GRESB comparison groups

GRESB 2020

eQ Care





Low-carbon roadmap - scenario 2030

Measures



Improving the energy efficiency of buildings

- Energy consumption of buildings, monitoring of deviations and measures
- Energy efficiency improvement measures: building services systems such as ventilation, heating, cooling, lighting and improving the thermal insulation of structures

Renewable energy production on the site (reduction of the need for purchased energy)

- Regarding geogeneity the possibility of the use is always examined in new projects
- In older sites, consideration when planning an energy renovation or renovation
- Also with regard of solar power plants, the possibility of the use is always examined on a property-by-property basis (15 solar power plants ready or under construction 12/2020)

Purchase of emission-free energy (green energy sources)

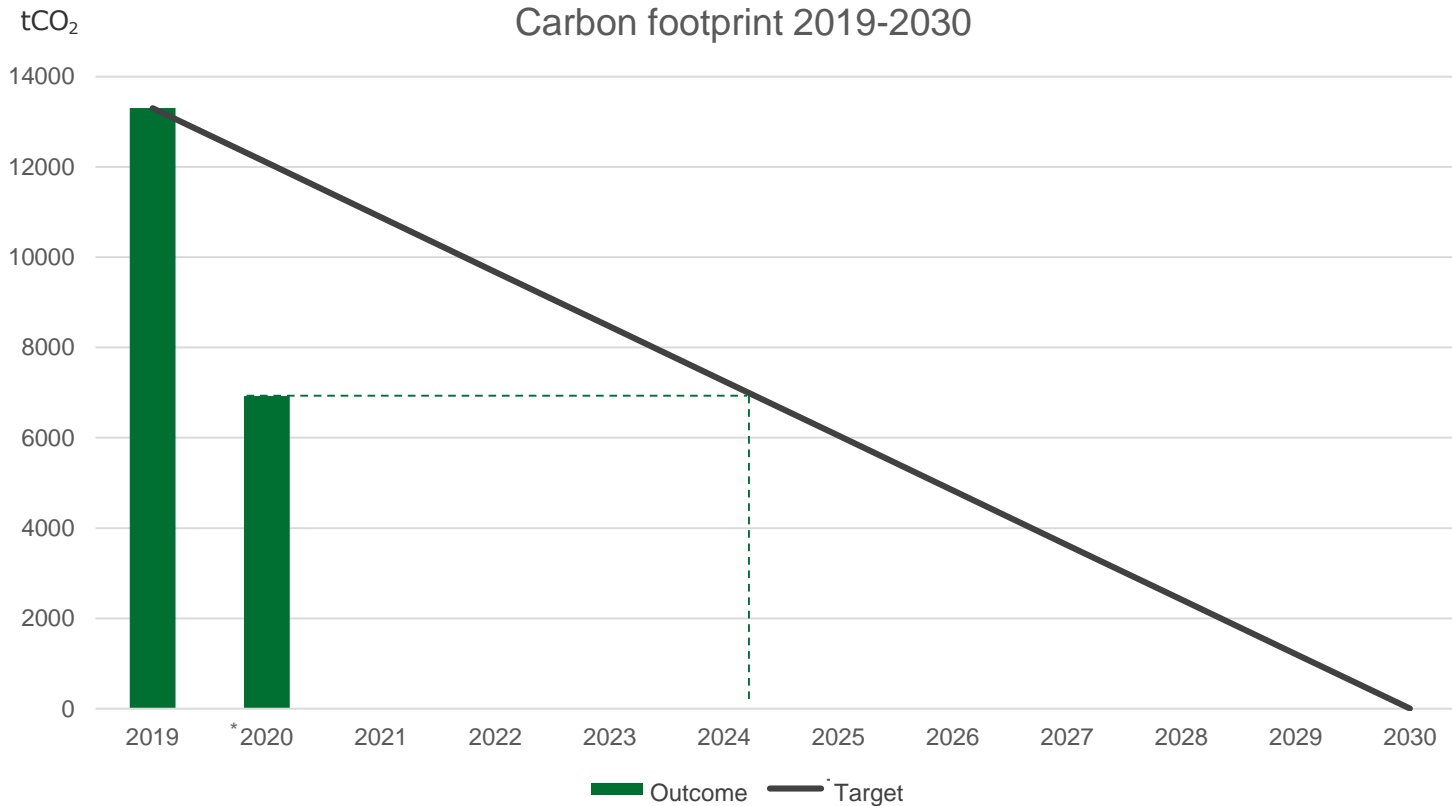
- Green certified electricity generated by wind power since 2018
- Green district heating has been taken into use in Espoo, Vantaa, Jyväskylä, Järvenpää, Kuopio, Turku and Tampere. Half of the district heating is produced by non-combustion methods.

Compensation for residual emissions

- There is still much room for improvement in the tools for compensation. eQ is not yet compensating emissions, but this is being examined and monitored
- Low-carbon roadmap – scenario 2030 and the impacts of various measures
 - Active measures taken by 2025, but developments in district heating companies' processes and the development of compensation opportunities will shift the low-carbon target to 2030. eQ monitors the measures and report on progress annually

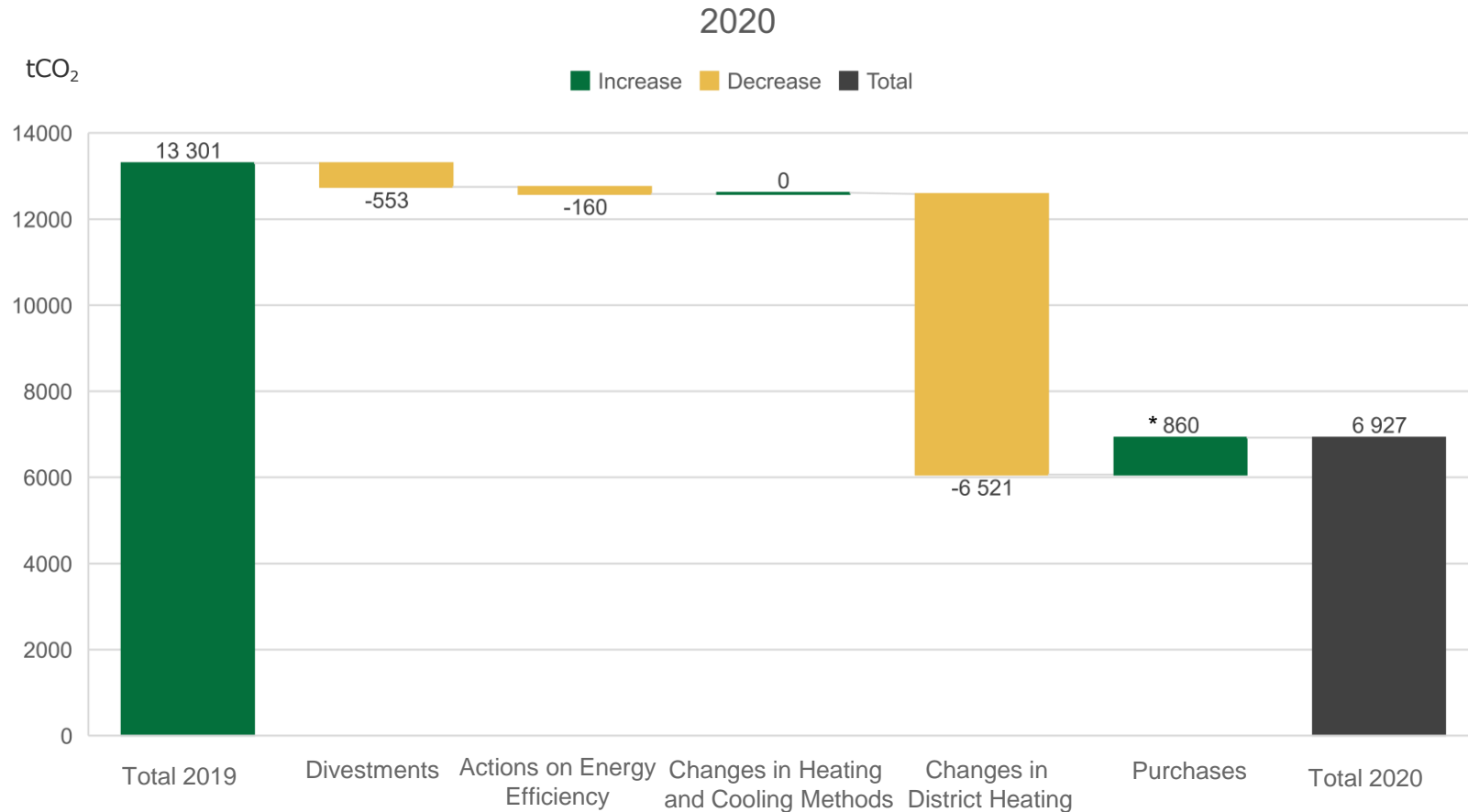


Carbon footprint 2019-2030



- The estimated outcome has been calculated with the emission factors concerning the year of 2019 published by energy companies. The data will be updated when the new emission factors for 2020 are published.
- The calculations include the properties of the Finnish Real Estate and Care Funds, the maintenance of which is the responsibility of the owner (2019/72 properties, 2020/66 properties). There is also considered the impact of purchases, sales, energy efficiency measures and district energy changes

The 2020 events' impact on the carbon footprint



* Purchases have been made in mid-December and the impact of the emissions are estimated. During the year, 8 properties in the scope were sold and 2 properties were purchased.

- The calculations are made with the emission factors of 2019 published by the energy companies and the figures are estimated. The data will be updated when the new emission factors considering the year of 2020 are published.
- Key actions:
 - The district energy was changed to zero-emission green district heating that decreased emissions by 6500 tCO₂, of which 50% is produced by non-combustion methods
 - 5 solar power plants were completed and 2 were under construction at the end of the year

Priority areas for 2021



- Work on the low carbon roadmap is ongoing
 - Ongoing projects: geoenery projects will be mapped and implemented and new solar power plants will be built
- The EU will introduce regulations on sustainable finance in 2021
 - We will increase transparency and openness in sustainability matters at both the investment process and product level. The regulation on sustainability-related disclosures in the financial services sector (EU) 2019/2088 became applicable from 10 March 2021
 - Preparations for the integration of legal obligations have been launched into all processes and products in all eQ's asset classes
- Participating in GRESB sustainability reporting in 2021
- The integration of sustainability into the eQ Residential Fund is ongoing
- Consumption (energy, water and waste) targets are set



Photo from the eQ Residential fund site in Laajasalo in Helsinki on February 5, 2021. Asunto Oy Helsingin Kaiku 4 / Yliskylän Puistokatu 7, 43 apartments. The site will be completed in December 2021.



eQ Asset Management Ltd

Aleksanterinkatu 19 A, 5th floor
00100 HELSINKI, FINLAND

Phone: +358 6817 8700

firstname.lastname@eQ.fi
www.eQ.fi

Disclaimer

This is a general presentation. The recipient is recommended to study the products and services in more detail, e.g. their characteristics and detailed documentation available. The information contained in this presentation may change at any time, and eQ Asset Management Ltd or its affiliates are not required to notify of such changes. This general presentation is intended only for recipient's private use. The presentation may not be edited, distributed or reproduced in whole or in part without prior written permission.

This document is not intended to be nor should it be construed as an investment advice or an offer or solicitation to buy or sell securities, fund shares or any other financial instruments. The decision to invest should be based on investor's own research and judgement on factors contributing to value of the investment and any such decision should take into account investor's individual objectives and financial circumstances. In case of any doubt, investor should consult an advisor. All investments are associated with risks. Investor is always responsible for his or her investment decisions and bears the full risk of their financial outcome. Investors should also acknowledge that historical performance may not be indicative of future performance.

The information contained in this presentation may have been collected from several publicly available sources. While eQ Asset Management and its affiliates aim to use accurate and comprehensive information, this does not preclude the possibility of errors or omissions in the information. eQ Asset Management Ltd, its affiliates or employees accept no liability for damages which are a result of relying on information contained in this presentation.