



ESG report 2019

Flexible, attractive and environment-friendly office properties



ESG report

To operate our business in a sustainable manner is of key strategic importance to Entra and is seen as a prerequisite for the company's long-term results and value creation. Entra has a systematic approach towards understanding and managing the company's impact on society, as well as stakeholder requirements and expectations. This report highlights our 2019 activities in greater detail, and outlines what we have planned for 2020.

Reporting standards and responses

To enable our stakeholders to compare and evaluate our reporting, we compile and align the Sustainability report for 2019 with three reporting frameworks: the European Public Real estate Association Sustainability Best Practices Recommendations on Sustainability Reporting (EPRA BPR), the Global Reporting Initiative Standards (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD).

The EPRA BPR Guidelines provide a consistent way of measuring sustainability performance for real estate companies and cover environmental, social and corporate governance categories. The GRI Standards, applicable to all industries, include both relevant disclosures for a range of economic, environmental and social topics as well as reporting principles related to the reporting process. This report has been developed in accordance with the GRI Core option. The TCFD framework provide for consistent climate-related financial risk disclosures. The EPRA, GRI and TCFD tables and references are included at the back of the annual report for 2019.

In this report we have also set out a review of the UN Sustainable Development Goals (SDG) against our Environmental, Social and Governance (ESG) strategy.

We achieved the EPRA Sustainability Gold Level also in 2019 and the Global Real Estate Sustainability Benchmark (GRESB) Green Star status with a total score of 84, up from 81 in 2018.

Third party verification

Entra has engaged Deloitte to conduct a review and provide a limited level of assurance on Entra's ESG Report. The review and assurance are carried out in accordance with the assurance standard ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" established by the International Auditing and Assurance Standards Board. The auditor's conclusion and scope of work is presented in the Auditor's report, included at the back of this ESG report.



GRESB Score
GRESB Average 72

Green Star
Peer Average 77

Management approach

Sustainability is fundamental to Entra's strategy and has been so for more than a decade. The Board of Directors determine the sustainability strategy and review performance. This includes responding to climate related opportunities such as investment in renewables, improvements in energy efficiency and investment in low-carbon technologies. The Board also review and determine how to respond to different climate-related risks including policy, regulatory and legal risks, as well as the physical risks to our assets.

Entra's business units present business reviews to the Board of Directors at least on an annual basis. These reviews also

include ESG targets and KPIs. Targets are then aggregated into company KPIs which are followed up on a regular basis.

The CEO is responsible for following up the implementation of the ESG strategy in Entra. Entra's risk management framework is structured to enable effective identification, evaluation and management of climate-related risk. Ownership and management of all risks is assigned to members of the corporate management, who are responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. Implementation is mostly handled by the individual business units and is reported to the CEO/CFO through quarterly business reviews and in corporate management meetings.

Entra also has a Sustainability Committee with a separate responsibility to evaluate, follow-up and implement the Environment strategy as well as new initiatives. This Committee reports to corporate management.

Stakeholder dialogue

It is important for Entra to maintain an open and honest dialogue with its main stakeholders. Such dialogue provides valuable feedback and enables Entra to continue to improve, to build trust and to enhance its reputation.

A structured process towards selecting the report's content and confirming its validity is undertaken on an annual basis. The focus areas of this report have been revisited and confirmed by Entra's Board and management. Entra works with

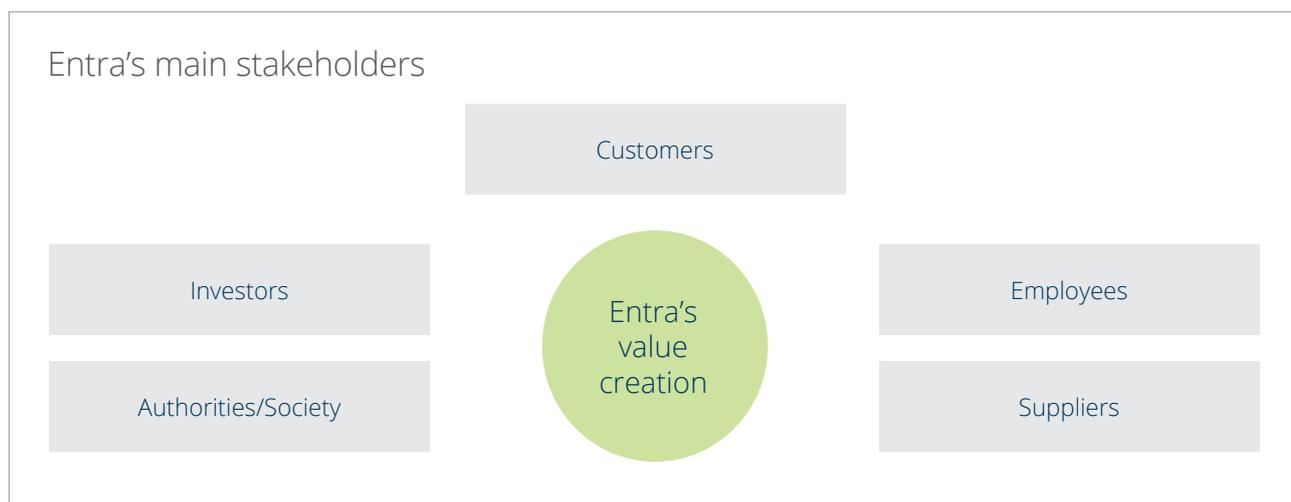
various groups and individuals to understand specific opportunities and concerns about our business and its impact. Such engagement is, amongst others, based on dialogue, meetings and feedback from business partners, shareholders, customers, investors, authorities and employees. Other sources of information include an assessment of media and industry reports. In 2019, the materiality analysis and focus areas have been revisited and their validity confirmed by Entra's management and Board of Directors.

Entra's stakeholders are particularly concerned about how we handle environmental matters, governance, ethics and anti-corruption measures, our corporate culture and employee satisfaction and our role as a major owner and developer of properties in the largest cities in Norway.

Materiality analysis and focus areas:

Entra believes that a systematic approach towards understanding and managing the company's external factors is a prerequisite for value creation. The main steps in selecting the focus areas involve identifying and understanding topics that are important to our business strategy and to our stakeholders.

The focus areas and priorities are based on a broader materiality analysis of areas where Entra and its stakeholders believe the company can make an important and sustainable impact. The topics are believed to be important for future progress and long-term value creation. The outcome of the analysis is in all material aspects similar to the previous year and is illustrated on the next page.



Materiality analysis



Focus areas

Based on the materiality analysis the following five areas continue to be seen as core to Entra and the work within each field is further described in this report.





Supporting the UN Sustainable Development Goals

As a major participant in the Norwegian property market, we believe that we have an important role to play in supporting Norway's response to the 17 Sustainable Development Goals (SDGs). To do this we have reviewed our sustainability strategy and program against the SDGs to highlight where we align.



Goal 9: Industry, innovation and infrastructure

Entra focuses on innovation and actively seeks innovative environmental solutions for its properties and building projects. Entra focuses primarily on low energy consumption and renewable energy in the existing asset portfolio and in all of its projects with an overall ambition that new and totally renovated buildings will have an energy consumption of less than 40 kWh per sqm. (close to zero energy buildings). Entra also seeks solutions for increased production, storage and exchange of renewable energy.



Goal 11: Sustainable cities and communities

Entra seeks to contribute to cities and communities that are sustainable, attractive, inclusive and accessible for residents and others that work or visit the area. We take an active role in developing the areas and public spaces around our buildings, and we ensure they are accessible to those with disabilities. We seek to use environment friendly materials and solutions when developing and operating our buildings. We seek solutions for re-use of furniture and materials, and we focus on making and maintaining our buildings climate resilient.

We see the following goals as particularly significant to our business and how we operate: SDG 9 Industry, Innovation and Infrastructure, SDG 11 Sustainable cities and communities, SDG 12 Responsible consumption and SDG 13 Climate action.



Goal 12: Responsible consumption and production

Entra sets performance requirements in its development projects which focus on the efficient use of natural resources, lifecycle efficiency and high levels of waste reduction and recycling. This is reflected in our management of our buildings where we set targets for waste sorting and place focus on re-use of materials in our projects.



Goal 13: Climate action

We have set science-based targets which are set towards not exceeding a two degrees Celsius rise in global temperature. This means we are committed to reducing our carbon emissions and making sure our portfolio is climate-resilient. For a more comprehensive description of our work on taking climate action, please see the section [below](#).

Environment

Environmental leadership is one of Entra's three strategic pillars, and Entra has over many years developed a corporate culture with a strong environmental focus throughout the entire company. Entra's work to limit climate change is built on the precautionary principle. Entra's environmental leadership has become well-known among its stakeholders, and the environmental commitment contributes to its ability to attract the best and most competent resources. In addition to the environment strategy outlined below, see EPRA, GRI and TCFD tables and references in the end of the annual report.

Entra's environment strategy 2018-2020

Entra's environment strategy has a 360° approach and includes strategies and targets for 1) own organisation 2) the property portfolio and property management 3) the development projects and 4) counterparties, hereunder suppliers and customers.

Entra revise its environmental strategy on a regular basis. The current strategy for the period 2018-2020 is summed up in the figure on the next page and further outlined in the following text.

Entra's business shall be climate neutral

Entra has a corporate culture where environmental awareness is strongly embedded at all levels in the organization. This is something that Entra wish to maintain and further enhance and use as a lever in implementing an even broader environmental focus. Entra strives for a culture in which every one of the company's employees seeks to influence suppliers, customers and partners to make wise environmental choices. This means that Entra will work actively with initiatives for increased environmental engagement and responsibility among its employees, customers and suppliers. Entra still has much to gain from reinforcing its focus on a circular economy and initiatives that

contribute to reduced consumption, reuse and recycling of building materials and waste handling.



Entra has an ambition to act as an example in relation to a lessee's environmental focus. As a consequence, Entra's head office in Oslo is environ-

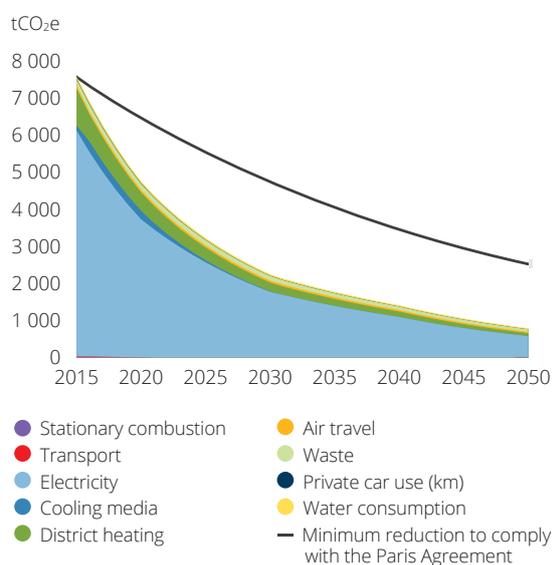
mentally certified in accordance with the requirements set out in "Miljøfyrtårn" (Environment Lighthouse). As an extension of this, Entra will work on influencing attitudes and seek to lift everyone's awareness so that the company also is regarded as an environmental leader as an office user.

Entra's ambition is that operation of its buildings shall be climate neutral. Today, energy consumption amounts to approximately 80 per cent of Entra's direct CO₂ emissions and is thus the most important single source in impacting our carbon footprint. From 2018 to 2019, Entra reduced

its greenhouse gas intensity from 5.65 tonnes per sqm. to 4.53 tonnes per sqm, mainly as a result of reduced energy consumption and greener electricity with lower CO₂ emissions. Entra has a goal to reduce its current CO₂ footprint by at least 70 per cent from 2015-2030. This will be achieved through, among other things, replacing energy bought with green energy we have produced ourselves, phasing out environmentally harmful cooling media, reducing the quantity of waste, and focusing on green transport. The rapid developments taking place within solar and battery technology contribute to our optimism in this regard.

The calculation and projection have been made by CEMAsys and Entra, and the CO₂ factor for electricity used in the calculation is based on Electricity Nordic mix.

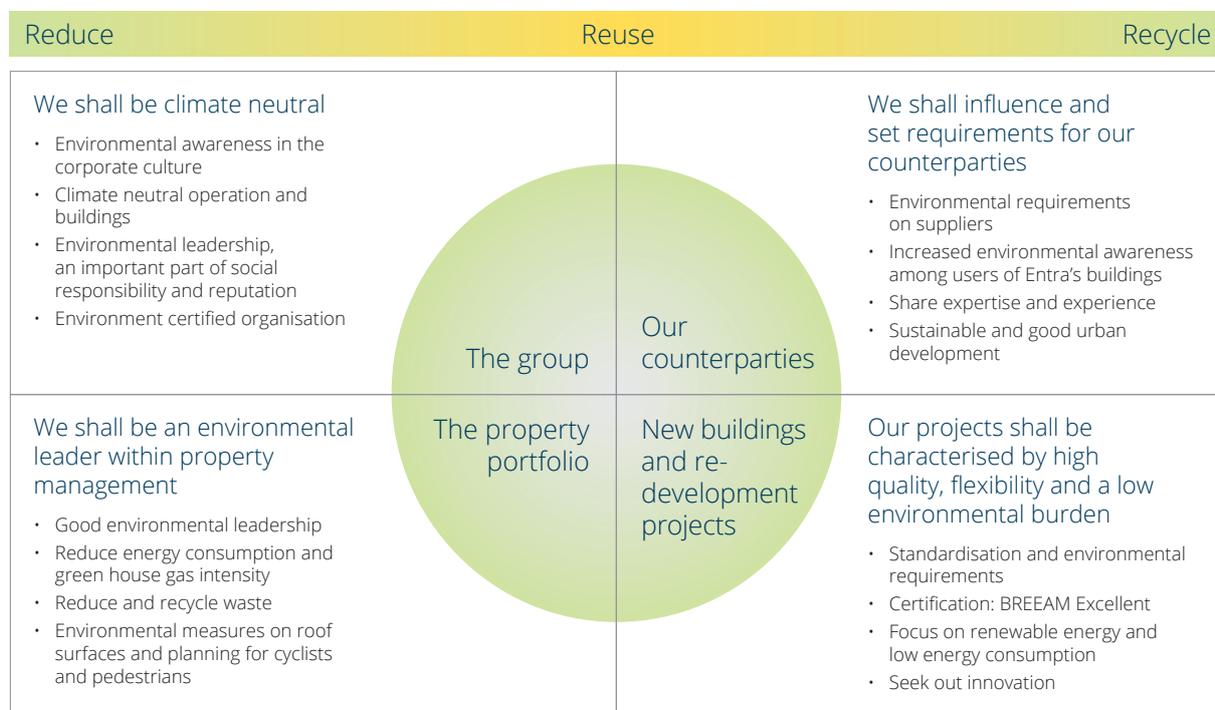
Entra scenario; Minimum reduction to comply with 2 degree ambition



In order to compensate for its own emissions and make Entra's business close to climate neutral Entra buys guarantees of origin ("green power") corresponding to the electricity consumption of the buildings where Entra is responsible for providing electricity. Entra will also gradually produce more and more renewable energy through new development and refurbishment projects.

Entra has also carried out a number of green measures in its buildings, and this has been an important contributor to succeeding in reducing energy consumption. These measures have, amongst others, been financed through green benefit

Our environment strategy



agreements under which lessees have contributed to the financing through part of the reduced energy costs being used to finance the measure. Entra sees continued possibilities for implementing green measures, for example by using roof and wall surfaces for producing solar power. This type of investment usually has a long payback period, and Entra has adopted a slightly lower return requirement in relation to environment investments and innovation that protects the environment.

Entra shall influence and set requirements for its counterparties

Entra will work actively to influence and set requirements for its suppliers, customers and other interested parties to contribute to the "green transition". Specifically, this means that Entra prefers partners that also have a clear environmental profile and will put the environment on the agenda in meetings with its counterparties. Entra sets environmental requirements on its suppliers and partners through conditions on purchasing and social responsibility. Entra has imposed a total prohibition on the use of materials hazardous to health and the environment that are on the Substance of Very High Concern (SVHC) list and works towards fossil-free construction sites.

Entra seeks to increase awareness of the environment among users of its buildings. Not only our customers, the tenants of the buildings, but also our employees and visitors are included in this definition.

Entra seeks to implement environmental measures that are visible and inspiring for the people that work in our buildings. We will also create conditions for our tenants that enable the implementation of environmental measures, both by tenants individually and in cooperation with Entra through other initiatives. An example is waste sorting where Entra has developed waste sorting stations and supporting material/information brochures. This initiative also underpins Entra's ambition to achieve at least 75 per cent waste sorting on its properties.

Green Benefit Agreements

These agreements are Entra's own scheme for working with customers on environmental measures. Entra's role is to identify the potential together with customers and then implement and finance the measures. Customers refund the cost through an increased rent for a set period of time on the basis that the customers share of operating costs is reduced by more than the increase in rent. Once the initial investment has been paid down, the customer receives the benefit through lower common costs. Since 2011, Entra has signed more than 100 Green Benefit Agreements with its tenants.

In addition, Entra will continue to focus on reduction, reuse and recycling when making tenant alterations and furnishing premises and common areas, and will seek to influence customers and suppliers to make the right environmental choices.

FOCUS AREAS AND TARGETS PURSUANT TO THE ABOVE ARE SUMMARISED BELOW:

| Focus areas | Targets and measures |
|---|--|
| Environmental awareness is part of our corporate culture | <ul style="list-style-type: none"> • Work to improve expertise and increased environmental awareness and responsibility among the employees • Encourage employees to choose environmentally friendly transport |
| Climate neutral operations and property management | <ul style="list-style-type: none"> • Work actively to reduce the CO₂ footprint with an objective to reduce this by at least 70 % from 2015-2030 • Gradually replace energy bought with renewable energy produced by ourselves • Climate compensate for ongoing CO₂ emissions by: <ul style="list-style-type: none"> - Buying guarantees of origin for all electricity used in our buildings • Phasing out all cooling media that are not climate-friendly • Focus on innovation, consider lower return requirements for environmental investments |
| Environmental leadership is an important part of our social responsibility and reputation | <ul style="list-style-type: none"> • Attract the most competent and innovative people and partners • Make our environmental commitment known to our counterparties • Continue to issue green bonds and secure green bank financing where applicable |
| Environmental certification and reporting targets | <ul style="list-style-type: none"> • Organisation and head office certified in accordance with "Miljøfyrtårn" (Environment Lighthouse) process • Retain GRESB "Green Star" • Retain EPRA Sustainability Gold • Retain CICERO rating "Dark shade of Green" • Ownership and follow-up of environmental targets in the regions and project development |

Entra has been successful in making its environmental commitment known to its counterparties, and has shared, and will continue to share, its expertise and experience with the industry.

Membership of associations

Entra participates actively in various technical bodies, industry cooperation and industry organisations such as

Powerhousealliansen, Næring for Klima, Norwegian Green Building Council, Norsk Eiendom and Norges Bygg og Eiendomsforening (NBEF). Entra has signed up for Oslo European Green Capital Industry Challenges and participates in R&D projects such as "Svalent" together with Sintef and in a cooperation project with Obos, Norsk Gjenvinning and CSR Consulting regarding industrial solutions for upcycling of materials.

FOCUS AREAS AND TARGETS PURSUANT TO THE ABOVE ARE SUMMARISED BELOW:

| Focus areas | Targets and measures |
|--|--|
| Set environmental requirements for our suppliers | <ul style="list-style-type: none"> • Environmental requirements in Entra's conditions for purchasing and social responsibility • Requirements for reduced waste quantities, reuse and recycling • Require a prohibition on the use of materials hazardous to health and environment • Put the environment on the agenda in meetings and contracts with suppliers |
| Increased environmental awareness among users of Entra's buildings | <ul style="list-style-type: none"> • Carry out environmental measures that are visible and inspiring for people that work in and visit our buildings • Facilitate the carrying out of environmental measures by customers • Green benefit agreements with our customers |
| Share our expertise and experience | <ul style="list-style-type: none"> • Hold lectures, contribute to technical bodies, industry cooperation, industry organisations etc. |
| Contribute to sustainable and good urban development | <ul style="list-style-type: none"> • Contribute to relevant environmental solutions in property and urban development, with good transport and energy solutions, climate adaptation and greater biological diversity |

Entra shall be an environmental leader

Entra shall have a continuous focus on environmental measures in the management portfolio.

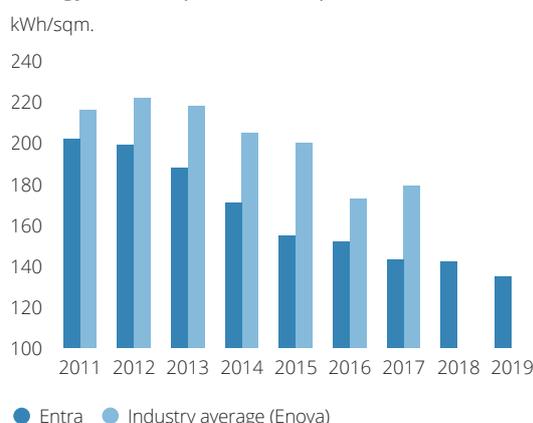
Entra uses an environment management system to compare, follow-up and control the various buildings' environmental qualities with a focus on the consumption of energy and water, as well as waste and waste sorting. Entra has BREEAM-in-use certified both the performance and management of 10 buildings in the portfolio. On asset performance seven were scored Excellent and three Very Good. On building management three were scored Outstanding, five Excellent and two Very good. Entra has another six Breeam-in-use certifications ongoing as of year-end 2019. In addition, Entra has BREEAM-NOR certified 14 of its completed project developments.

Over time Entra has built a culture in which energy management is an integrated part of its operations. Entra has worked diligently to reduce energy consumption in its portfolio (from 202 kWh/sqm. in 2011 to 133 kWh/sqm. in 2019). An important reason why Entra has succeeded in this work is focused and systematic work and technical upgrades over time, supported by an energy management system which has made it possible to measure, compare and follow up various initiatives. Entra is now at a level where continued reductions in consumption must primarily be driven through technological development and continuous upgrading of the management portfolio to green buildings.

Entra will maintain its focus on reducing energy consumption in its management portfolio and has a target to get below 135kWh per sqm. in 2020. Entra works to reduce load on the energy grid and lower costs in relation to energy intensity in the portfolio.

Entra will continue to implement a culture where Entra employees work systematically on all aspects of a circular economy – i.e. reducing, reusing and recycling. This means that Entra will focus on reducing the quantity of waste in buildings as well as

Energy consumption in the portfolio 2011-2019



Internal measurement method used, deviates from EPRA methodology as corrected for differences in e.g. outside temperature.

looking at solutions for multi-use and reuse. Examples of this are paperless offices, a reduction in food waste in canteens, as well as a focus on reuse in relation to tenant alterations. Entra has set specific ambitions in relation to residual waste, the degree of sorting and water consumption for the period 2018-2020.

In 2020, Entra will investigate and establish a strategy for environmental measures on its roof surfaces (use of solar panels, solutions for surface water, biological diversity and climate risk). In 2019, Entra did a pilot project and implemented solar panels on the roof and facades of Professor Olav Hanssens vei 10 in Stavanger.

Part of Entra's strategy is to own properties close to public transportation hubs. Entra thus encourages its tenants' employees to use public transport, to cycle or to walk. All Entra's buildings will have provision for bicycle parking.

FOCUS AREAS AND MEASURES PURSUANT TO THE ABOVE ARE SUMMARISED BELOW:

| Focus areas | Goals and measures |
|--|---|
| Good environmental leadership | <ul style="list-style-type: none"> Use environment leadership system for control, comparison and follow-up of individual buildings (Optima) |
| Reduced energy consumption and intensity | <ul style="list-style-type: none"> Target 145 kWh/sqm. in 2018, 140 kWh/sqm. in 2019 and 133 kWh/sqm. in 2020 Increase proportion of self-produced green energy |
| Reduce peak load | <ul style="list-style-type: none"> Focus on load control in order to reduce energy demand during peak usage times |
| Reduce and recycle waste and water | <ul style="list-style-type: none"> 75 % waste sorting in 2019 in both projects and property management. Target for 2020 is 80 % Reduce water consumption |
| Environmental measures | <ul style="list-style-type: none"> Strategy for roof surfaces and facades Make provision for bicycle transport Actively seek innovative and environmentally friendly solutions |



Entra's new-build and redevelopment projects shall be characterised by high quality, flexibility and a low environmental burden

Entra is a leader in developing environmentally sustainable buildings and has for many years had high environmental ambitions on all its development projects. In cooperation with the Powerhouse alliance, Entra has redeveloped five older buildings to "Plus buildings/Powerhouses" at Kjørbo in Sandvika and at Brattørkaia in Trondheim a new-built Powerhouse was finalised and opened in 2019. A Powerhouse produces more energy than it uses over its

lifetime, including the materials used for construction. In practice, the buildings therefore act as local power stations that deliver environmentally-friendly energy.

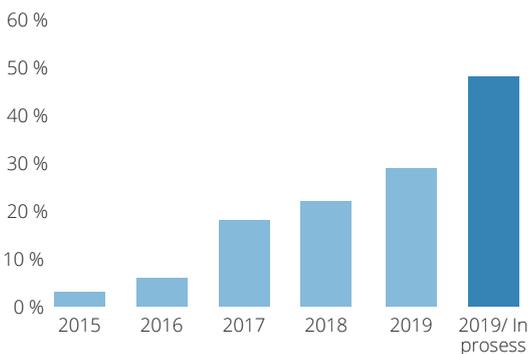
Entra has thus contributed to increased focus of the entire industry to consider "virtually zero use of energy" on both new buildings and redevelopment projects.

Entra's new buildings are BREEAM-NOR certified, with a goal of obtaining, as a minimum, BREEAM-NOR Excellent, while for redevelopment projects the objective is a minimum of

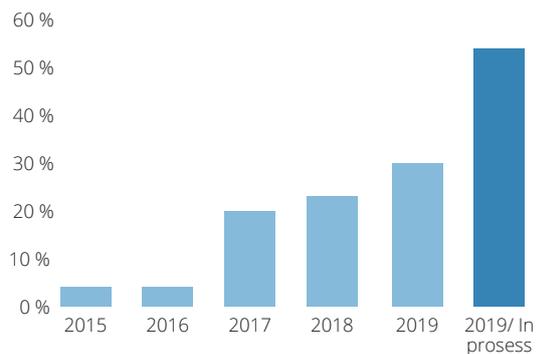
BREEAM certification of the portfolio

Percentage share of portfolio certified in accordance with BREEAM NOR/BREEAM In-Use Very Good or better

BY RENTAL INCOME



BY VALUE



FOCUS AREAS AND MEASURES PURSUANT TO THE ABOVE ARE SUMMARISED BELOW:

| Focus areas | Goals and measures |
|--|---|
| Standardisation and environmental requirements in projects | <ul style="list-style-type: none"> • Further develop the standard specification for projects (the “Entra building”) • Develop a standard specification for tenant requirements • Set requirements for fossil-free construction sites and request fossil-free transport • Establish a strategy for all development projects in Entra with the following objectives: <ul style="list-style-type: none"> - request and facilitate flexible solutions and multi-use premises - requirements for reuse of materials, reduction of waste quantities and degree of sorting - more materials with low CO₂ emissions (documented through Environmental Product Declaration (EPD)) - choice of building products with low life cycle costs (LCC) • The environment strategy for the project is to be presented as part of the investment decision and reported in Business Reviews |
| Certification | <ul style="list-style-type: none"> • Objective of a minimum of BREEAM-NOR Excellent on all new development projects • Objective of a minimum of BREEAM-NOR Very good on major redevelopment projects |
| Focus on renewable energy and low energy consumption | <ul style="list-style-type: none"> • Ambition of close to zero energy buildings (energy consumption less than 40 kWh/sqm.) • Plan solutions for increased production, storage and exchange of renewable energy |
| Innovation | <ul style="list-style-type: none"> • Actively seek innovative and environmentally friendly solutions |

BREEAM-NOR Very Good. This requires, among other things, analysis of life-cycle costs, low energy consumption, a good internal climate and innovative measures. On completion of buildings currently under construction and ongoing certification processes, Entra will have BREEAM-NOR built/redeveloped 19 buildings and BREEAM In-Use certified 16 buildings.

Entra’s new buildings and redevelopment projects shall be planned and built in accordance with Entra’s specifications - the “Entra building”. In the “Entra building”, focus is placed on standardisation that will give reduced costs in a life cycle cost perspective (LCC) and operating synergies. Standardised technological systems in the buildings will also simplify integration with new “smart building” technology in the future. Entra is working with requirements for materials with low CO₂ emissions and low life-cycle costs. Planning will provide for flexible solutions and multi-use and reuse of materials will be a focus area. Entra also plans to develop a standard delivery description for tenants where these factors are taken into account.

Entra applies for and receives financial support from Enova for individual environmental measures taken in its development projects. Entra received approximately NOK 3.5 million in support for its development projects in 2019.

Green Bonds

Entra has issued four Green Bonds, capitalizing on the environmental qualities in a selection of its portfolio. CICERO Center for International Climate Research (Norway’s foremost institute for interdisciplinary climate research) has provided a second opinion to Entra’s Green Bond Framework where Entra

was awarded the rating Dark Green, which is the best rating possible, for its future Green Bonds issues.

The rating Dark Green is given to projects and solutions that realise the long-term vision of a low-carbon and climate-resilient future already today. Typically, this will entail zero-emission solutions and governance structures that integrate environment concerns into all activities. Example projects include renewable energy projects such as solar or wind.

“Based on the overall assessment of the project types that will be financed as well as governance, reporting and transparency considerations, Entra’s Green Bond Framework gets a *Dark Green shading*.”

No significant weaknesses perceived.”

– CICERO, Second opinion

THE ROADMAP TOWARDS 2050 BY THE GREEN BUILDING COUNCIL ("GRØNN BYGGALLIANSE")

Entra has signed up to "The Roadmap towards 2050 for the Property Sector" by Grønn Byggallianse and Norsk Eiendom. Entra complies with and follows the 10 immediate measures set out in the Roadmap listed below:

| Measure | Status |
|---|--|
| Certify the organization | Entra's headquarters were certified as Miljøfyrtårn in 2017 |
| Remove fossil heating in buildings | Completed on all Entra's properties except two buildings which were acquired in 2018. A plan for phasing out will be established |
| Only buy building products that do not contain hazardous substances | Covered by Entra's sustainable purchasing procedures |
| Introduce BREEAM In-Use as a management system for the entire portfolio | 16 properties certified or in process of being BREEAM In Use certified. |
| Conduct a study of what the roofs can and should be used for | Study will be conducted in 2020 |
| Demand and reward innovative environmental solutions | Request and demand innovative solutions in new-build development projects. |
| Require architects to make plans for re-use of materials and minimize waste | Implemented in several of our projects. Possibilities investigated on a project by project basis. |
| Order energy budgets to calculate real energy use | Implemented in Entra's standard technical requirements |
| Demand and prioritize building products with low CO ₂ emissions | To be implemented in Entra's standard technical requirements |
| Demand fossil free construction sites | To be implemented in Entra's standard technical requirements |

Climate risks and scenario analysis

Climate change and environmental damage are two of the most dramatic challenges facing the world today, and many countries are already feeling the effects of climate change. In our part of the world, the changes in the Arctic region are particularly dramatic and worrying.

Climate change means climate risk, not only physical risk but also transition risk – the risk associated with economic impacts of the transition to a low carbon economy. Future social developments, climate policy developments and technology developments are subject to high uncertainty, and these factors have a major impact on greenhouse gas emissions. There is also significant uncertainty with regard to how sensitive the climate system is to changes in greenhouse gas emissions, and uncertainty with regard to the effects of a given level of warming.

The analysis of economic implications of climate change is fraught with difficulty, and it is impossible to survey all potential impacts of climate change as no existing scenario or model can fully describe the workings of the entire physical world and how all physical, chemical, geological and biological processes

influence each other. Impacts of climate changes will thus depend on how rapidly they occur, how large the changes are, as well as the adaptability of societies and ecosystems. As such, many analyses are based on factors that lend themselves to some degree of quantification, but climate change will also have effects which are difficult to quantify, or which cannot meaningfully be quantified.

In the Official Norwegian Reports (NOU) 2018: 17 "Climate risk and the Norwegian economy", a report from a commission appointed by Royal Decree on 6 October 2017 to assess climate-related risk factors and their significance for the Norwegian economy, three stylised future scenarios shed light on a wide range of potential outcomes:

1. "Successful climate policy scenario" involves a successful climate policy that delivers a swift transition to a low-emission society. No significant self-reinforcing mechanisms in the climate system are triggered, thus implying that the climate changes are moderate and the worldwide economic implications are relatively minor. However, the transition to a low-emission society may be challenging for various stakeholders.

2. *“Late transition scenario”* involves late climate policy tightening – following a period of further warming. We are, at the same time, «lucky» – and no self-reinforcing mechanisms in the climate system are triggered. The climate changes and economic implications are considerably more pronounced than in the above scenario. There is a higher risk that the Norwegian economy will be indirectly affected by climate changes in other countries as the result of conflict escalation, diminished international cooperation and changes in global migration patterns. In addition, belated and more severe policy tightening will increase the risk of financial instability.
3. *“Dramatic climate change scenario”* is involving political failure and/or the triggering of self-reinforcing mechanisms in the climate system. The economic implications of such catastrophic climate changes cannot be meaningfully quantified. Risk management advice would be of minor use, and the relevant measure is quite simply an effective climate policy that reduces the probability of ending up in this scenario.

As such, a catastrophic climate change cannot be excluded. If critical tipping points are crossed, it may trigger self-reinforcing processes that entail major changes. The IPCC special report on 1.5°C warming indicates that some tipping points may be crossed between 1.5 and 2°C global warming.

As investments in commercial real estate, at least in the longer term, is very closely linked to macro development, understanding the environmental impact on Norwegian macro is also key for Entra.

The considerable uncertainty with regard to international developments means that the range of potential outcomes for the Norwegian economy is very wide. Over the long time horizon, the risk outlook will be dominated by the indirect physical risk associated with how climate change affects other countries.

A moderate level of global warming and climate change will have both negative and positive effects on the Norwegian economy. Rich countries in the Northern Hemisphere are generally less exposed to direct negative effects of climate change than are poorer countries in the South. Moreover, rich countries like Norway will by and large have more well-functioning institutions, a higher level of education and a more diversified industrial structure. Higher income levels and flexible labour markets imply a greater capacity for absorbing transition costs whilst transitioning to a low-emission society. Norway seems less vulnerable to climate change than most other countries and is also held to be one of the best placed countries with regard to adaptability.

However, the Norwegian economy is highly integrated into the global economy and directly exposed to developments elsewhere. If already vulnerable states experience major negative effects from climate change, there will be an increased risk of political instability, humanitarian disaster and violent conflict in and between states. Increased migration flows, unstable food prices, supply disruption and changing production and

trading patterns will affect both the global and the Norwegian economy.

An overall assessment of the key risk factors nonetheless indicates that the Norwegian economy can, all in all, be considered relatively resilient. The ND-GAIN Country Index, a program of the University of Notre Dame's Environmental Change Initiative, uses two decades of data across 45 indicators to rank 181 countries annually based upon their vulnerability and their readiness to successfully adapt to climate change. The graph for 2017 is shown on the next page where Norway is indicated in green (Source: <https://gain.nd.edu/our-work/country-index/matrix/>).

Entra has an active approach to assessing, monitoring, and following up on climate related risk, and climate risk is, together with other risks, a topic at the Board of Directors meetings at least two times per year. Actions and follow-ups from the assessments is being acted upon by the organization, including, but not limited to, ensuring that Entra's portfolio of assets are prepared to the extent possible for the possible challenges ahead.

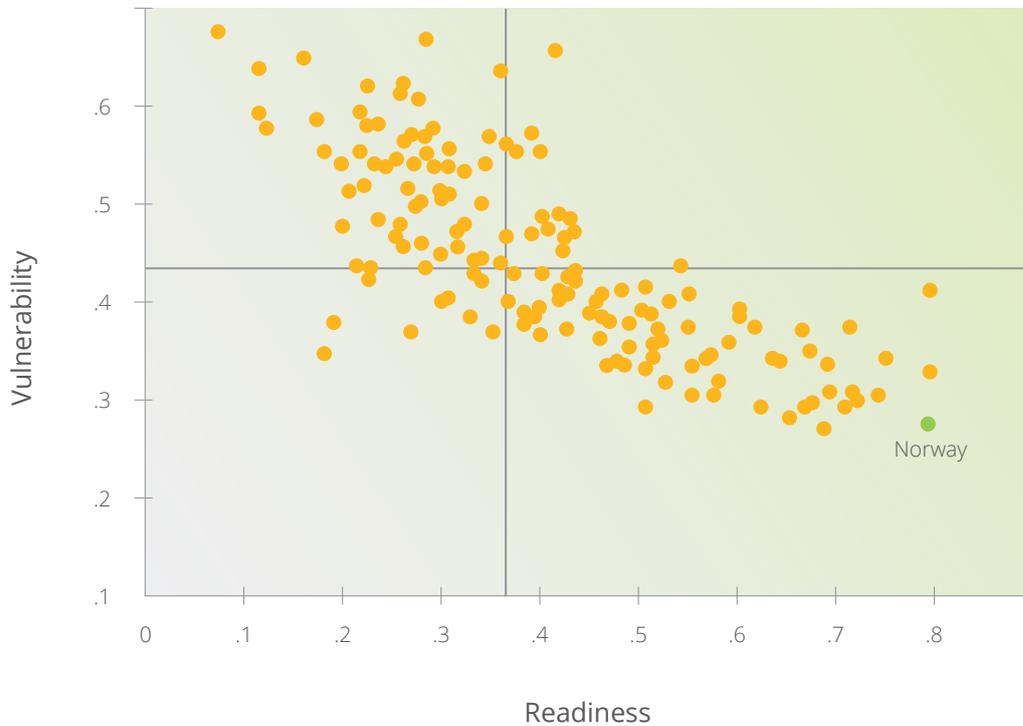
In assessing the specific climate risk facing Entra, we have grouped the risks into two main buckets; (i) physical climate risk, and (ii) transition risk.

(i) Physical climate risk

- Physical climate risk is risk associated with the implications of physical changes in the environment. The climate in Norway has changed significantly over the last century and will continue to change, as in the rest of the world. The Norwegian climate is expected to become wilder, warmer and wetter, and torrential rain episodes may become more intense and frequent. This may result in altered flooding patterns, changed snow patterns and shrinking glaciers. The oceans are likely to become warmer and more acidic. Rising sea levels will worsen the impact of storm surges. Climate change in the Arctic will also affect weather systems in our latitudes. Continued melting of Arctic sea ice could affect the polar jet stream that largely determines the weather patterns over Norway.
- Commonly used benchmarks are the current climate or the pre-industrial climate situation. Norway will probably experience increased precipitation, more flooding, more frequent landslips and rising sea level, and these physical changes and the uncertainty associated therewith constitute risk factors. Many of the physical processes happen very slowly, from a human perspective. Even if net global emissions were to be reduced to zero within a short space of time, it may therefore take a very long time for the climate system to arrive at a new equilibrium.

The expected rising sea level is, however, in the Nordic countries expected to be at least partly offset by the rising of the land with the largest effect in the northern part of the Baltic Sea but with still significant effects across

Norway and other countries vulnerability and readiness for climate change



Source: University of Notre Dame: Global Adaption Index

the Nordic countries. During the most recent ice age, the Nordic countries were pressed down by the weight of glaciers, which sat on top of the countries for about 100,000 years. The land is still rebounding, 10,000 years after the glacial ice melted away, and the ground is still rising for example in Oslo is around 5mm per year and Trondheim and Bergen of 4 and 2mm, respectively (source: www.kartverket.no).

(ii) Transition risk

Transition risk is risk associated with the implications of climate policy and technological developments upon transition to a low-emission society. An ambitious climate policy is likely to result in carbon-intensive energy sources such as coal and oil being largely replaced by renewable sources such as sun, water and wind, but we do not quite know when and how this will happen. This has major implications not only for energy producers such as Norway, but for large parts of society and the economy worldwide in coming years.



Physical climate risks and opportunities for Entra

| Area | Group | Type of risk | Probability | Consequence: ¹⁾ | Time horizon: ²⁾ | Action | Opportunities | Implications for strategy |
|---------------|---------|---------------------------|-------------|----------------------------|-----------------------------|--|--|---|
| Physical risk | Acute | Stronger winds and storms | High | Medium | Short | Is experienced already. Entra must ensure that the buildings are dense and can withstand increased impact from strong wind gusts. Entra already has good maintenance programs for its buildings, including roofs and facades. This means that the buildings are already well equipped for large amounts of rain and heavy winds. The facades are checked visually at least once a year, and are more thoroughly checked based on an individual risk-assessment. Work on establishing a plan of measures for roofs and facades to withstand even greater quantities of water and more extreme weather has begun and is planned to be completed in 2020. This is also something that is considered in all of Entra's newbuilding projects. | Entra's properties are built to high building standards and are considered to be safe and able to withstand considerable winds and storms. | Continue as is in terms of building planning and construction. Enhance focus on solid facades. |
| | Acute | Extreme rainfall | High | Medium | Short | May be required that buildings in cities must contribute to water depletion. For example, water retardant roofs, opening of streams, etc. A water retardation measure is sedum roofing, which Entra has already installed on some roofs. Sedum roofs also provide extra Breeam-in-use points. | | There is a trade-off between using roofs for energy production or collecting water. Doing both can be problematic. Must also be considered if the roofs are solid enough to apply sedum rooms. For all new construction and redevelopment project water management is a priority. |
| | Chronic | Rising sea levels | High | High | Long | Some of Entra's buildings may be exposed to potentially rising sea levels. A portfolio assessment will be made in this respect during 2020 in order to reveal such potential i the property portfolio. | The vast majority of Entra's buildings are located so that rising sea levels is not a direct problem. This could potentially increase the attractiveness of these locations in the future. | Evaluation of locations exposed to rising sea levels will be a key element in all transaction processes. |

¹⁾ Consequence / Financial impact: Lav < 10 mill, Medium 10-100 mill, Høy > 100 mill

²⁾ Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

Transition risks and opportunities for Entra

| Area | Group | Type of risk | Probability | Consequence: ¹⁾ | Time horizon: ²⁾ | Action | Opportunities | Implications for strategy |
|-----------------|--------------------------|---|-------------|----------------------------|-----------------------------|--|---|---|
| Transition risk | Politics and regulations | More stringent regulations and climate requirements | High | High | Medium | A new technical regulation is being prepared (TEK 20). When this is launched, a transition period is usually in place so that it is most likely to become fully applicable to projects that are initiated from 2021. The new technical regulations are most likely to contain stricter sustainability requirements. One of the areas that has been proposed to be tightened is on energy consumption, where there may be requirements for "almost zero energy building". This is an area well known to Entra through our work on passive houses and plus houses. This will result in increased costs in some projects, but we are familiar with the solutions and are close to meeting the requirements of several of our projects today. | Entra seeks to stay ahead of laws and regulations in all projects as well as in regular operations. | Continue current strategy. |
| | Politics and regulations | Stricter regulations and climate requirements - Paris Agreement | High | High | Medium | Entra's focus on high environmental qualities in its construction and redevelopment projects means that a steadily increasing part of the portfolio contributes directly to the ambitions of the Paris Agreement. Entra's portfolio is on average 8 years since new-built or fully redeveloped. In addition, we will continue to push for good and efficient operation in relation to energy savings. | Entra seeks to stay ahead of laws and regulations in all projects as well as in ordinary operations. | Continue "as is" |
| | Politics and regulations | Requirements for increased reuse in construction projects | High | High | Medium | Other regulation that is in the pipeline is related to reuse. The requirement in the EU Waste Framework Directive, which Norway is bound to follow through the EEA Agreement, is that 70 per cent (by weight) of non-hazardous building and construction waste should go to material recycling in 2020. Entra has over 90 per cent waste sorting rate in its projects and will have no trouble sorting into the fractions needed to facilitate material recycling. Entra is in dialogue with a partner to test their recycled products within wood. To facilitate recycling products within wood, one of the solutions may be to establish a new wood fraction on the construction site so that wood products you do not want are sorted out. It will be easy for Entra to facilitate this. Entra is also involved in a recycling project together with Obos and Norwegian recycling working towards the industry to achieve increased material recycling of wood and concrete. This is to help establish more circular races for two of the largest waste products within the building and construction sector. | In Entras pilot project in Kristian Augusts gate 13 which is under redevelopment Entra target to use as much as 60 per cent reused materials. | Work to influence the authorities, suppliers and the industry in general with the aim of increasing reuse in all projects and thus reduce embodied carbon in properties and projects. |

¹⁾ Consequence / Financial impact: Lav < 10 mill, Medium 10-100 mill, Høy > 100 mill

²⁾ Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

| Area | Group | Type of risk | Probability | Consequence: ¹⁾ | Time horizon: ²⁾ | Action | Opportunities | Implications for strategy |
|-----------------|------------|---|-------------|----------------------------|-----------------------------|---|---|--|
| Transition risk | Technology | Solar and wind technology outperform other energy sources | High | Medium | Medium | Implementing solar and wind technology measures on buildings may impose significant costs. | Become more self-sufficient with energy | Entra monitors the technology development closely. |
| | Market | Valuation of office properties | High | High | Medium | It is to be expected that valuation of property in the future will increasingly take into account the climate when assessing risk and determining return requirements. It is already seen that buildings with low environmental qualities achieve reduced interest and lower valuation. | Entra's portfolio, where environment has been a leading variable in all major construction projects over the last 10 years, is becoming increasingly attractive. | Continue to have the environment and environmental qualities as a guideline in all projects. |
| | Market | Tenant requirements | High | High | Medium | For the time being, there are rarely any explicit environmental requirements from tenants. However, it is assumed that this will change in the future and that not being able to offer buildings with good environmental qualities and risk-reducing qualities can reduce the interest in the company's products / properties and in the worst case, make them difficult or impossible to rent. | Also on older buildings in Entra's portfolio, energy consumption is on average significantly lower than the industry, which in turn increases the attractiveness of our buildings when attracting tenants. | Continue "as is" |
| | Market | Financial market requirements | High | High | Short | The financial market has taken on the importance of a sustainable business model and the degree to which the business is exposed to climate risk. These assessments already have a major impact on access to capital and valuation of companies' equity and debt. This is only expected to be reinforced in the future as more and more investors take this into account in their investment decisions. | Entra's green financing started in 2016, and we now have substantial sums in green bonds and bank loans. This will be further strengthened in the future, and we expect that during the next 2-3 years we will have 80 per cent of our debt portfolio as green. | Continue to develop the projects with high environmental quality requirements, which can form the basis for an increasing degree of green funding. |
| | Reputation | Ability to attract the best workforce, confidence from other stakeholders | High | High | Short | A sustainable and responsible business model that responds and actively works to combat climate change is already very important for attracting talent. It is assumed that this will be strengthened in the future. Furthermore, a company's reputation deteriorates and confidence among the company's other stakeholders is reduced for companies lacking a sustainable business model. | One concrete result of environmental strategy is that Entra is already attracting talent in various functional areas that want a purpose with their professional life | |

¹⁾ Consequence / Financial impact: Lav < 10 mill, Medium 10-100 mill, Høy > 100 mill

²⁾ Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

| Area | Group | Type of risk | Probability | Consequence: ¹⁾ | Time horizon: ²⁾ | Action | Opportunities | Implications for strategy |
|----------------------------|---------------------|--------------------------------|-------------|----------------------------|-----------------------------|---|---|---------------------------|
| Responsibility risk | Responsibility risk | Lack of climate risk reporting | Low | High | Medium | A sustainable and responsible business model that responds and actively works to combat climate change is already very important for attracting talent. This is to be assumed that this will only be strengthened in the future and that the opposite will significantly reduce access to the best heads. | Entra seeks to be at the forefront in its reporting on the environment as well. | |

¹⁾ Consequence / Financial impact: Lav < 10 mill, Medium 10-100 mill, Høy > 100 mill

²⁾ Time horizon: Short: 0-3 years, Medium: 3-10 years, Long: more than 10 years

Social

Entra's focus areas involves its employees and working environment, ethics and anti-corruption, HSE, urban development, human rights and community engagement.

Motivated employees

Entra focuses on developing a culture characterized by pride, positivity, responsibility and involvement. Emphasis is put on employee engagement and motivation, which is considered to form the basis for an individual's desire and willingness to work well and thus to contribute to the development of the company. Employees are offered opportunities for personal and professional development through close dialogue with, and follow-up by, their immediate superior. There is a correlation between resources, tasks and authority. Together the employees create the basis for further development and growth. It is important that employees should consider Entra to be a good and attractive place to work.

At the end of 2019, the Group had 177 employees (including employees in partly owned Hinna Park), of which 172 work full time. 152 of the employees work in Oslo (including Sandvika and Drammen), ten in Bergen, twelve in Trondheim and three in Stavanger.

Focus on developing competence and engagement

Entra's value chain is broad and imposes significant requirements regarding relevant experience, expertise and coordination. Entra therefore acknowledges the individual employee's need for ongoing professional education suited to his/her area of work and has developed the Entra School to provide education and training programmes for all levels of the organisation. These include an introduction course for new employees, which is intended to enable employees to view their role in the company in a wider context. An internal management and key talent development programme that runs for 1.5 years and focuses on the responsibilities and challenges of a management role. Ethics training occupies a central position in the introduction course and through annual dilemma training programmes.

Employee relationship and employee satisfaction

Each year Entra carries out an employee job satisfaction survey. Since 2017 Entra has used the survey from Ennova for this purpose. The survey is standardized and gives a score both for the level of motivation and satisfaction of employees and the factors that drives their experience. Entra's results are compared against a representative national benchmark (GELx) and a benchmark "top in class" of the 25 per cent best in Ennova's client database. In 2019, Entra had an employee motivation and satisfaction score of 85, an improvement of two points from 2018's score. The score is also significantly above

the national benchmark GELx score of 71 and also well above the "top in class" score of 77. The result of this survey confirms the continued positive development from the employee job satisfaction score measured in prior years.

Health and working environment

Entra carries out a number of measures to contribute to the health of its employees. As an example, all employees are offered annual health checks. Entra also has an internal sports club that is active in a number of sports such as running, cycling, skiing and yoga. Sick leave in Entra in 2019 was 2.6 per cent. This is low compared to a country average of approx 5.9¹⁾ per cent. The objective is a continued low level of sick leave.

Workers' rights

Entra complies with established standards and employment legislation. Entra is a member of the Confederation of Norwegian Enterprise, and tariff agreements have been established with employee organisations. Entra is covered by collective bargaining, and the agreements are made applicable to all employees. Negotiations and follow-up in the event of operational changes or restructurings follow Norwegian law.

Safety officer, working environment committee and Board representation

Entra has a safety officer and working environment committee. Employees are represented on Entra's Board with two employee-elected members.

The safety officer's main function is to take care of employee's interests in matters that relate to the working environment. The safety officer is elected for two years from among employees with experience and knowledge of working conditions in the company.

Entra's working environment committee is a decision-making and advisory body. The committee's most important function is to work towards a fully safe working environment. The committee covers issues on its own initiative and at the request of the safety officer. All employees can contact the committee.

Employees in Entra are free to organise themselves and are organised in several different labour associations. Entra has established an accord with the Norwegian Engineers and Managers Association (FLT).

Equality and diversity

Different expertise and experience contribute positively to Entra's development and to a broader and better basis for decision-making. Equal opportunities and diversity are an integral part of the Entra's personnel policy. Entra believes

¹⁾ Source: Statistics Norway: Sickness absence Q3 2019



in the benefits of diversity, and this goal is incorporated into Entra's recruitment procedures and is reflected in the composition of senior management. Entra strives for diversity on a broad basis, including gender, age, background, education and nationality. Employee benefits, such as flexible working hours and full pay during illness and parental leave regardless of the National Insurance scheme's limits, are important measures in the efforts to ensure equal opportunities.

There are especially two areas where Entra is actively working to increase diversity;

- to achieve a more balanced gender distribution in property management (which historically has consisted almost exclusively of men), and
- to increase the proportion of women at the level below group management and in the defined group of talents and key personnel.

To achieve the above targets the administration has defined specific measures on how to hire and develop employees. Such measures include, amongst others, a requirement to include women in the final interview round for key positions, talent development giving deliberate priority to women and leadership development and coaching to promote female talent.

Targets and status

Entra seeks to maintain high employee satisfaction and aims for a continued high score in the employee job satisfaction survey.

Ethics and anti-corruption

Entra has zero tolerance for corruption in all parts of the group's business. Ethical behaviour is a necessary condition for a sustainable business. Entra conducts its business in an ethical and transparent manner, acts within the law and its ethical guidelines and behaves in line with its fundamental values of being responsible, innovative, hands-on, and one team.

Ethical Guidelines

Entra's ethical guidelines are built on principles of equal opportunities for all, concern for the environment and a society view that emphasizes ethics, transparency, honesty and sincerity. The long-term success of the Group is based on trust. To maintain this trust Entra must ensure that its behaviour is consistent with its corporate values. The Group's ethical guidelines describe the way Entra is to treat its stakeholders and the behaviour which is expected of its employees. The ethical guidelines provide guidance and support to the Group and its employees in decision making and problem-solving processes.

The ethical guidelines are incorporated in the management development programme and are evaluated by the Board on an annual basis. Entra creates ethical awareness through training programmes, including an e-learning programme, and all employees and the Board of Directors are required to sign the ethical guidelines annually.

Entra has established whistle-blowing routines. Internal and external questions about ethics, harassment, whistleblowing etc. can be directed to the Group's Compliance Officer, or

anonymously to an independent, experienced law firm with a duty of confidentiality in order to lower the threshold for an employee compared with having to contact a member of staff in Entra. A direct point of contact to the law firm is available on www.entra.no and on Entra's intranet.

Entra's fundamental procurement principle is to achieve the best possible total result through competition and supplier management. Procurement is also to take advantage of economies of scale.

Entra aims to be a responsible purchaser in all parts of the value chain and has established a set of processes and routines for procurement that include requirements on documentation, role/work division (dualism) and equal treatment of suppliers through competition. The routines are set to counter conflicts of interest and corruption.

New employees participate in procurement training covering processes, guidelines and tools for implementing best practice and fair procurement processes. Anti-corruption measures is an item on these training courses.

In 2017, Entra implemented dilemma training in ethics for its employees. The dilemma training is part of the introduction course for new employees and there is an annual target that all employees should complete such online training each year. 100 per cent of the employees as well as the Board of Directors completed online training course in 2019.

Entra continuously monitors the suppliers within its supplier base to ensure that the company only does business with serious counterparties.

Entra's supply chain

Entra spends NOK 2-2.5 bn per year on external suppliers. The main suppliers are the largest construction companies in Norway and their sub-suppliers such as carpenters, electricians, plumbers etc. In property management, the largest suppliers are facility management suppliers such as canteen operations and cleaning services etc. Entra has signed framework agreements with its largest suppliers which mainly consist of large Norwegian companies.

Corporate Social Responsibility in the supply chain

The construction industry in which Entra operates faces serious challenges related to business crime and social dumping. Entra has established procedures to ensure that Entra only uses qualified suppliers.

Entra performs risk assessments for its entire value chain and facilitates action plans to reduce any identified risk. Entra has identified suppliers that perform work on Entra's construction sites and cleaning vendors as high-risk suppliers within social responsibility and follow-up this sector accordingly.

There is considered to be limited risk associated with rights to e.g. exercise freedom of association and collective bargaining, child labour or forced and compulsory labour in Entra's direct

supply chain. There may, however, be more risk further down in the supply chain with sub-suppliers, although none has been identified in 2019.

Supplier qualification requirements

Entra has set "Socially Responsible Purchasing Guidelines" that must be followed by both suppliers and their sub-suppliers in its supplier qualification requirements.

The document covers themes such as:

- Sustainable development and environmental considerations in the choice of materials
- External environment and focus on energy and environmental footprint savings
- HSE on construction sites
- Well-functioning work conditions and labour rights
- Economy and solidity
- Business ethics and relations

The guidelines are set to ensure that there are good working conditions in the suppliers' and in their sub-suppliers' businesses. The guidelines states that it is only allowed with two levels of sub suppliers for large suppliers and one for others.

Suppliers and sub-suppliers are to be registered in the Registry of Business Enterprises and are obliged to provide an corporate identity code.

Entra is against all forms of discrimination. All employees and hired staff who are engaged in working on contracts must have salary and working conditions that fulfil the statutory requirements in accordance with the applicable collective agreements at the relevant time. Entra may require a supplier to produce documentation that shows the salary terms and working conditions for employees and hired staff at the supplier and their sub-suppliers.

Supplier audits

Entra performs supplier audits to assure that all operations follow Norwegian legislation and that principles stated in Entra's Socially Responsible Procurement Guidelines are followed. Risk factors in the supply chain as well as HSE risks are the main focus issues for the audits. An annual audit plan for Entra's operations and especially the property portfolio is prepared based on risks evaluated on the following:

- Project/property/supplier size and complexity
- Contract conditions, contract model and vendor selection
- The results of changes, previously conducted audits and controls
- Project organisation
- Start and life-time of the project

There are no set criteria for the number of audits to be performed each year, although there is typically a correlation with the number of projects in the portfolio.

During 2019, five supplier audits were carried out. The audits were undertaken by a combination of internal personnel and external audit companies, and the reports were thoroughly

evaluated together with the handling of deviations, observations and suggestions for improvement.

Supplier reviews

In addition to supplier audits, Entra performs bi-annual reviews of "high-risk suppliers", with annual sales to Entra exceeding NOK 0.2 million. The review emphasizes supplier adherence to Entra's supplier qualification requirements. It includes;

- Credit checks to ensure suppliers' financial stability
- Checks to ensure suppliers have reported tax/vat submissions (last six months)
- Checks whether construction suppliers are registered in the "StartBank" qualification system
- Checks to determine if cleaning vendors are listed in the regulatory register

Supplier Management Programme

Since 2015, Entra has invited master agreement suppliers to annual meetings to discuss developing a common approach to the challenges faced by the industry (including HSE).

The main purpose is to have an established arena for dialogue and cooperation that, in addition to resolving commercial issues, will focus on contributing to meeting the sector's challenges relating to working conditions, corruption and business crime.

In 2019, Entra reviewed its ethical guidelines for suppliers together with master agreement suppliers in order to ensure that the guidelines are being followed. The goal is closer involvement, increased awareness levels and better reporting.

Targets and status

During 2019, Entra revised the content in the "Socially Responsible Procurement Guidelines" for suppliers. The new version has further strengthened environmental requirements for purchasing materials, and there are stronger restrictions on the use of hazardous materials. In addition, vendors need to have an established return scheme for packaging and waste.

As part of its ongoing business Entra carried out supplier audits and other reviews as described above and will continue to do so in 2020.

Health, Safety and Environment (HSE)

HSE work is central to Entra in all parts of the value chain. HSE is well established as a natural part of day-to-day operations, including being part of the bonus scheme for all employees, and is a focus area at all levels of the organisation and thus recognised widely in the organisation as a personal responsibility of all employees. Entra's HSE strategy involves systematic work with:

- HSE in the daily operation of the buildings
- HSE in development projects
- HSE for our employees

The internal HSE policy in Entra has the following targets:

- It shall be safe to work, visit and travel in and around Entra's properties and development projects
- For our own employees, we will have a health-promoting work environment where no one will be injured or sick as a result of their work
- All HSE-related legal requirements must be met.

Members of the senior management are involved in practical HSE work and are expected to take the lead through behaviour and leadership. As part of this, a review of the latest HSE report is regularly on the agenda at management meetings and Board Meetings. HSE status is also an important item on the agenda at all employee meetings.

Entra works actively to increase awareness with regard to the registration of all types of incidents (including accidents, near misses). The reporting of incidents is important in order to increase awareness internally among Entra's employees, suppliers and customers.

Targets and status

HSE targets are also aggregated into group KPI's with a main focus on avoiding serious accidents. The HSE targets for 2019 were:

- There shall be no injuries involving sick leave absence that are due to Entra in and around our buildings
- There shall be no injuries in our development projects involving more than 16 days' sick leave

Such incidents are reported to the Chief Executive and to the Board of Directors. The incidents are investigated to see what lessons can be learned and are an important element in further strengthening the HSE work.

The status at 31 December 2019 was that there had been one injury involving sick leave absence that was due to Entra in and around our buildings, and there had been no injuries involving sick leave absence in our construction projects that involved more than 16 days sick leave.

Entra performs regular HSE audits of both development projects and management properties. In 2019, Entra performed five HSE audits of which of three development project and two management properties.

Urban development

Entra's strategic core areas are the four main cities Oslo and the surrounding area, Bergen, Stavanger and Trondheim. Entra aims to contribute to urban clusters that are attractive, inclusive and accessible for residents and other relevant parties. A part of Entra's environment strategy is to be located close to major public transportation hubs, thus contributing to less use of private cars to the benefit of public transport and environmentally-friendly alternatives such as bicycles.

For Entra, urban development means creating a good atmosphere and secure surroundings in and around its buildings for

the benefit of tenants, visitors and others who pass through the area. Entra ensure that the space around its buildings and building sites is neat, clean and attractive. Entra gives consideration to tenant composition in order to create life and variation among visitors and users of its buildings. Where applicable, Entra considers how to activate the ground floors of our buildings to contribute to city life at street level.

Entra emphasises the importance of a good dialogue with partners, competitors and other stakeholders in its work on urban development. Entra involves neighbours, local politicians and others who live or work in the group's urban development districts in connection with new buildings and refurbishments. Involvement may constitute meetings and correspondence with neighbours, open meetings, information to the local press and a one-on-one dialogue with selected target groups.

Examples of areas and buildings where Entra has contributed to positive urban development are Papirbredden in Drammen, Brattørkaia in Trondheim, Tullinkvartalet and Tøyen in Oslo and Hinna Park in Stavanger.

Human rights

Entra seeks to contribute to diversity and equal opportunities for all and will promote, respect and prevent breaches of internationally recognised human rights.

Entra does not accept discrimination or bullying in the workplace. Everyone is to be treated with respect, irrespective of gender, religion, age, ethnicity, nationality, any disability or sexual orientation. In order to secure compliance, human rights are included in guidelines and management tools, including those dealing with fundamental values, ethical guidelines, socially responsible procurement, the focus on HSE and the working environment.

Entra provides its employees with opportunities for professional and personal development and facilitates training to ensure that employees have the right competence and are able

to use their expertise and assume responsibility. Entra demonstrates respect for its employees' private life and take into account requirements for personal data protection through secure IT and HR systems.

Community engagement

In addition to its core areas for ESG work, Entra has had a community engagement for many years.

Entra has been a sponsor of the Church City Mission ("Kirkens Bymisjon") in Norway since 2014. Entra's financial support to, and dialogue with, the Church City Mission strengthens the constructive measures that the Church City Mission is carrying out in connection with social challenges in the cities covered by the agreement. In Oslo, Entra is involved, among other things, in the "Neighbour cooperation" project, which involves several companies located in the Oslo city centre and Bjørvika, working to create a safer and better local environment for all those passing through the area. Entra is actively involved in Christmas campaigns to collect money to provide Christmas dinners for the homeless and Entra employees have been knitting scarves for the campaign "Support someone who dreads Christmas". At Tøyen in Oslo, Entra has established and arranged several community arrangements such as a new library for youths, festival with focus on re-use, waste sorting and refurbishment of a public square. At Hinna Park in Stavanger, Entra has arranged several neighborhood arrangements such as outdoor cinema. In total Entra has contributed with community engagement in and around 30 per cent of its portfolio (23 assets).

For 19 consecutive years, Entra has also been a key sponsor of Ridderrennet, a full week of skiing activities and competitions for all classes of visually and mobility disabled persons. Around 500 disabled skiers from different countries participate in various competitions at Beitostølen. In addition to monetary support, Entra employees also serve as volunteers during the event.



Corporate governance

Report on the Norwegian Code of Practice for Corporate Governance (“the Report”)

Good corporate governance and corporate management reduce business-related risk, while enabling the company's resources to be utilised in an effective and sustainable manner. Corporate governance deals with issues and principles associated with the distribution of roles between the governing bodies in a company. It calls for effective co-operation and a defined division of responsibilities and roles between the shareholders, the Board and the management as well as respect for the Group's other stakeholders. Openness, transparency, accountability and equal treatment are of key importance and underpin confidence in Entra both internally and externally. The Group's value platform and ethical guidelines are a fundamental premise for its corporate governance.

1. Corporate Governance statement

Entra ASA is subject to the reporting requirements on corporate governance set out in section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance of October 2018, issued by the Norwegian Corporate Governance Board (NUES), (“the Code”). The code is available at www.nues.no. The Board of Directors also believe that the Report to the Norwegian Parliament no. 27 (2013–2014) - “Diverse and value-creating ownership” is relevant for Entra.

This Report will be addressed at Entra's Annual General Meeting on 30 April 2020.

The Report is structured in the same way as the Code and covers each topic of the Code, including a description of Entra's compliance system and initiatives. The following elements are central in this Report:

- Entra shall maintain open, reliable and relevant communication with the outside world about the Group's business and matters related to corporate governance
- Entra shall have a board that is independent of the Group's management
- Emphasis shall be placed on avoiding as far as possible conflicts of interest between shareholders, the Board and management
- Entra shall have a clear division of work between the Board and management
- All shareholders shall receive equal treatment

1.1 The Board of Directors' Corporate Governance statement

Entra's Board actively adheres to good corporate governance standards and will at all times seek to ensure that Entra complies with the requirements of section 3-3 b of the Accounting Act and the Code. This is done by ensuring that good governance is an integral part of the decision-making process in matters dealt with by the Board. Moreover, Entra's corporate governance standards are subject to annual assessment and discussion by the Board.

2. Business

According to the Entra's Articles of Association, Entra's objective is to own, acquire, sell, operate, develop and manage real estate, and carry out other activities in this connection. The Group can invest in shares or ownership interests and participate in companies engaged in the business referred to above.

Entra's strategy is to actively work with new and existing tenants to ensure maximum retention, pursue strategic development projects, expand its commitment to environmental sustainability and optimise its property portfolio through focused acquisitions and divestments.

The Board is responsible for establishing the strategy, relevant targets and an appropriate risk profile for the Group that aims to create shareholder value. The strategy, targets and risk profiles are evaluated and amended on an annual basis.

A more detailed description of the Group's targets, main strategies, business, property portfolio and risk profile, as well as the full set of Articles of Association, are set out in Entra's annual report and on www.entra.no

3. Equity and dividends

3.1 Equity

At 31 December 2019, the Group's book equity was NOK 24,517 million (NOK 22,269 million), representing an equity ratio of 48 per cent (47 per cent). The Board considers this to be satisfactory by reference to the Group's goals, strategy and risk profile. At any given time, the company's financial strength and exposure is considered in the light of its objectives, strategy and risk profile.

3.2 Dividend

The Board of Entra targets to pay out dividends corresponding to approximately 60 per cent of Cash Earnings on a semi-annual basis. Cash Earnings is defined as net income from property management less tax payable.

3.3 Capital increases and purchases of own shares

Capital increase

The Board has not been authorised to issue shares.

Purchase of own shares

The Board has been authorised on behalf of the company to acquire Entra shares in the market with a combined nominal value up to NOK 3,642,641, corresponding to 2 per cent of outstanding shares, up to a maximum purchase price of NOK 729 million. The minimum and maximum amount that may be paid per share is respectively NOK 50 and NOK 200. Within these limits, the Board can decide at which prices and at which times acquisitions may take place. Own shares acquired in relation to this authorisation may only be used for cancellation through a reduction in capital, cf. the Norwegian Public Limited Liability Companies Act section 12-1. The authorisation is valid until the general meeting in 2020, but no longer than until 30 June 2020. Entra has repurchased no shares under the buy-back programme in 2019.

The Board has also been authorised on behalf of the company, to acquire up to 500,000 own shares with a maximum nominal value of NOK 500,000, provided that the company's total holding of such own shares does not at any time exceed 0.3 per cent of the outstanding shares. Own shares so acquired are to be used

CORPORATE GOVERNANCE IN ENTRA

| | Compliance with the Code | Non-compliance with the Code |
|--|--------------------------|------------------------------|
| 1. The Board of Directors' Corporate Governance statement | ● | |
| 2. Business | ● | |
| 3. Equity and dividends | ● | |
| 4. Equal treatment of shareholders and transactions with related parties | ● | |
| 5. Free transferability | ● | |
| 6. General meeting | ¹⁾ ● | |
| 7. Nomination Committee | ● | |
| 8. Board composition and independence | ● | |
| 9. The work of the Board | ● | |
| 10. Risk management and internal controls | ● | |
| 11. Remuneration of the Board | ● | |
| 12. Remuneration of Senior Executives | ● | |
| 13. Information and communication | ● | |
| 14. Takeover bids | ● | |
| 15. Auditor | ● | |

¹⁾ Minor deviation, cf. section 6.

for the purpose of establishing a share ownership scheme for all employees and a long-term share incentive scheme for the Senior Executives of the Entra Group. The lowest price per share to be paid is NOK 50 and the highest price per share to be paid is NOK 150. The authorisation is valid until the general meeting in 2020, but no longer than until 30 June 2020.

4. Equal treatment of shareholders and transactions with related parties

4.1 General

Entra has only one share class. Each share carries one vote and otherwise has equal rights including the right to participate in general meetings.

4.2 Capital increases without preferential rights and transactions in the group's own shares

The Board's mandate to acquire treasury shares is based on the assumption that acquisitions will take place in the market. Acquired shares may be cancelled through a reduction in capital, cf. the Norwegian Public Limited Liability Companies Act section 12-1 or be disposed through the share schemes for the Group's employees.

The Group's transactions in its own shares shall take place over the stock exchange or otherwise at market price. If there is limited liquidity in the share, consideration shall be given to meeting the requirement for equal treatment in other ways.

In the case of not immaterial transactions between Entra and a shareholder, a shareholder's parent company, a Board member, a Senior Executive or persons related to them, the Board is to ensure that a valuation is in place from an independent third party. This does not apply when the general meeting is to consider the matter in accordance with the rules in the Norwegian Public Companies Act. An independent valuation shall also be provided in the case of transactions between companies in the same group where there are minority shareholders in such companies.

The Board is not aware of any transactions in 2019 between the company and shareholders, directors, executive personnel or parties closely related to such individuals that could be described as material transactions.

5. Free transferability

The shares are freely negotiable, with the exception of shares purchased by employees at a discount, and shares allocated in connection with the company's long-term incentive (LTI) scheme, see section 13.3 in the Report. The Articles of Association place no restrictions on voting, ownership or negotiability in the shares.

6. General meeting

6.1 Exercise of rights

The Board shall arrange for as many shareholders as possible to be able to exercise their rights to participate in Entra's general meeting, and for the general meeting to be an effective meeting place for shareholders and the Board, through, among other things, ensuring that:

- agenda documents are sufficiently detailed for shareholders to be able to take a position on all matters that are to be considered;
- the deadline for notice of attendance is set as close to the meeting as practically possible and in accordance with the provisions in the Articles of Association;
- the Board and chair of the Nomination Committee attend the general meeting
- routines are in place to ensure that the general meeting can elect an independent person to chair the general meeting; and
- the Board and the person chairing the meeting shall ensure that the general meeting is able to vote on each item, hereunder for individual candidates for appointment to the Group's governing bodies.

6.2 Participation by proxy

Shareholders who are not able to be present at the general meeting shall be given the opportunity to vote through a proxy or through electronic participation. Entra shall:

- give information on the procedure for attending by proxy;
- appoint a person who can vote for shareholders as proxy; and
- prepare a proxy form, which as far as possible is laid out in such a way that votes can be given for each matter that is to be considered and candidates who are to be elected.

The entire Board has not usually attended the General Meeting as the items on the agenda of the General Meeting have not required this. The Chair of the Board is always present, and other Board members participate on an ad hoc basis. From the Group's perspective, this is considered to be sufficient.

7. Nomination Committee

Article 6 of the Group's Articles of Association states that the company shall have a Nomination Committee composed of up to five members.

The members of the Nomination Committee, including the chair of the Nomination Committee, are elected by the general meeting for a period of up to two years. Members of the Nomination Committee shall be shareholders or representatives of shareholders and the committee should be composed so that broad shareholder interests are represented. Each gender shall be sought represented in the Nomination Committee.

The Nomination Committee shall give its recommendation to the general meeting regarding election of shareholder-elected members to the Board of Directors and members of the Nomination Committee, as well as remuneration to members of the Board of Directors and the Nomination Committee. The remuneration to members of the Nomination Committee is determined by the general meeting, and the general meeting may adopt instructions for the Nomination Committee. The Nomination Committee ensures that shareholders' views are taken into account when qualified members are nominated to the governing bodies of Entra, and shareholders are invited to provide input to the Nomination Committee.

None of the Committee's members represents Entra's management or Board and they are all considered to be independent of daily management and the Board. The Nomination Committee is considered to have a composition that reflects the common interests of the community of shareholders.

See www.entra.no for more information on the members of the Group's Nomination Committee and the Nomination Committee's contact details.

8. Board composition and independence

The shareholders elect between five and eight shareholder-elected members to the Board, including the Chair, for a period of two years. Entra has established a group scheme for the election of two employees to the Board of Entra.

Emphasis is placed on the combined Board being able to safeguard the interests of the shareholders as a whole and the Group's need for expertise within the Group's main business and board work. In addition, the Board shall have the capacity to carry out its tasks. Consideration shall be given to the Board being able to function well in a collegiate manner. Participants in the Group management shall not be members of the Board.

The Board is composed so that it can act independently of special interests. All the shareholder-elected members are independent of the Senior Executives, the Group's main shareholders, and significant business connections.

Information regarding the Board members' expertise is provided in the annual report. In addition, information is given about those Board members who are considered to be independent. Board members are encouraged to own shares in the Group.

9. The work of the Board

9.1 The functions of the Board

The Board has responsibility for the management and control of the Group, including determining the Group's overall strategy and objectives, and for ensuring proper management and organisation of the Group's business. The Board shall also supervise day-to-day management and the Group's business in other respects. The Board adopts the overall governing documents for the Group's business, including, among others, the business plan and investment limits.

The Board shall keep itself informed about the Group's financial situation and ensure that its business, financial reporting and asset management are subject to adequate controls and in accordance with applicable legislation. The Board shall ensure that the Group has good internal controls and appropriate systems for risk management in relation to the extent and nature of the Group's business.

The Board's functions also include considering all matters that in relation to the Group are of an unusual nature or of major importance. The Board shall further consider matters that are specifically accorded to the Board by law.

Conflicts of interest and incapacity

Entra considers it important to be transparent and cautious in relation to transactions where there might be a close relationship between the Group and a shareholder, a shareholder's parent company, a Board member, a senior employee or closely related parties of any of these. The guidelines for the Board regulate the Board members' duty to report any other directorships, roles and related parties. The guidelines for the Board state that Board members and the CEO cannot participate in discussions or decisions on issues that affect them personally or affect a related party where they have a significant personal or financial interest in the matter. The Board has also approved guidelines for transactions with related parties, describing the rules and procedures for these types of transactions.

9.2 Composition of the Board

The Board consists of the following seven members: Siri Hatlen (Chair), Kjell Bjordal (Vice Chair), Ingrid Dahl Hovland, Widar Salbuviik, Camilla Aldona Cakste Tepfers, Mariann Halsvik Larsen and Erling Nedkvitne.

The Board schedules regular board meetings each year. Ordinarily, 7-8 meetings are held each year. Additional meetings are held on an ad hoc basis. 11 (10) Board meetings were held in 2019.

Siri Hatlen, Kjell Bjordal, Widar Salbuviik and Ingrid Dahl Hovland were elected at the general meeting on 20 April 2018 whereas Camilla A.C. Tepfers was elected on the general meeting on 26 April 2019. All board members are up for election at the general meeting to be held on 30 April 2020.

Linnea Tviberg Scharning and Erling Nedkvitne were elected by the employees in May 2018 for a two-year period. Linnea Tviberg Scharning was replaced by Marian Halsvik Larsen from 4 March 2019. The employee elected board members are up for election in 2020.

The Chair of the Audit Committee is Widar Salbuviik and the Chair of the Remuneration Committee is Siri Hatlen.

9.3 Organisation of the Board's work

The Chair of the Board chairs board meetings. The Board has a Vice Chair who chairs meetings when the Chair cannot or should not lead the work of the Board. All directors receive regular information about the Group's operational and financial progress in advance of the Board meetings. The Company's business plan, strategy and risk are regularly reviewed and evaluated by the Board. The Board draws up and adopts an annual plan, including topics for the Board meetings. Ordinarily, the CEO proposes the agenda for each individual Board meeting. The final agenda is decided in consultation between the CEO and the Chair of the Board. In addition to the directors, Board meetings are attended by the CEO, CFO, other EVPs as needed, and the Chief Legal Officer (secretary of the Board). Other participants are called in on an ad hoc basis. The Board decides on matters of material importance to the Group. These include, but are not limited

to, approval of the annual and quarterly accounts, strategies and strategic plans, the approval of significant investments, the approval of significant contracts and the approval of substantial business acquisitions and disposals.

The Board receives quarterly reports and presentations on the Group's operational and financial status. The reports describe progress and status in the Group's operative and administrative functions during the reporting period. The individual business units hold meetings with the CEO and CFO to review operating activities prior to and in connection with such reporting. The reports form the basis for internal control, communication on status and necessary measures. The quarterly reports are reviewed at Board meetings, and also form the basis for the external financial reporting.

Each year the Board and its committees assess their own work and way of working as a basis for assessing the need for changes and other measures. This assessment includes an evaluation of the Board's expertise, collectively and for each member, and how well the Board works as a team.

9.4 Guidelines for the CEO

The Board has adopted guidelines that regulate the CEO's tasks and the relationship with the Board. The CEO is responsible for the day-to-day management of the Group and the Group's business and for ensuring that the Board's resolutions are implemented, as well as ensuring that the Group's employees and other involved parties receive sufficient information on the Board's resolutions. The CEO is further responsible for ensuring that the Board receives the information that is necessary for it to be able to exercise its functions in accordance with applicable statutory requirements at the relevant time and with board procedures.

The CEO is obliged to inform the Chair of the Board if the CEO finds that circumstances exist that require the Board to consider a matter, and the CEO is to notify the Board when the assumptions for a previous decision that is relevant to the business have changed significantly.

9.5 Board committees

The Board has established an Audit Committee and a Remuneration Committee. The Board has established

mandates for the work of the committees, which are subject to annual revision. In accordance with their respective mandates, the Audit Committee and the Remuneration Committee shall have two or three qualified shareholder representatives from the current Board. The representatives are in general elected by the Board for two years at a time. In case of Board changes during the election period affecting members of the Audit Committee or Remuneration Committee, the period lasts until the representative is up for next election as a Board member. The committees assist the Board with preparing its work, but decisions are taken by the whole Board.

The Audit Committee acts as a preparatory body and supports the Board in the exercise of its responsibility relating to financial reporting, auditing, internal controls, compliance with ethical guidelines and overall risk management. The CFO, the Head of Group Accounting, the Group Controller and the Head of Accounting (secretary of the Audit Committee) attend as representatives of the management. The Group's auditor also participates in all meetings. The CEO and other members of the management attend as required. The Audit Committee has an established calendar of meetings. 7 (7) meetings were held in 2019.

The purpose of the Remuneration Committee is to act as a preparatory body for the Board's consideration of compensation issues. The Remuneration Committee's main task is to prepare the Board's consideration of matters relating to the salary and employment terms of the CEO and Senior Executives, as well as changes to them. In addition, the Remuneration Committee prepares the Board's consideration of principle issues relating to salary levels, result-related pay schemes (including share schemes), the pension scheme/conditions, employment contracts and similar for the Senior Executives of Entra, as well as other matters relating to compensation that are of particular importance for the Group's competitive position, profile, ability to recruit, reputation etc. The CEO discusses the handling of individual conditions of Senior Executives with the Remuneration Committee. The Remuneration Committee furthermore discusses and presents proposals to the Board on guidelines for the remuneration of Senior Executives, prepares the Board's statement on the determination of salaries and other remuneration of Senior Executives in accordance with section 6-16a of the Norwegian Public Companies Act, and deals with other statutory reporting requirements.

PARTICIPATION IN BOARD MEETINGS AND BOARD COMMITTEES IN 2019

| | Board meetings | Audit committee | Remuneration committee |
|--|----------------|-----------------|------------------------|
| Siri Hatlen (Chair) | 11 | | 4 |
| Kjell Bjordal (Vice Chair) | 11 | 4 | 4 |
| Ingrid Dahl Hovland | 11 | | |
| Widar Salbuvik | 11 | 7 | |
| Camilla Aldona Cakste Tepfers (from 26 April 2019) | 6 | | |
| Katarina Staaf (until 26 April 2019) | 3 | 3 | |
| Mariann Halsvik Larsen (from 4 March 2019) | 8 | | |
| Erling Nedkvitne | 11 | | |
| Linnea Tviberg Scharning (until 4 March 2019) | 2 | | |

The Remuneration Committee is composed of the Chair of the Board and one or two shareholder-elected members of the Board, and shall be independent of Senior Executives. The CEO attends as the representative of the management. The CEO does not participate in discussions on issues that affect the CEO personally or matters that relate to the Senior Executives as a whole. The Group's Chief Legal Officer acts as the committee's secretary. 4 (4) meetings were held in 2019.

9.6 The Board members' shareholdings

At 31 December 2019, the Board members held the following portfolios of shares in the Group:

- Siri Hatlen (Chair) holds 1,163 shares
- Kjell Bjordal (Vice Chair) holds 44,704 shares
- Ingrid Dahl Hovland holds no shares
- Widar Salbuvik holds 10,000 shares
- Camilla Aldone Cakste Tepfers holds no shares
- Mariann Halsvik Larsen holds 3,117 shares
- Erling Nedkvitne holds 9,384 shares

10. Risk management and internal controls

10.1 General

The Board is responsible for ensuring that the Group's business, financial reporting and asset management are subject to adequate control and in accordance with applicable law. Entra's risk management is to support the Group's strategic and financial goals and help the Group avoid events that may have an adverse impact on the Group's operations, financial situation and reputation.

Entra works systematically to ensure continuous improvement of its internal controls linked to financial reporting and efficient operation. The Group has a proactive approach towards risk management, and potential risks are identified, assessed, quantified and managed. This is further elaborated in the section on Risk Management in the Annual Report.

10.2 Reporting

As part of the management's follow-up of the business, quarterly reports and reviews are prepared for all business areas. The Board undertakes a semi-annual review of the Group's risk and internal control activities. The Board is also informed quarterly of developments in the Group's risk exposure. This, combined with the management's risk assessments and information on ongoing measures, put the Board in a good position to judge whether the Group's risk management procedures are satisfactory. Risk management and internal controls are also considered by the Board's Audit Committee.

10.3 Monitoring and control of financial reporting

Procedures have been established for financial reporting that involve carrying out a review of significant estimates, provisions and accruals in conjunction with preparation of the quarterly and annual financial statements. Separate memorandums are prepared for significant accounting assessments and non-routine transactions and are discussed with the Audit Committee. The valuation of the Group's properties is subject to a separate review and assessment at management level at the close

of each quarter. This involves, among other things, holding meetings with the external valuers, with a particular emphasis on discussing perceptions of the market, risk premiums and documentation.

The Group reconciles and documents all balance sheet items in the group companies each quarter. Balance sheet items such as bank deposits, receivables, non-current assets and liabilities are subject to special reviews. Bank loans, interest rates and interest rate hedging are subject to manual reconciliation each month. Ongoing projects are reviewed on a quarterly basis by the Project Development department. Rental income and other significant profit and loss items are subject to reconciliation each quarter. All reconciliations are reviewed and quality assured, as well as being analysed against the Group's forecasts and previous accounting periods.

Management reports significant operational and financial matters to the Board at the Group's Board meetings. Any significant matters and situations that arise outside Board meetings are discussed with the Chair of the Board and if necessary additional Board meetings are held.

In connection with the quarterly reporting, the Group's external auditor performs a review of the financial reporting, without issuing a review report.

The Group's quarterly and annual financial statements are reviewed by the Audit Committee before they are considered by the Board. As part of this process, management prepares a memorandum for the Audit Committee that describes significant accounting and financial assessments made during the quarter. The Audit Committee annually reviews the external auditor's audit report, as well as the findings and assessments of reviews and audits in conjunction with interim and annual reports, if applicable. Key Audit Matters and significant issues in the auditor's report are presented to the whole Board.

10.4 Financial management

The Group is managed by means of financial targets linked to operational results and development, the return on equity and the weighted average cost of capital, the management of the debt portfolio and the return on the property portfolio. Risk assessments and profitability calculations are performed in connection with acquiring property and commencement of building projects, in accordance with the Group's calculation model and required rate of return. The present value and other key financial metrics of building projects are monitored throughout the course of each project. Long-term projections are made of expected financial developments as a component of the Group's risk management, using a model with detailed assumptions concerning the business's results, cash flow and balance sheet. The projections take into account cyclical developments in the economy, financial parameters and the property market. Scenarios and simulations are prepared for various developments. The simulations provide insightful information for the Board and management in their monitoring of developments in central balance sheet key figures and cash flow.

Allocation of capital and risk profiles are important parameters for guiding financial operations. Entra's finance policy contains a framework for the day-to-day management of the Group's financial risk. Principles have been defined for borrowing, management of liquidity risk and interest rate risk, and credit and counterparty risk. The Group's model for financial projections provides updated key figures, which are monitored on a continuous basis. Reports are made to the management monthly in accordance with the management guidelines for the financial operations, and to the Board through the quarterly business report.

Systematic monitoring of the general economic situation and its impact on the Group's financial risk is carried out. Based on expected developments in the economy and analysis of the Group's financial position, expected developments in both short-term and long-term interest rates, the strategy for interest rate positioning, capital requirements and planned financing activities are discussed, as well as opportunities in the financing market.

10.5 Monitoring of risk management and internal controls

In consultation with the Audit Committee, management defines areas where the Group is to carry out a review of internal controls. Both internal and external resources are used on these reviews. The results of the most important reviews related to internal control are presented to the Audit Committee and the Board on an annual basis. An internal control plan is presented to the Board.

10.6 Monitoring ethical guidelines and socially responsible procurement

The Group follows up issues relating to ethical guidelines and corporate social responsibility. The environmental perspective is an integral part of the assessments made in connection with the Group's potential investments. Special requirements have been defined for the Group's suppliers in the document "Socially Responsible Procurement", and a supplier verification process is conducted each year to ensure that the Group's suppliers are familiar with and adhere to the contractual conditions. This is further elaborated in the ESG report which is included in the Annual Report.

10.7 Monitoring of compliance

The Group's Chief Compliance Officer (CCO) is responsible for compliance with Entra's regulatory and legal requirements as well as internal policies and bylaws. The CCO performs an annual review of the Group's governing documents, including guidelines for ethical conduct, procurement, sustainability, anti-corruption, data protection and privacy, and supports the Board and the CEO in ensuring that these guidelines are implemented and enforced. The CCO is further responsible for the Group's whistleblowing channels. The Board of Directors are provided semi-annual reports on compliance related matters.

11. Remuneration of the Board

The general meeting determines each year the remuneration of the Board based on the Nomination Committee's proposal. The Board's remuneration shall reflect the Board's responsibilities,

expertise, and use of time and the complexity of the business. Remuneration shall not be dependent on results and no share options shall be issued to Board members.

Board members or companies to which they are connected should not undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do, the whole Board is to be informed. Fees for such assignments are to be approved by the Board. If remuneration has been paid above the normal Board fee, this is to be specified in the annual report.

12. Remuneration of Senior Executives

12.1 Board statement regarding Senior Executives' remuneration

The Board prepares a statement on the determination of salaries and other remuneration of Senior Executives in accordance with section 6–16a of the Norwegian Public Companies Act. The statement is presented to the general meeting. The statement sets out the main principles for the Entra's Senior Executives' salary policy and seeks to contribute to the alignment of interests between the shareholders and Senior Executives.

12.2 Determination of salaries and compensation of Senior Executives

The Board assesses the CEO's terms and conditions of employment once a year following a recommendation from the Board's Remuneration Committee. The CEO consults the Remuneration Committee in connection with the annual adjustment of the salaries of the Group's Senior Executives.

12.3 Performance-related pay

The Group operates a performance-related pay scheme for Senior Executives. Performance-related pay for the Group's Senior Executives includes a performance-related pay scheme ("STI") and a long-term performance-based share incentive program ("LTI"). See note 15 to the consolidated financial statements for a more detailed description of the Group's performance-related pay scheme for Senior Executives.

13. Information and communication

13.1 Financial reporting and communication

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. Reporting fulfils statutory requirements and provides sufficient information to allow Entra's stakeholders to form as accurate a picture of the business as possible. Entra reports in accordance with the rules in the Norwegian Securities Trading Act, as well as with the requirements specified by the Oslo Stock Exchange for companies with listed shares and bonds.

Entra provides its shareholders, the Oslo Stock Exchange and the financial market in general with timely, consistent and precise information. Such information is given in the form of annual reports, quarterly reports, stock exchange notices and investor presentations. The Group's report on corporate social responsibility is integrated in the annual report. The Board has set an IR policy for Entra's reporting of financial and other information.

The Board has approved insider regulations relating to the handling of inside information and trading in the company's shares. Primary insiders require internal clearance by the Chief Legal Officer before they can buy or sell Entra shares.

13.2 Information to Entra's shareholders

The Group considers it important to inform shareholders about the Group's development and economic and financial status. Management members (CEO, CFO and Investor Relations Manager) are available for discussions with shareholders in order to develop a balanced understanding of such shareholders' situation and focus, subject however to the provisions in legislation and regulations. The Chair of the Board ensures that shareholders' viewpoints are communicated to the whole Board.

Information to the Group's shareholders is published on Entra's website at the same time as it is sent to the shareholders. The Board has determined an IR policy for Entra's contact with shareholders outside the general meeting.

14. Takeover bids

The Board has an approved set of guidelines for takeover bids and will handle such situations in accordance with Norwegian law and the Norwegian Code of Practice for Corporate Governance. In a bid situation, Entra's Board and Senior Executives have a responsibility to help ensure that shareholders are treated equally, and that the Group's business activities are not disrupted unnecessarily. The Board will not hinder or obstruct takeover bids for Entra's activities or shares. The Board will ensure that shareholders are given sufficient information and time to form an opinion on an offer. If a takeover offer is received, the Board will issue a statement making a recommendation as to whether shareholders should or should not accept the offer.

15. Auditor

The general meeting elects the Group's auditor. Since 2012 Entra's auditor has been Deloitte. Eivind Skaug has been the responsible partner of the audit team since 2014.

15.1 Plan for the auditor's work

Each year the auditor presents a plan for his work to the Audit Committee that in turn informs the Board of its most important aspects.

15.2 Auditor's relationship to the Board

The auditor attends all meetings of the Audit Committee, as well as relevant Board meetings to consider and adopt the annual report and financial statements. At the meetings, the auditor goes through any significant changes in the Group's accounting principles, the evaluation of material accounting estimates and all material matters where there has been disagreement between the auditor and the management. There is one annual meeting with the Audit Committee and the auditor, and one meeting with the whole Board and the auditor, which is not attended by representatives from the management.

15.3 Auditor's review of the group's internal controls and financial reporting

When presenting the results of the interim audit to the Audit Committee, the auditor focuses on the Group's internal controls, identified weaknesses and proposals for improvements. The auditor summarises the findings and assessments of the annual audit for Group management and the Audit Committee. Material issues if applicable are summarised for the Board.

15.4 Auditor's independence

Each year the auditor's independence is assessed by the Audit Committee. The Board has drawn up guidelines on the engagement of the external auditor, governing what work the auditor can do for the Group in view of the requirement for independence. Any major assignments other than statutory audits are approved by the Audit Committee in advance. The management informs the Audit Committee of additional services supplied by the external auditor under a fixed item on the agenda at each meeting.

15.5 General meeting

The auditor attends the annual general meeting for consideration of the annual financial statements. The auditor's fee for the statutory audit and other services is approved by the general meeting.



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To the Board of Directors of Entra ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON ENTRA'S ESG REPORT FOR 2019

We have been engaged by the Board of Directors of Entra to provide limited assurance in respect of the environmental, social and governance information presented in the Entra – Annual Report 2019, the sections ESG report, pages 34 – 69, GRI and TCFD tables, pages 163 – 168, and EPRA Sustainability Performance Measures, pages 169 – 175, in total referred to as "the Report". Our responsibility is to provide a limited level of assurance on the subject matters concluded on below.

Responsibilities of the Board of Directors

The Board of Directors are responsible for the preparation and presentation of the Report and that it has been prepared in accordance with the reporting criteria described in the Report, including the GRI Standards, level Core, and the Norwegian Code of Practice for Corporate Governance. The Board of Directors are also responsible for establishing such internal controls that they determine are necessary to ensure that the information is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion on the information in the Report. We have conducted our work in accordance with ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

Deloitte AS is subject to International Standard on Quality Control 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

Considering the risk of material misstatement, our work included analytical procedures and interviews with management and individual resources responsible for the preparation of the Report and for sustainability management at corporate level, as well as a review on a sample basis of evidence supporting the information in the Report.

We believe that our work provides an appropriate basis for us to provide a conclusion with a limited level of assurance on the subject matters.

Deloitte.

Conclusions

Based on our work, nothing has come to our attention causing us not to believe that:

- Entra has applied procedures to identify, collect, compile and validate ESG information for 2019 to be included in the Report, as described in the Report.
- ESG information presented for 2019 is consistent with data accumulated as a result of these procedures and appropriately presented in the Report.
- Entra applies a reporting practice for its corporate governance reporting aligned with the Norwegian Code of Practice for Corporate Governance.
- Entra applies a reporting practice for its sustainability reporting aligned with the Global Reporting Initiative (GRI) Standards reporting principles and the reporting fulfils in accordance level Core according to the GRI Standards. Entra's GRI index presented in the Report appropriately reflects where information on each of the disclosures of the GRI Standards is to be found within the Entra - Annual Report 2019.

Oslo, March 4, 2020
Deloitte AS


Eivind Skaug
State Authorised Public Accountant


Frank Dahl
Deloitte Sustainability



GRI table

The reports have been prepared in accordance with the GRI Standards: Core option. Deloitte has been engaged to conduct a limited assurance on the reporting. Page references relate to the ESG Report 2019 (ESG), the Annual Report 2019 (AR)

GENERAL DISCLOSURES

| Disclosure # | Disclosure name | Reference and/or response |
|-------------------------------|--|---|
| ORGANIZATIONAL PROFILE | | |
| 102-1 | Name of the organization | Entra ASA |
| 102-2 | Activities, brands, products, and services | AR, The business |
| 102-3 | Location of headquarters | AR, The business |
| 102-4 | Location of operations | AR, The business |
| 102-5 | Ownership and legal form | AR, Board Report; Shareholder Information |
| 102-6 | Markets served | AR, The business |
| 102-7 | Scale of the organization | AR: This is Entra; 2019 in Summary; The business; Employees and Organisation, ESG: EPRA Sustainability Performance Measures |
| 102-8 | Information on employees and other workers | AR, Board report; ESG; Motivated employees - Equality and diversity; EPRA Sustainability Performance Measures |
| 102-9 | Supply chain | ESG; Ethics and anti-corruption - Entra's supply chain |
| 102-10 | Significant changes to the organization and its supply chain | No significant changes in 2019 |
| 102-11 | Precautionary Principle or approach | ESG; Climate and the Environment |
| 102-12 | External initiatives | ESG: Reporting standards and responses; Supporting the UN Sustainability Development Goals; Climate and the Environment; |
| 102-13 | Membership of associations | ESG; Reporting standards and responses; Climate and the Environment - Membership of associations; Motivated employees |
| STRATEGY | | |
| 102-14 | Statement from senior decision-maker | AR; Letter from CEO and Board of Directors Report |
| ETHICS AND INTEGRITY | | |
| 102-16 | Values, principles, standards, and norms of behavior | AR; Letter from CEO; The Business, ESG; Ethics and Anti-corruption, Corporate governance |
| GOVERNANCE | | |
| 102-18 | Governance structure | ESG; Corporate Governance |
| STAKEHOLDER ENGAGEMENT | | |
| 102-40 | List of stakeholder groups | ESG; Stakeholder dialogue |
| 102-41 | Collective bargaining agreements | ESG; Motivated employees - Workers' rights |
| 102-42 | Identifying and selecting stakeholders | ESG; Stakeholder dialogue |
| 102-43 | Approach to stakeholder engagement | ESG; Stakeholder dialogue |
| 102-44 | Key topics and concerns raised | ESG; Materiality analysis and focus areas, Supporting the UN Sustainable Development Goals; Stakeholder dialogue |

| REPORTING PRACTICE | | |
|---------------------------|--|---|
| 102-45 | Entities included in the consolidated financial statements | AR; Note 2 and 33 |
| 102-46 | Defining report content and topic Boundaries | ESG; Stakeholder dialogue, Materiality analysis and focus areas |
| 102-47 | List of material topics | ESG; Stakeholder dialogue, Materiality analysis and focus areas |
| 102-48 | Restatements of information | No significant restatements of information |
| 102-49 | Changes in reporting | No significant changes from previous reporting periods |
| 102-50 | Reporting period | Annual report for 2019 |
| 102-51 | Date of most recent report | Annual Report 2018 |
| 102-52 | Reporting cycle | Annual |
| 102-53 | Contact point for questions regarding the report | Back of AR |
| 102-54 | Claims of reporting in accordance with the GRI Standards | AR; First page, ESG; Reporting standards and responses |
| 102-55 | GRI content index | Enclosure to ESG report |
| 102-56 | External assurance | ESG; Third party verification |

SPECIFIC STANDARD DISCLOSURES

| Disclosure # | Disclosure name | Reference and/or response |
|---|---|---|
| ECONOMIC | | |
| 103 1-3 | Management approach for economic standards and disclosures | AR: Board report; ESG; Management approach, Corporate Governance |
| <i>GRI Standard: Economic performance</i> | | |
| 201-1 | Direct economic value generated and distributed | AR; Key figures, Financial Statements |
| 201-2 | Financial implications and other risks and opportunities due to climate change | AR; Risk management ESG: Climate risks and Scenario analysis |
| 201-3 | Defined benefit plan obligations and other retirement plans | AR; Note 29 |
| <i>GRI Standard: Anti-corruption</i> | | |
| 205-1 | Operations assessed for risks related to corruption | AR; Risk management, ESG; Ethics and anti-corruption |
| 205-2 | Communication and training about anti-corruption policies and procedures | ESG; Ethics and anti-corruption |
| 205-3 | Confirmed incidents of corruption and actions taken | No incidents of corruption in 2019 |
| <i>GRI Standard: Anti-competitive Behaviour</i> | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No such incidents in 2019 |
| ENVIRONMENTAL | | |
| 103 1-3 | Management approach for environmental standards and disclosures | AR: Board report; ESG; Management approach; Materiality analysis and focus areas; Climate and the Environment |
| <i>GRI Standard: Energy</i> | | |
| 302-1 | Energy consumption within the organization | ESG; EPRA Sustainability Performance Measures |
| 302-2 | Energy intensity | ESG; Climate and environment; EPRA Sustainability reporting |
| 302-4 | Reduction of energy consumption | ESG: Climate and the environment; |
| <i>GRI Standard: Emissions</i> | | |
| 305-1 | Direct (Scope 1) GHG emissions | ESG; EPRA Sustainability Performance Measures |
| 305-2 | Energy indirect (Scope 2) GHG emissions | ESG; EPRA Sustainability Performance Measures |
| 305-3 | Other indirect (Scope 3) GHG emissions | ESG; EPRA Sustainability Performance Measures |
| 305-4 | GHG emissions intensity | ESG: Climate and Environment; EPRA Sustainability reporting |
| <i>GRI Standard: Effluents and waste</i> | | |
| 306-2 | Waste by type and disposal method | ESG; EPRA Sustainability Performance Measures |
| 306-3 | Significant spills | There has been no such incidents in 2019 |
| <i>GRI Standard: Environmental Compliance</i> | | |
| 307-1 | Non-compliance with environmental laws and regulations | There has been no such incidents in 2019 |

| | | |
|---|--|--|
| <i>GRI Standard: Supplier environmental assessment</i> | | |
| 308-1 | New suppliers that were screened using environmental criteria | ESG: Ethics and anti-corruption, supplier qualification requirements |
| SOCIAL | | |
| 103 1-3 | Management approach for social standards and disclosures | AR: Board report; ESG: Management approach; Materiality analysis and focus areas; Motivated employees; Ethics and anti-corruption; Health, safety and environment (HSE); Urban development |
| <i>GRI Standard: Labor/Management relations</i> | | |
| 402-1 | Minimum notice periods regarding operational changes | ESG: Motivated employees - Workers' rights |
| <i>GRI Standard: Occupational Health and Safety</i> | | |
| 403-1 | Workers representation in formal joint management-worker health and safety committees | ESG: Motivated employees - Safety officer, working environment committee and board representation |
| 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | ESG: Health, Safety and Environment (HSE); EPRA Sustainability Performance Measures |
| <i>GRI Standard: Training and education</i> | | |
| 404-1 | Average hours of training per year per employee | ESG: EPRA Sustainability Performance Measures |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | ESG: EPRA Sustainability Performance Measures |
| <i>GRI Standard: Diversity and Equal Opportunity</i> | | |
| 405-1 | Diversity of governance bodies and employees | ESG: EPRA Sustainability Performance Measures |
| <i>GRI Standard: Non-discrimination</i> | | |
| 406-1 | Incidents of discrimination and corrective actions taken | There has been no such incidents in 2019 |
| <i>GRI Standard: Freedom of Association and Collective Bargaining</i> | | |
| 407-1 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk | ESG: Ethics and anti-corruption There has been no such incidents in 2019 |
| <i>GRI Standard: Child Labor</i> | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | ESG: Ethics and anti-corruption There has been no such incidents in 2019 |
| <i>GRI Standard: Forced or Compulsory Labor</i> | | |
| 409-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | ESG: Ethics and anti-corruption There has been no such incidents in 2019 |
| <i>GRI Standard: Local Communities</i> | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | ESG: Community Engagement |
| <i>GRI Standard: Marketing and Labeling</i> | | |
| 417-1 | Requirements for product and service information and labeling | Entra certify new-build and rehabilitation projects in accordance with the BREEAM standard. The BREEAM standard is a third party certification of the assessment of an asset's environmental, social and economic sustainability performance, using standards developed by BRE |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | There has been no such incidents in 2019 |
| 417-3 | Incidents of non-compliance concerning marketing communications | There has been no such incidents in 2019 |
| <i>GRI Standard: Customer Privacy</i> | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | There has been no such incidents in 2019 |
| <i>GRI Standard: Socioeconomic Compliance</i> | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | There has been no such incidents in 2019 |





Reporting according to the Task Force on Climate-Related Financial Disclosures (TCFD)

The below page references refer to the annual report for 2019.

Entra has started a process to adapt the company's reporting in accordance with the recommendations in the TCFD framework to describe how we work strategically with climate related risks and opportunities. Entra's approach to climate risk and opportunity is discussed in our ESG Report on pages 34–6, and as part of the overall risk analysis on page 28–34. The table below describes the scope of the reporting and page references are made for the respective areas.

| Governance | Strategy | Risk Management | Indicators and goals |
|--|--|--|---|
| Recommended disclosures | Recommended disclosures | Recommended disclosures | Recommended disclosures |
| A. The Board's monitoring of climate-related risks and opportunities -> pages ESG report pg 36 and 46–53 | A. Climate-related risks and opportunities the organisation has identified -> pages Rsk factors pg 34, ESG report pages 46–53 | A. The organization's process for identifying climate-related risks -> pages Rsk factors pg 28–34, ESG report pages 46–53 | A. The organisations indicators for evaluating climate-related risks and opportunities -> pages ESG report pages 46–53 |
| B. Management's role regarding assessing and managing climate-related risks and opportunities -> pages ESG report pg 36 and 46–53 | B. Impact from risks and opportunities on the organisations operations, strategy and financial planning -> pages Rsk factors pg 28–34, ESG report pages 46–53 | B. The organizations' processes for managing climate-related risks -> pages Risk factors pg 28–34, ESG report pages 46–53 | B. Emissions of Scope 1, 2 and 3 under the Greenhouse Gas Protocol -> pages EPRA reporting pages 169–174 |
| | C. Preparation of the organisation's strategy in consideration of various climate-related scenarios -> pages 46–53 | C. Integration of the above processes in the organizations general risk management -> pages Risk factors pg 28–34, ESG report pages 46–53 | C. Goals for managing climate-related risks and opportunities -> pages ESG report pages 40–52 |

EPRA Sustainability Performance Measures

Entra reports on its energy, GHG emissions, water, waste and social governance impacts in accordance with the EPRA Sustainability Best Practice Recommendations (SBPR). This common reporting standard is a framework developed by property companies to promote transparency in sustainability reporting. To give our stakeholders greater confidence, this report has been independently assured by Deloitte based on the international standard ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

ORGANIZATIONAL BOUNDARY

Entra reports on asset-level sustainability impacts for assets within the management portfolio over which it has full operational control. This boundary coincides with the Group organizational structure as determined for financial reporting purposes and excludes assets under construction or in redevelopment. We do not report data for our single-let properties as we have no management control of these properties and are unable to collect utilities data. The environmental reporting period corresponds to the period from 1 January to 31 December.

DATA COVERAGE

For each asset-level performance measure, Entra discloses the number of properties reported on out of the total number of management properties in the Group portfolio for. Entra does not presently have data collection on each asset-level performance measure for every asset within the organizational boundary but aims to increase the data coverage going forward as it creates conditions for proper efficient technical management in our buildings.

Like-for-like performance measures include properties consistently in operation during the two most recent full reporting years and exclude asset acquisitions, disposals, major refurbishments and developments as well as fully vacant properties. Like-for-like performance measures also exclude assets with changes in the level of data coverage between the two reporting periods where the missing data cannot be reliably estimated.

ESTIMATION

In general estimation of missing data for partially unavailable or unreliable utility consumption for asset-level performance measures is carried out to a very small extent. In these cases, data for missing periods is estimated using known consumption from other periods for the metered supply in question. The proportion of estimated data is disclosed as a percentage of the total data provided for the relevant performance measure. The same method of estimation is used for all performance measures and for all assets. For 2019 there was no estimation except for HQ as described below.

Note that while there is limited estimation of waste data itself, the percentage of waste per disposal route is calculated by multiplying

actual waste created by the proportion of waste solutions for each waste group. This information on waste processing is provided directly by our waste management supplier.

As information is unavailable for Entra's office space HQ only, all performance measures for Entra's headquarters (excluding electricity) are calculated based on Entra's proportionate share of actual utility data for the property where Entra is a tenant.

Entra does not carry out data adjustment based on climate or occupancy rates. Variations in asset-level performance attributed to fluctuations in these factors are instead commented directly in the performance narrative, if relevant.

THIRD PARTY ASSURANCE

Entra has obtained third party assurance of its sustainability data for this reporting period. Statement from our auditors can be found on pages 68-69.

LANDLORD/TENANT BOUNDARY

Entra is responsible, as landlord, for obtaining a portion of the overall utilities consumed at the assets level. Total landlord-obtained consumption includes both utilities for common areas as well as tenant consumption sub-metered from the landlord. The remaining consumption is obtained and paid directly by the tenants. Entra has access to tenant-obtained consumption data and reports on whole building consumption for all asset-level environmental performance measures. Utilities purchased by Entra as the landlord (landlord-obtained) and those directly purchased by tenants (tenant-obtained) are presented separately under total consumption.

NORMALISATION

As a majority of Entra's management portfolio is utilized as office space, floor area is deemed the most appropriate denominator for asset-level performance measures. Whole building consumption is divided by Gross Leasable Area (GLA). The denominator GLA is closely aligned with the numerator as total consumption includes tenant-obtained utilities and is also consistent with the areas disclosed in Entra's financial reporting.

For absolute intensities, Entra either includes pre-existing data or pro-rates consumption up to the full year for properties entering or exiting the management portfolio during the reporting period. This removes the mismatch between the collected consumption data in the numerator and GLA as the denominator for more comparable absolute intensities.

Number of hours/days worked is used as the denominator when calculating health and safety performance measures.

SEGMENTAL ANALYSIS

Segmental reporting and analysis by geography or property type does not grant significantly greater insight into asset-level performance measures. As presented in its financial reports, Entra's management portfolio contains mainly office properties within Oslo, Norway and other regional cities, of which Oslo represents the majority location of portfolio value.

DISCLOSURE ON OWN OFFICES

Entra discloses the environmental impact of its own occupation separately within its sustainability reporting. As Entra is a tenant at a property within its own management portfolio, this data is also included in the total portfolio consumption. Please refer to the paragraph on estimation for a note concerning the calculation of data for Entra's headquarters.

PERFORMANCE NARRATIVE ON SOCIAL PERFORMANCE

Diversity-employee gender is calculated as a percentage of female to men. The women's share of Group employees has increased from 2018 to 2019. Diversity pay gender ratio is calculated men to woman. In 2019 Entra hired a female CEO which has affected the gender pay ratio from 2018 to 2019. The Chairman in Entra since 2012 is a woman.

Employee turnover is stable. In 2019, 32 people started working in Entra and 17 people left the company. Over a two-year period Entra has focused on new technology, increased environmental activities, and staffed up with a new digitalization department. New hire rates are calculated based on people started in Entra divided on the number of employees by the end of 2019. Turnover rate is calculated based on people that left Entra divided on the number of employees by the end of 2019.

There has been no serious incidents involving direct employees in Entra in 2018 or 2019 (calculated per 100,000 hours worked). The Injury rate, Lost day rate and Accident severity rate has been 0 both in 2018 and 2019.

PERFORMANCE NARRATIVE ON OUR MANAGED ASSETS

The following provides a short commentary on the asset-level performance indicators for Entra's management portfolio and headquarters for 2019. For an outline on our plans for managing future performance please refer to the ESG report, pages 40–53.

MANAGEMENT PORTFOLIO:

Energy

Entra's focus on improving energy efficiency has given results over the past 10 years, not only through concrete measures such as replacing central environment operation control systems and improving the zoning control of outdoor environments but also by generally optimizing the management of its properties. In 2019, absolute electricity consumption across the 66 managed assets with available data, totaled 89,111 MWh, a 4 per cent decrease from 2018. Measured as like-for-like, the increase was 4 per cent. Landlord-obtained consumption amounted to 59,633 MWh, of which 1.3 per cent came from renewable resources. Entra aims to increase this proportion by extending its green energy consumption through solar panels, wind and hydropower.

Absolute district heating and cooling consumption across the 48 managed assets totaled 45,019 MWh, a like-for-like decrease of 2 per cent compared with 2018. Landlord-obtained consumption amounted to 37,335 MWh.

Total direct fuel consumption was 0.6 MWh in 2019, down from 23 MWh in 2018. Entra is currently working towards phasing out fossil fuel consumption within its portfolio, and has in 2019 removed one of two oil boilers.

Building energy intensity across the 56 management properties in our portfolio with like-for-like performance data was 138 kWh per square meter in 2019, down by 3 per cent in comparison with 2018. Greenhouse gas intensity from building energy across the same assets fell to 4.61 kg CO₂e per square meter, a drop of 21 per cent compared with 2018. This decrease is mainly explained by a 13 per cent reduction in the Nordic mix electricity emission factor.

GHG emissions presented in the EPRA table are based on local-based and market-based emission factors for electricity. If calculated using market-based emission factor for electricity, the GHG emission from electricity is about 1,933 tonnes CO₂e in 2019, down from about 3,536 tonnes CO₂e for 2018. In 2018 and 2019 Entra has purchased guarantees of origin for all electricity purchased by Entra (land-lord obtained electricity consumption).

Water

100 per cent of water consumption comes from municipal water supplies sources. Absolute water consumption across the 64 managed assets with available data in 2019 was 277,800 m³ compared with 241,246 m³ in 2018. On a like-for-like basis, total water consumption increased by 7 per cent due to various reasons, such as some properties included in like-for-like become fully let, shifts in tenant consumption etc. Examples is more properties with training and shower facilities, possibilities for bike wash and one tenant using more water in combination with research. Building water intensity across the 55 assets with like-for-like performance data was 0.25 m³ per square meter in 2019, a 4 per cent decrease from 2018.

Waste

In 2019, absolute waste creation across the 57 managed assets with available data was approximately on same level as 2018, with 3,383 tons. Like-for-like increase with 15 per cent from 2,773 tons in 2018 to 3,189 tons in 2019. This is mainly explained by Entra's increased registration of waste data and fully let properties. Entra continuously works towards greater coverage of waste created by tenants who have waste groups managed independently of Entra's waste monitoring system.

Entra Headquarters:

Entra's electricity consumption at its headquarters totaled 114,097 kWh in 2019, a 10 per cent rise compared to 103,563 kWh in 2018. This increase is explained by a larger number of active users due to fully let building, with a direct effect on the amount of lighting and ventilation needed.

Entra's pro-rated share of district heating and cooling increased by 2 per cent from 87,857 kWh in 2018 to 89,785 kWh in 2019.

The property at which Entra is a tenant does not have fuels as an energy source.

Energy intensity for Entra's headquarters was 72 kWh per square meter in 2019, up by 7 per cent in comparison with 2018. Greenhouse gas intensity from energy ended at 2.05 kg CO₂e per square meter down from 2.12. This is mainly explained by a reduction of 13 per cent in the Nordic mix factor from IEA energy statistics for 2019.

Entra's proportionate share of water consumption in 2019 was 751 m³ compared with 984 m³ in 2018. This 24 per cent decrease is a directly consequence of a flood in the basement autumn 2018 and wardrobes and shower facilities were closed in the beginning of 2019 due to refurbishment. Building water intensity was 0.27 m³ per square meter in 2019, compared to 0.35 m³ per square meter in 2018.

Entra's proportionate share of total waste created decreased by 3 per cent from 13.2 tonnes in 2018 to 12.8 tons in 2019. Most of this decrease directly reflects on less refurbishments/reconstructions in the building due to fully let.

Location of EPRA Sustainability Performance in companies' reports

Entra reports the entirety of the EPRA Sustainability Performance Measures in its Annual Report, including a comprehensive EPRA sBPR table that uses the performance measure codes.

Reporting period

Entra reports both absolute and like-for-like performance measures for the two most recent years, but may choose to report performance measures over a longer period in the future should this provide meaningful data.

Materiality

Entra has not conducted a materiality review for the EPRA performance indicators as we consider all the sustainability performance measures in the EPRA table to be material.

EPRA Sustainability Performance Measures

ENVIRONMENT

| Impact area | EPRA Code | Units of measure | Indicator | Total portfolio | | | | Headquarter (s) | | |
|---------------------------------|--------------------|---------------------------------|--|--|---------------------|---------------------------------|-------------|----------------------------|-------------|-------------|
| | | | | Absolute performance (Abs) | | Like-for-like performance (LfL) | | Absolute performance (Abs) | | |
| | | | | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | |
| Energy | Elec-Abs, Elec-LfL | annual kWh | Electricity | 59 380 667 | 59 632 854 | 48 514 539 | 54 998 002 | 103 563 | 114 097 | |
| | | | | 0.3 % | 1.3 % | 0.4 % | 1.5 % | 0 % | 0 % | |
| | | | | Total landlord-obtained electricity | | | | | | |
| | | | | Proportion of landlord-obtained electricity from renewable resources | | | | | | |
| | | | | Total tenant-obtained electricity | | | | | | |
| | | | | Total landlord- and tenant-obtained electricity consumption | | | | | | |
| | | | | Electricity disclosure coverage | | | | | | |
| | | | % | Proportion of electricity estimated | | | | | | |
| | | | | Total landlord-obtained district heating and cooling | | | | | | |
| | | | | Proportion of landlord-obtained heating and cooling from renewable resources | | | | | | |
| | | | | Total tenant-obtained heating and cooling | | | | | | |
| | | | | Proportion of tenant-obtained heating and cooling from renewable resources | | | | | | |
| | | | Total landlord- and tenant-obtained heating and cooling | | | | | | | |
| | | | District heating and cooling disclosure coverage | | | | | | | |
| | | | Proportion of district heating and cooling estimated | | | | | | | |
| | | | Total direct landlord-obtained fuels | | | | | | | |
| | | | Proportion of landlord obtained fuels from renewable resources | | | | | | | |
| | | | Total tenant-obtained fuels | | | | | | | |
| | | | Total landlord- and tenant-obtained fuels | | | | | | | |
| | | | Fuels disclosure coverage | | | | | | | |
| | | | Proportion of fuels estimated | | | | | | | |
| | | | Building energy intensity | | | | | | | |
| | | annual kWh / sqm. | | 145 | 136 | 142 | 138 | 68 | 72 | |
| Greenhouse gas emissions | GHG-Dir-Abs | annual tonnes CO ₂ e | Direct | 298 | 74 | 298 | 74 | - | - | |
| | GHG-Indir-Abs | annual tonnes CO ₂ e | Indirect/location based | 5 113 | 4 413 | 4 543 | 4 143 | 6 | 6 | |
| | | annual tonnes CO ₂ e | Indirect/market based | 3 536 | 1 933 | 3 536 | 1 543 | NA | NA | |
| | | | Indirect | 972 | 907 | 836 | 836 | 5 | 3 | |
| | | | kg CO ₂ e / m ² / year | GHG emissions intensity | 5.65 | 4.53 | 5.86 | 4.61 | 2.12 | 2.05 |
| | | | | Energy and associated GHG disclosure coverage | 64 out of 81 | | | | | |
| | | % | Proportion of energy and associated GHG estimated | | | | | | | |

| | | | | | | | | | | |
|--------------|-------------------------------------|---|---------------------------------|--|------------------------|------------------------|------------------------|------------------------|--------------------|--------------------|
| Water | Water-Abs, Water-LfL Water-Int | annual cubic metres (m ³) annual m ³ / m ² | Water Water Intensity | Municipal water Building water intensity | 241 246 0.29 | 277 800 0.29 | 205 822 0.26 | 219 892 0.25 | 984 0.35 | 751 0.27 |
| | No. of applicable properties | % | | Water disclosure coverage | 59 out of 81 | 64 out of 80 | 53 out of 67 | 55 out of 67 | 1 out of 1 | 1 out of 1 |
| Waste | Waste-Abs, Waste-LfL Waste-Int | annual tonnes | Waste type | Proportion of water estimated | 18 | 28 | 14 | 28 | 0.22 | 0.06 |
| | No. of applicable properties | % | | Hazardous waste | 3 350 | 3 355 | 2 759 | 3 161 | 13.00 | 12.76 |
| | | | | Non-Hazardous waste | 3 368 | 3 383 | 2 773 | 3 189 | 13.2 | 12.8 |
| | | | | Total waste created | 4 % | 4 % | 0 % | 4 % | 0 % | 0 % |
| | | | | Reuse | 13 % | 8 % | 14 % | 8 % | 2 % | 8 % |
| | | | | Recycling | 75 % | 80 % | 75 % | 81 % | 95 % | 61 % |
| | | | | Incineration (with or without energy recovery) | 9 % | 7 % | 10 % | 6 % | 3 % | 32 % |
| | | | | Landfill (with or without energy recovery) | 0 % | 0 % | 0 % | 0 % | 0 % | 0 % |
| | | | | Reuse | 47 % | 45 % | 48 % | 45 % | 41 % | 40 % |
| | | | | Recycling | 34 % | 34 % | 33 % | 34 % | 43 % | 42 % |
| | | | | Incineration (with or without energy recovery) | 0.5 % | 0.5 % | 1 % | 0.5 % | 1 % | 1 % |
| | | | | Landfill (with or without energy recovery) | 18 % | 20 % | 19 % | 20 % | 16 % | 18 % |
| | | | | Biodiesel production | 53 out of 81 | 57 out of 80 | 48 out of 67 | 49 out of 67 | 1 out of 1 | 1 out of 1 |
| | No. of applicable properties | % | | Waste disclosure coverage | 0 % | 0 % | 0 % | 0 % | 0 % | 0 % |
| | | | | Proportion of waste estimated | | | | | | |

| | | | | | | | | |
|----------------------|-------------------------------------|--------------------|------------------------|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Certification | Cert-Tot | % total floor area | Level of certification | BREEAM-NOR | 1 % | 2 % | 1 % | 3 % |
| | | | | Outstanding | 5 % | 6 % | 6 % | 7 % |
| | | | | Excellent | 11 % | 14 % | 14 % | 16 % |
| | | | | Very Good | 10 out of 81 | 14 out of 80 | 10 out of 67 | 14 out of 67 |
| | Cert-Tot | % total floor area | Level of certification | BREEAM In-use: Asset Performance | 5 % | 15 % | 6 % | 18 % |
| | | | | Excellent | 2 % | 5 % | 3 % | 5 % |
| | | | | Very Good | 3 out of 81 | 10 out of 80 | 3 out of 67 | 10 out of 67 |
| | Cert-Tot | % total floor area | Level of certification | BREEAM In-use: Building Management | 0 % | 6 % | 0 % | 7 % |
| | | | | Outstanding | 5 % | 11 % | 6 % | 12 % |
| | | | | Excellent | 2 % | 3 % | 3 % | 4 % |
| | | | | Very Good | 0 % | 0 % | 0 % | 0 % |
| | | | | Good | 3 out of 81 | 10 out of 80 | 3 out of 67 | 10 out of 67 |
| | No. of applicable properties | % | | Proportion of waste estimated | | | | |

Data Qualifying Note

- 1: NA = "Not applicable"
- 2: GHG Scope 1 emissions from fossil fuels and refrigerants are calculated using DEFRA factors.
- 3: GHG Scope 2 emissions from use of electricity and district heating and cooling are calculated using a location based approach. For electricity, a three-year rolling average of the Nordic mix factor from IEA energy statistics reports is utilized.
- 4: GHG Scope 2 alternative Electricity emission - Market based method (RECs, GoO)
- 5: GHG Scope 3 emissions from travel, waste and water consumption are calculated using a location based approach and DEFRA and Ecoinvent 2.2 factors.
- 6: Entra's headquarters data is also included in the total portfolio as that Entra is a tenant at one of its own properties.

EPRA Sustainability Performance Measures

SOCIAL

| EPRA Code | Units of measure | Indicator | Corporate performance | | | | | |
|--|------------------|----------------------------|--|---|--|---------------|---------------|--------|
| | | | 2018 | 2019 | | | | |
| Diversity | Diversity-Emp | % of employees | Gender diversity | Direct employees within significant employee categories having strategic influence on company activities | Board of directors Senior Management | 57 % 40 % | 57 % 43 % | |
| | Diversity-Pay | Ratio average basic salary | Gender pay ratio | Direct employees basic salary within significant employee categories as identified in diversity-emp | Board of directors Senior Management | 33 % 126 % | 46 % 118 % | |
| | | Ratio average bonus | | Direct employees bonus within significant employee categories as identified in diversity-emp | Managerial positions Board of directors | 72 % NA | 77 % 87 % | |
| | | | | | Senior Management Managerial positions | 50 % 84 % | 69 % 87 % | |
| Employee Training and Development | Emp-training | Average hours | Training and development | Direct employees training hours (vocational, paid educational leave, external courses, specific topics, etc.) | | 35 | 35 | |
| | Emp-dev | % of employees | Performance appraisals | Direct employees who receive regular performance and career development review | | 100 % | 100 % | |
| | Emp-Turnover | Total number | New hires | Direct employees | | | 28 | 32 |
| | | Rate | New hires | Direct employees | | | 17.4 % | 18.3 % |
| Total number | | Turnover | Direct employees | | | 15 | 17 | |
| | Rate | Turnover | Direct employees | | | 9.3 % | 9.8 % | |
| Health and safety | H&S-Emp | Per 100 000 hours worked | Injury rate | Direct employees | | - | - | |
| | | Per 100 000 hours worked | Lost day rate | Direct employees | | - | - | |
| | H&S-Asset | Per 100 000 hours worked | Accident severity rate | Direct employees | | | - | - |
| | | Days per employee | Absentee rate | Direct employees | | | 4.2 % | 2.6 % |
| | H&S-Comp | Total number | Fatalities | Direct employees | | | - | - |
| | | % | % of assets | Assets for which H&S impacts are assessed or reviewed for compliance | | | 100 % | 100 % |
| | Total number | Number of incidents | Registered internal control deviations at assets in management portfolio | | | 1 372 | 1 831 | |
| Community Engagement | Comty-Eng | Narrative | Community engagement, impact assessments and/or development programs | See narrative in the ESG report on page 58 | | | | |

GOVERNANCE

| | EPRA Code | Units of measure | Indicator | Corporate performance | |
|-------------------|-----------|------------------------|---|--|------|
| | | | | 2018 | 2019 |
| Governance | Gov-Board | Total number | Executive board members | - | - |
| | | Total number | Non-executive board members | 7 | 7 |
| | | Total number | Non-executive board members with competence within environmental topics | 5 | 6 |
| | | Average tenure (years) | Board members | 3.4 | 3.9 |
| | Gov-Selec | Narrative on process | Process for nominating and selecting the highest governance body | See narrative in the ESG report on page 62 | |
| | Gov-Col | Narrative on process | Process for managing conflicts of interest | See narrative in the ESG report on page 63 | |

Social data note

- 1: Diversity-Emp: Gender diversity, percentage of female to men
- 2: Diversity-pay: gender pay ratio men to women
- 3: NA = "Not applicable"
- 4: Employees training, 124 out of 177 attending educational training over a longer periode in 2019



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