



# ESG report 2020

Flexible, attractive and environment-friendly office properties



# ESG in Entra

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 2020 activities in greater detail and outlines what we have planned for 2021.

## Reporting standards and responses

To enable our stakeholders to compare and evaluate our reporting, we compile and align the ESG reporting for 2020 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 provides for consistent climate-related financial risk disclosures. The EPRA, GRI and TCFD tables and references are included at the back of the annual report.

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

We achieved the EPRA Sustainability Gold Level also in 2020 and the Global Real Estate Sustainability Benchmark (GRESB) Green Star status with a total score of 87, up from 84 in 2019.

## Third party verification

Entra has engaged Deloitte to conduct a review and provide a limited level of assurance on Entra’s ESG reporting. 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 Annual report.

## 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 solutions. 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 an ESG Committee with a separate responsibility to evaluate, follow-up and implement the ESG strategy as well as new initiatives. This Committee reports to corporate management on a regular basis.

### 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 with various groups and individuals, in order 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

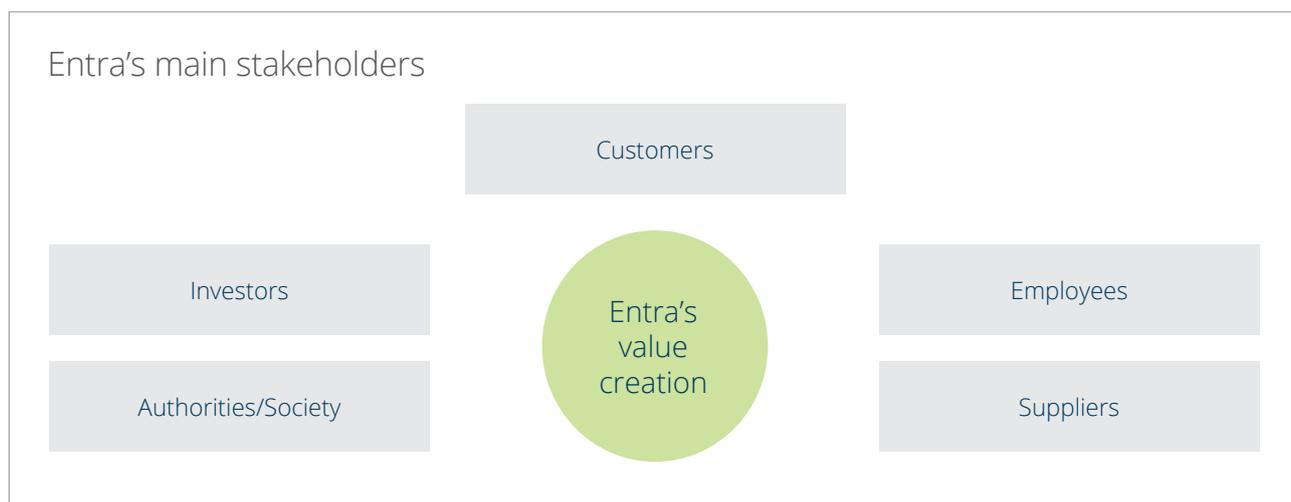
information include an assessment of media and industry reports. In 2020, the materiality analysis and focus areas have been revisited and the validity confirmed by Entra's Board and management.

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 future 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 previous years 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. 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.

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 production, and SDG 13 Climate action.



### 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.



### 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 1.5 degrees Celsius rise in global temperature, in line with the Paris agreement. 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 on Environment 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 prevent 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.

## Environment strategy

Entra is currently working to develop and renew its environmental strategy and to set new short and long-term environmental targets. Entra is deeply committed to contribute to the transition towards a low carbon society. The revised environmental strategy will be finalised during 2021.

The revised strategy will build on the principles in the 2018-2020 strategy, but will amongst other initiatives involve a target to become Net Zero Carbon within 2030 according to the definitions and targets set out by World Green Building Council. Our continuous efforts to reduce energy consumption along with initiatives to produce green energy will continue to be a core element in the environment strategy in order to reduce emissions from the buildings in its operational phase.

Our focus on reducing emissions in our construction projects will be enhanced. For redevelopment projects a stronger focus will be put on retaining and upgrading existing buildings rather than demolishing and building new. It will be greater focus on which building parts can be reused in accordance with Entra's strategy for circular economy. CO<sub>2</sub> accounting will be applied for all construction projects in order to better evaluate and make use of low emission materials. Our long-term goal is to

have CO<sub>2</sub> emissions in our construction projects that are 50 per cent below the industry average, in accordance with the criteria's set in Futurebuilt Zero<sup>1)</sup>.

Entra will seek to make its property portfolio and construction projects in compliance with the requirements that will be set in the EU Taxonomy and is believed to be well under way.

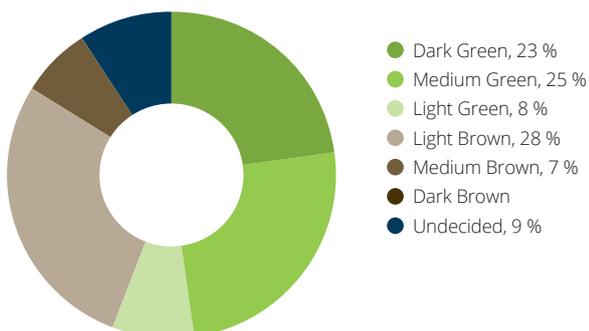
During 2020, Norway's foremost institute for interdisciplinary climate research CICERO Center for Climate Research and CICERO Shades of Green ("CICERO") expanded the Shades of Green methodology for evaluating green bonds to also include companies, and made an analysis of Entra. The CICERO methodology was based on a solid quantitative and qualitative analysis of a company's entire business, where both revenues and investments were classified with a shade of green (or brown) depending on how they aligned with a carbon-neutral future. CICERO also evaluated the company's sustainability strategy, governance structure and climate risk adaptation. The report published in June 2020 showed that more than half of Entra's revenues and more than half of Entra's asset values achieved green color shades. All of Entra's new-build projects were considered dark green, which means that new investments are in line with a future low-emission society. According to the CICERO report, Entra achieves the best score on climate-related governance structure and on reporting routines and standards.

## Entra's environment strategy 2018-2020

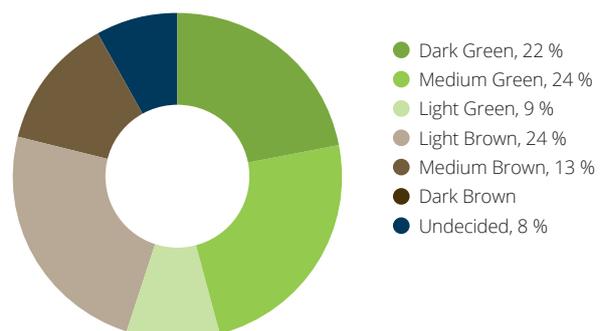
Entra's environment strategy for the period 2018-2020 has a 360° approach and includes strategies and targets for 1) own organisation 2) the property portfolio and property management 3) the development projects and 4) counterparties, hereunder suppliers and customers. The strategy and targets

## Entra's portfolio by revenue and investments in 2019 as assessed by CICERO Green

SHADING BY REVENUE 2019

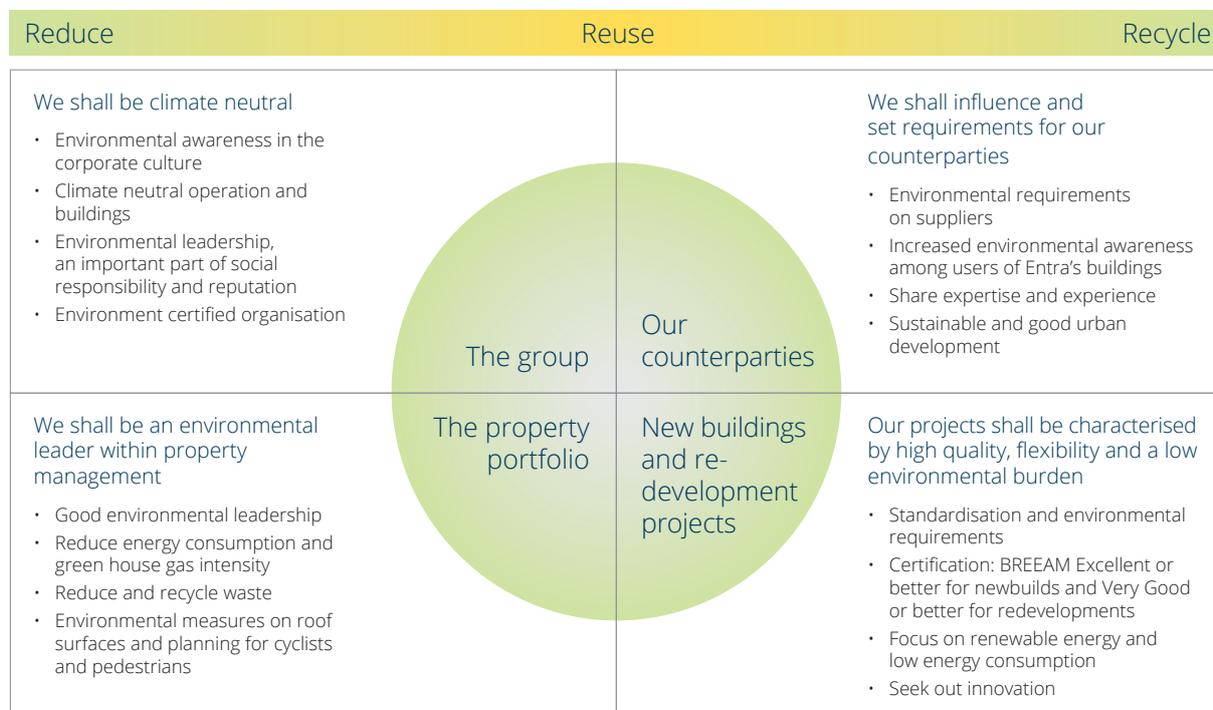


SHADING BY INVESTMENTS 2019



<sup>1)</sup> <https://www.futurebuilt.no/Nyheter#/Nyheter/FutureBuilt-ZERO-veien-mot-nullutslipp>.

## Our environment strategy



are summed up in the figure above 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 will 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 concepts 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 concepts 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 was in 2017 environmentally certified in accordance with the requirements set out in "Miljøfyrtårn" (Environment Lighthouse). The certification will be renewed in 2021. As an extension of this, Entra will work on influencing attitudes and

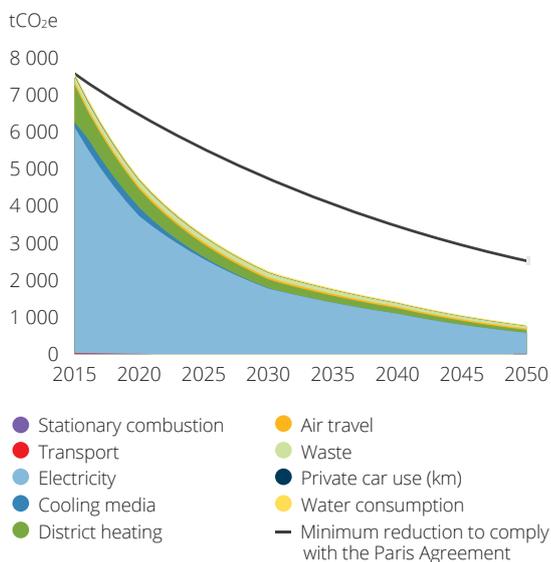


seek to lift everyone's awareness so that the company also is regarded as an environmental leader as an office user.

Entra's ambition is that operation of its buildings is climate neutral. Today, energy consumption amounts to approximately 75 per cent of Entra's direct CO<sub>2</sub> emissions in the management portfolio thus the most important single source in impacting our operational carbon footprint. From 2019 to 2020, Entra reduced its GHG intensity from 4.53 kg CO<sub>2</sub>e/sqm to 4.45 kg CO<sub>2</sub>e/sqm, mainly as a result of reduced energy consumption and greener electricity mix with lower CO<sub>2</sub> emissions. For several years Entra has communicated a target to reduce its direct CO<sub>2</sub> footprint by at least 70 per cent from 2015-2030 (Scope 1 and 2). This will be achieved through, among other things, reducing the energy consumption, 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 revised environmental strategy that will be finalised in 2021 will as stated above build on the principles in the 2018-2020 strategy. It will amongst other initiatives involve a target to become Net Zero Carbon within 2030 according to the definitions and targets set out by World Green Building Council.

The calculation and projection was made by CEMAsys.com and Entra in 2017, and the CO<sub>2</sub> factor for electricity used in the calculation is based on Electricity Nordic mix.

**Entra scenario; Minimum reduction to comply with the Paris agreement**



In order to compensate for emissions from electricity used in our buildings and make Entra's business close to climate neutral Entra buys guarantees of origin ("green power") corresponding to the electricity consumption of its buildings. 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 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 their 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 its customers, the tenants of the

**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"> <li>• Work to improve expertise and increase environmental awareness and responsibility among the employees</li> <li>• Encourage employees to choose environmentally friendly transport</li> </ul>
Climate neutral operations and property management	<ul style="list-style-type: none"> <li>• Work actively to reduce the CO<sub>2</sub> footprint, target to reduce this by at least 70 per cent from 2015 to 2030</li> <li>• Gradually replace energy bought with renewable energy produced by ourselves</li> <li>• Climate compensate for ongoing CO<sub>2</sub> emissions by:                             <ul style="list-style-type: none"> <li>- Buying guarantees of origin for all electricity used in our buildings</li> </ul> </li> <li>• Phasing out all cooling media that are not climate-friendly</li> <li>• Focus on innovation, consider lower return requirements for environmental investments</li> </ul>
Environmental leadership is an important part of our social responsibility and reputation	<ul style="list-style-type: none"> <li>• Attract the most competent and innovative people and partners</li> <li>• Make our environmental commitment known to our counterparties</li> <li>• Continue to issue green bonds and secure green bank financing where applicable</li> </ul>
Environmental certification and reporting targets	<ul style="list-style-type: none"> <li>• Organisation and head office certified in accordance with "Miljöfyrtårn" (Environment Lighthouse) process</li> <li>• Retain GRESB "Green Star"</li> <li>• Retain EPRA Gold</li> <li>• Retain CICERO rating "Dark shade of Green"</li> <li>• Ownership and follow-up of environmental targets in the regions and project development</li> </ul>

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

buildings, but also their 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 70 per cent waste sorting on its operations of 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 customer's 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.

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 Powerhouse collaboration, 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 "Svalvent" together with Sintef and in a cooperation project with Obos, Norsk Gjenvinning and CSR Consulting regarding industrial solutions for upcycling of materials.

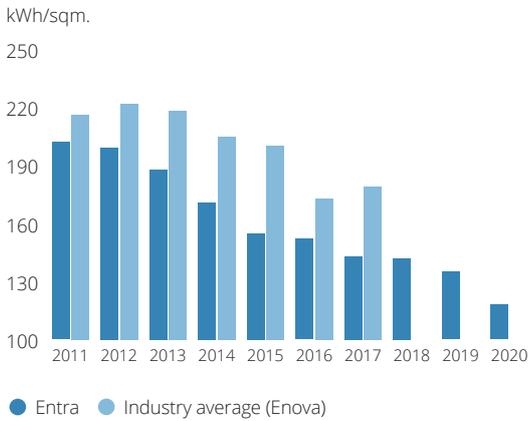
**Entra shall be an environmental leader within property management**

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 the asset performance and management of 15 buildings in the portfolio of which 11 are certified Excellent and four Very Good. Entra has another seven Breeam-in-use certifications ongoing as of year-end 2020. In addition Entra has BREEAM NOR certified 15 of its newbuild and redevelopment projects.

Over time Entra has built a culture in which energy management is an integrated part of its operating organisation. Entra has worked diligently to reduce energy consumption in its portfolio (from 202 kWh/sqm. in 2011 to 118 kWh/sqm. in 2020). Energy consumption in 2020 was particularly low as activity in the buildings was significantly reduced during periods of lock down resulting from the Covid-19 pandemic. 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 has operational staff with high technical competence who have a daily focus on deviations and energy use. 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.

### Energy consumption in the portfolio 2011-2020



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

Entra will maintain its focus on reducing energy consumption in its management portfolio and has a target to get below 127 kWh per sqm. in 2021. Entra works to reduce load on the energy grid and lower costs in relation to energy intensity in the portfolio.

Entra will continue to drive a culture where all 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 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.

In 2019 Entra did a pilot project and implemented solar panels on the roof and facades of Professor Olav Hanssens vei 10 in

Stavanger. In 2020 Entra started an investigation of all its roof surfaces in order to plan for potential implementation of solar panels, solutions for surface water and biological diversity and also to consider the climate risk.

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 when commuting. All Entraportfolios buildings will have provision for bicycle parking.

### Entra's new-build and renovation 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 collaboration, 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 during 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-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 22 buildings.

### 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"> <li>Use environment leadership system for control, comparison and follow-up of individual buildings (Optima)</li> </ul>
Reduced energy consumption and intensity	<ul style="list-style-type: none"> <li>Target 140 kWh/sqm. 2019, 135 kWh/sqm. in 2020 and 127 kWh/sqm. in 2021</li> <li>Increase proportion of self-produced green energy</li> </ul>
Reduce peak load	<ul style="list-style-type: none"> <li>Focus on load control in order to reduce energy demand during peak usage times</li> </ul>
Reduce and recycle waste and water	<ul style="list-style-type: none"> <li>Target 70 per cent waste sorting in property management and 80 per cent in development projects</li> <li>Reduce water consumption</li> </ul>
Environmental measures	<ul style="list-style-type: none"> <li>Strategy for roof surfaces and facades</li> <li>Make provision for bicycle transport</li> <li>Actively seek innovative and environmentally friendly solutions</li> </ul>



At Tullinløkka in Oslo, Entra has completed the first full-scale reuse project in Norway involving redevelopment of 4,300 sqm in Kristian Augusts gate 13, of which 900 sqm was added as new volume to the original building.

The real estate industry needs to find new solutions for a more circular economy and reuse building materials and inventory at a completely different level than today. Through this project Entra has proven that reuse is possible and has documented significant environmental benefits.

In this project 80 % of all the input factors came from re-used materials, both from the existing building itself and from external parties and projects. Windows, toilets, fancoils and ceiling tiles were taken from buildings ready for demolition around the city. Hollow core slabs from the Government quarter were used as new

floor separators and stairs were taken from a public pool beeing renovated in Oslo. It has been challenging to find all the pieces of the puzzle and to get necessary certifications to comply with regulatory requirements, but the environmental benefits are significant. The reduction in CO<sub>2</sub> emissions from materials used was 70 % and the CO<sub>2</sub> accounts showed a 45 % reduction in CO<sub>2</sub> emissions compared to a standard reference building.

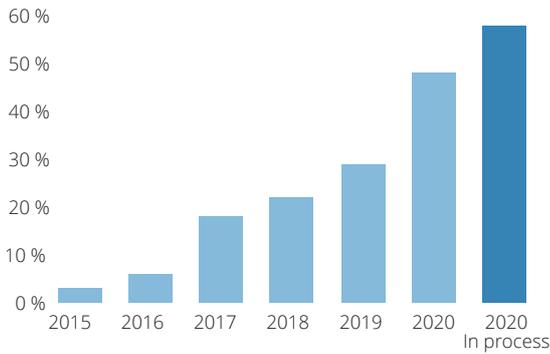
In Entra we are very proud of this project. It is a pioneer pilot project within circular economy that the entire industry as well as regulators both in Norway and across Europe has their eyes on. Following this project there has been simplifications to regulatory requirements for recertification of materials. This is an innovation project developed as part of the municipality of Oslo's Future Built program and the key learnings including the CO<sub>2</sub> accounts for the project has been documented and made available for the public.

Foto: MAD Arkitekter Kyrre Sundal

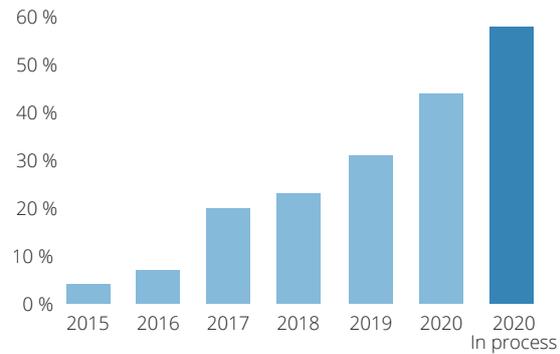
### BREEAM certification of the portfolio

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

BY RENTAL INCOME



BY VALUE



Entra's new buildings and redevelopment projects shall be planned and built in accordance with Entra's specifications - the "Entra building". This is to ensure high quality and lower costs. 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. Entra is working with requirements for materials with low CO<sub>2</sub> 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 NOK 28 million in support for its development projects in 2020.

**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"> <li>Continuously develop and update the standard specification for projects (the "Entra building")</li> <li>Develop a standard specification for tenant requirements</li> <li>Set requirements for fossil-free construction sites and request fossil-free transport</li> <li>Establish a strategy for all development projects in Entra with the following objectives:                             <ul style="list-style-type: none"> <li>request and facilitate flexible solutions and multi-use premises</li> <li>requirements for reuse of materials, reduction of waste quantities and degree of sorting</li> <li>more materials with low CO<sub>2</sub> emissions (documented through Environmental Product Declaration (EPD))</li> <li>choice of building products with low life cycle costs (LCC)</li> </ul> </li> <li>The environment strategy for the project is to be presented as part of the investment decision and reported in Business Reviews</li> </ul>
Certification	<ul style="list-style-type: none"> <li>Objective of a minimum of BREEAM-NOR Excellent on all new development projects</li> <li>Objective of a minimum of BREEAM-NOR Very good on major redevelopment projects</li> </ul>
Focus on renewable energy and low energy consumption	<ul style="list-style-type: none"> <li>Ambition of close to zero energy buildings (energy consumption less than 40 kWh/sqm.)</li> <li>Plan solutions for increased production, storage and exchange of renewable energy</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>Actively seek innovative and environmentally friendly solutions</li> </ul>

**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 and listed below:

Measure	Status
Certify the organization	Entra’s headquarter was certified as Miljøfyrtårn in 2017 and will be re-certified in 2021
Remove fossil heating in buildings	Completed on all Entra’s properties except of four buildings where it is used bio-oil on peak-load.
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	22 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 completed in 2021
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 <sub>2</sub> emissions	Implemented in several of our projects. Possibilities investigated on a project by project basis
Demand fossil free construction sites	Implemented in several of our projects. Possibilities investigated on a project by project basis

**Green Bonds**

Entra has issued six 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.

**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.

“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

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 significant uncertainty, and these

factors have a major impact on greenhouse gas emissions. There is also uncertainty on how much the temperature will rise and which climate scenario we will face in the years to come.

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. Current societies and ecosystems have taken many millennia to adapt to the world in which they exist, and it is impossible to predict how people and societies will respond when faced with rapid and large changes in their surroundings. 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 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 the climate change affect other countries. However, direct physical risk and transition risk may also become important, especially the direct and indirect effects of changes in the value of the petroleum wealth.

A moderate level of global warming and climate change will have both negative and positive effects on the Norwegian economy. 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.

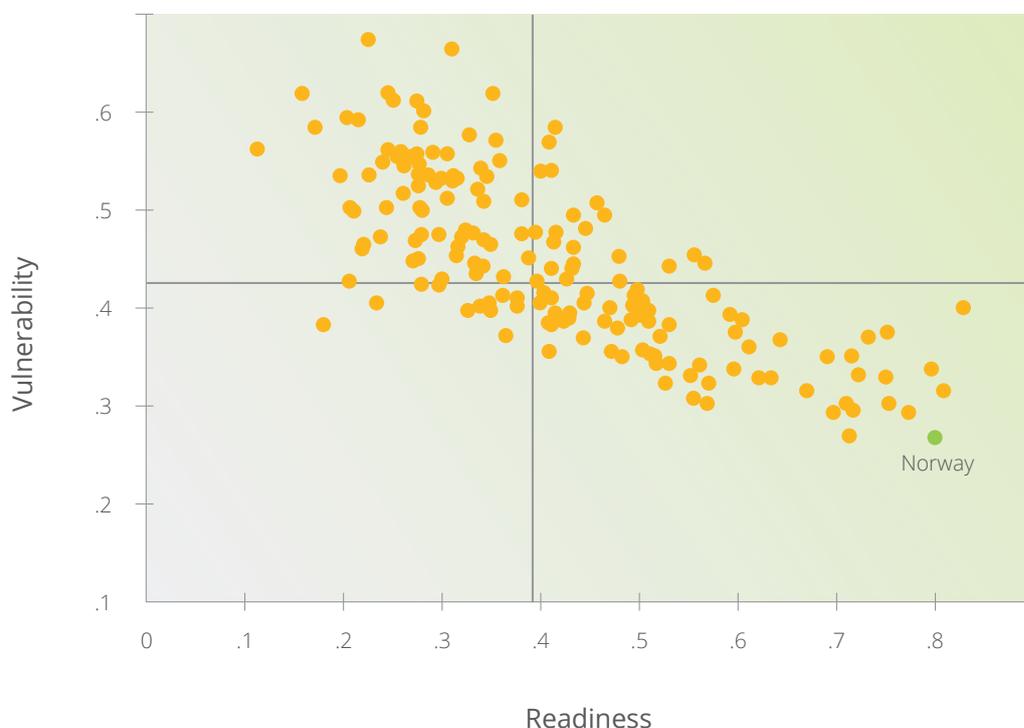
However, the Norwegian economy is highly integrated into the global economy and directly exposed to developments elsewhere. If already vulnerable states experience major negative effects from climate change, there will be an increased risk of political instability, humanitarian disaster and violent conflict 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 2018 is shown below 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 in two; (i) physical climate risk, and (ii) transition risk.

### Norway and other countries vulnerability and readiness for climate change



Source: University of Notre Dame: Global Adaption Index

#### Physical climate risk

- (i) 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 decades 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, earth slides, 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.
- (ii) 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 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 gross rising for example in Oslo is around 5mm per year and Trondheim and Bergen of 4 and 2mm, respectively (source: [www.kartverket.no](http://www.kartverket.no) and [www.geoforskning.no](http://www.geoforskning.no)).

# Physical climate risks and opportunities for Entra

Area	Group	Type of risk	Probability	Consequence: <sup>1)</sup>	Time horizon: <sup>2)</sup>	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. 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 early 2021. When doing the inspections small repairs have been carried out. The plan of measures will also assess which roofs are suitable for water distortion and solar cells. This is also something that is considered in all of Entra's newbuilding projects. One measure for water retardation is sedum roofing, something Entra has already established on some roofs. Entra has established a program for periodically inspections of the facades where the frequency of inspections of the the different buildings is based on a risk assessment. The aim for the inspections is to safeguard against fallout.	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	Flooding	Medium	Medium	Long	Some of Entra's buildings may be exposed to flooding. A portfolio assessment must be made in this respect in order to reveal such potential i the property portfolio.		Evaluation of locations exposed to flooding will be a key element in all transaction processes
	Chronic	Rising sea levels	Medium	Medium	Long	Some of Entra's buildings may be exposed to potentially rising sea levels. A portfolio assessment must be made in this respect 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

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

<sup>2)</sup> 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: <sup>1)</sup>	Time horizon: <sup>2)</sup>	Action	Opportunities	Implications for strategy
Transition risk	Politics and regulations	More stringent regulations and climate requirements	High	High	Medium	The requirements in the EU taxonomy will be finalised in 2021. A new technical regulation is being prepared (TEK 21). 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 2022. The EU taxonomy and the new technical regulations is expected to contain stricter sustainability requirements, including stricter demands on energy consumption. Entra is well positioned for this development from our work on passive and plus houses. The higher standards 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 ordinary operations.	Continue current strategy
	Politics and regulations	Stricter regulations and climate requirements - Paris Agreement	High	High	Medium	Sudden implementation of new and stringent regulation of environmental qualities and emission in buildings may for the real estate industry in general, and thus also Entra, entail a risk that the portfolio that has not been built or upgraded in the last 10 years could have to low environmental qualities. Entra are calculating greenhouse gas emissions on all the new building projects. The aim of these calculations is to use solutions and materials with low emissions.	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 7 years since new-built or fully redeveloped. In addition, we will continue to push for good and efficient operation in relation to energy savings.	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. 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 has for the last two years participated in a project together with Obos and Norsk Gjenning with ambitions to challenge the manufacturer industry to use recycled tree and concrete into their production. The result is that two industry partners have plans on developing these solutions. We expect that products with recycled materials will be in the market within two years. Entra is also 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.	In Entras pilot project in Kristian Augusts gate 13 which was completed in Q4 2020, Entra achieved 80 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

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

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

Area	Group	Type of risk	Probability	Consequence: <sup>1)</sup>	Time horizon: <sup>2)</sup>	Action	Opportunities	Implications for strategy
Transition risk	Technology	Solar and wind technology outperform current energy sources	High	Medium	Medium	Implementing solar and wind technology measures on buildings may impose significant costs		
	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 few good examples of explicit environmental requirements from tenants. However, we do see a trend of increasing interest from tenants, and we believe that this will further expand in the future. 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. Entra have over several years reduced the energy consumption on our property portfolio. We also have a program where we are issuing BREEAM certificates on our buildings.	Also on older buildings in Entra's portfolio, energy consumption is on average significantly lower than the industry, which in turn increase 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, and the introduction of the EU Taxonomy will further propel this trend. 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 almost half of our funding in green bonds and bank loans. This will be further strengthened in the future.	Continue 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. 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. Furthermore, the company's reputation deteriorates and confidence among the company's other stakeholders is reduced.	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	

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

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

Area	Group	Type of risk	Probability	Consequence: <sup>1)</sup>	Time horizon: <sup>2)</sup>	Action	Opportunities	Implications for strategy
<b>Responsibility risk</b>	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. Furthermore, the company's reputation deteriorates and confidence among the company's other stakeholders is reduced.	Entra seeks to be at the forefront in its reporting on the climate and on potential climate risks	Entra is deeply committed to contribute to the transition towards a low carbon society

### Transition and responsibility 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, and globally there is a shift towards more use of renewable energy sources, especially sun. 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.

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

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

# Social

Entra is a sustainable and socially responsible company, has a high focus on social sustainability and has included several initiatives in its daily operations. Entra's focus areas includes its employees and working environment, HSE, urban development, human rights and community engagement.

Community engagement, initiatives within social sustainability and new initiatives that can contribute and support the employment of the new generation and disadvantaged groups currently not participating in the labour market will be focus areas in our social strategy in the years to come.

Entra will also initiate requirements in its own operations similar to requirements made to our suppliers and partners. When evaluating new initiatives, Entra will seek partners and suppliers with common objectives and targets. We will seek to clarify purposes and prioritise activities with the various sponsors to ensure desired targets and relevant KPIs.

## Motivated employees

Entra strives to develop a value-based culture characterized by the company's core values; Innovative, responsible, Hands-on and One team. The core values and the company's principles for leadership are closely connected to how we act and how we follow up and develop our employees. Emphasis is put on employee motivation, which is considered to form the basis for an individual's desire and willingness to perform and thus 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. It is fundamental that employees consider Entra to be a good and attractive place to work. At the end of 2020, the Group had 186 employees, of which four are temporary employees and six employees work part-time.

## Health and working environment

Entra aims to be a health-promoting workplace and carries out a number of measures to contribute to the health and wellbeing of its employees. All employees are offered annual health checks and a broad range of health services through Entra's occupational health service and health insurance. Entra also has an internal sports club where employees on a voluntary basis engage in social activities and a number of sports such as hiking, golf, running, squash, skiing and yoga. During 2020, the internal sports club has facilitated interactive training sessions, so employees have been able to attend from home. Sick leave in Entra in 2020 was 3.1 per cent. This is low compared to a country average of 6.2 per cent<sup>1)</sup>. 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 directors.

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 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 for a 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).

## Employee relationship and employee engagement

Each year, Entra carries out an employee job engagement survey. In recent years including 2020, Entra used the survey from Ennova for this purpose. The survey is standardised and gives a score both for the level of motivation and satisfaction of employees and the factors that drives their behaviours and attitudes. Entra's score is 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 2020, Entra had an employee motivation and engagement score of 82. Even with a decrease of three points from 2019's score, the score is significantly above the national benchmark GELx score of 72 and above the "top in class" score of 78. The past year has been characterised by new ways of working, due to Covid-19 and social distancing. Many employees have been working from home most of the year and just rarely attended physical meetings. These changes may have affected the score in 2020.

<sup>1)</sup> Source: Statistics Norway, Q3 2020

## 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 Entra's standards. Entra believes 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.

The Board of Directors consists of four women and three men, whereof the Chair is a woman. The senior management team in Entra consist of three women and four men, whereof the CEO is a woman. Of all other managers in Entra, 44 per cent are women and 56 per cent are men.

At the end of 2020, Entra had 116 men and 70 women employed, of which two men and one woman were employed in Hinna Park AS. 50 per cent of the temporary employees are women. 67 per cent of the employees working part-time are men and 33 per cent are women and all have voluntarily decided to work part-time as part of Entra's policy for seniors and early retirement.

Average parental leave in 2020 was fourteen and eighteen weeks for men and women, respectively.

## Our work for equality and diversity

Entra seeks to have an organisation that reflects the diversity of a modern society, and have a particular focus on gender, age and ethnicity balance. Diversity is an important part of Entra's social responsibility work. In general, social responsibility is an important reputation factor when it comes to attract the new generation of competent employees. Entra has worked actively with diversity for many years and has had a particular focus on;

- Achieving a more balanced gender distribution in property management (which historically has consisted almost exclusively of men), and
- increasing the proportion of women in our defined group of talents and key personnel.

The work with diversity and gender equality in Entra is structured through;

- **HR reporting:** Annual reporting from HR to senior management and the Board, hereunder status on achievement of HR targets and plans and targets for the year to come.
- **ESG Committee:** Entra's ESG Committee is an interdisciplinary group working on all different aspects of ESG. In line with the adjusted commitment to social sustainability, the committee has been expanded with additional and dedicated resources, covering all ESG initiatives in Entra. The Committee works with the strategic focus areas for ESG, identifying objectives and KPIs in cooperation with the responsible in both business units and group functions.

## GENDER EQUALITY IN ENTRA ASA – KEY METRICS

	2020	2019
Gender distribution among employees (women/men)	69/114	66/108
Employee level 1 gender distribution (women/men)	3/4	3/4
Employee level 2 gender distribution (women/men)	24/31	22/27
Employee level 3 gender distribution (women/men)	42/79	41/77
Women's average earnings in relation to men's (all employees)	96 %	101 %
Women's average salary in relation to men's at employee level 1	101 %	77 %
Women's average salary in relation to men's at employee level 2	89 %	87 %
Women's average salary in relation to men's at employee level 3	91 %	-
Women's average bonus in relation to men's (all employees)	110 %	101 %
Women's average bonus in relation to men's at employee level 1	125 %	69 %
Women's average bonus in relation to men's at employee level 2	82 %	87 %
Women's average bonus in relation to men's at employee level 3	105 %	-
Sick leave % (woman/men)	5.4 %/1.8 %	4.5 %/1.5 %
Absence for sick children, number of days total (women/men)	34/24	43/35
Average weeks of parental leave taken (women/men)	18/14	25/8
Number of employees working part-time (women/men)	2/4	2/3
Number of employees involuntarily working part-time (women/men)	0/0	0/0
Number of employees in temporarily positions (women/men)	2/2	2/1

Employee level 1 = top management

Employee level 2 = managerial positions

Employee level 3 = other employees



- **Practice and policy:** All practices that address diversity are anchored with group management and the Board. Entra's ethical guidelines covers diversity, discrimination, and harassment, including procedures for whistleblowing both internally and through an external law firm.

Entra's work for diversity is also given weight through procurement of products and services. Requirements for diversity are set for purchasing of external legal services and for providers of facility management services.

The company has structured and professional HR procedures that ensures follow-up of employees through the various phases of employment as well as safeguarding against discrimination.

#### Recruitment

Entra has professional recruitment processes that ensure transparency and equal opportunities. Most recruitments are handled using internal resources and is managed by the HR department. A recruitment process in Entra is a structured process which includes an analysis of the job description with the purpose of choosing the preferred tone of voice in the announcements to attract the right candidates, a relevant and position-adapted case for the candidate to solve, and a final interview with both the direct manager and their superior manager.

During a recruitment process Entra aims to be open-minded, and all announcements are written in a general language inviting everyone with the right competence to apply for a position.

When recruiting for senior or key positions in Entra, both sexes should be represented in the final interview round. This applies for both internal and external recruitments and, if needed, targeted recruitment processes are used to fulfil this goal. If this for some reason is not achieved, it has to be justified. Furthermore, we have strived to attract younger employees within property management to secure continuity and transfer of experience. During 2020, Entra recruited 15 new employees, of which seven women and eight men.

#### Developing competence and engagement

Entra has HR processes where performance review, talent and succession planning and development plans are closely linked together. This includes a dedicated development plan in accordance with each employee's ambitions and potential.

Employees are evaluated based on achievements, ambitions, and potential by individual managers on specific criteria, including achievement of specific goals and compliance with Entra's values. This evaluation is part of a process where Entra builds its talent pool and secures succession planning.

Entra has also developed a training and competency policy for all positions in the Group. Some courses and training are offered to all or most of the employees, others are more specifically related to roles within property management.

Entra's value chain is broad and imposes significant requirements regarding relevant experience and expertise. Entra therefore acknowledges individual employee's needs for ongoing professional training 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. The Entra School includes an introduction course for new employees, which is intended to enable employees to view their role in the company in a wider context and 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.

#### Work-Life balance

Entra seeks to facilitate for a good work-life balance based on the ambitions, life phases and family situation of our employees. We act in compliance with the laws and collective agreements that regulate the various leave schemes and have implemented solutions that are easy to use if applying for a leave or time-off. Employee benefits, such as flexible working hours and full pay during illness and parental leave regardless of the National Insurance scheme limits, are important measures in the efforts to ensure equal opportunities.

Regular working hours are 37.5 per week, with the core time from 09:00 to 15:00. Some employees in senior positions or in special independent positions have exemptions from the rules of the Working Environment Act § 10.2. Entra seeks to minimize the amount of overtime, but extra work is expected to be done during hectic periods. We experience that there is a mutual understanding of this in the company and that flexible working hours or a day-off can be during less intense periods.

#### Facilitation

As far as practically possible Entra seeks to facilitate for the different needs of all employees. The premises are universally designed with sufficient space and accessibility for potential users of wheelchair. Our workplaces are designed in accordance with the Workplace Regulations 4-2: § 2-4. This statutory provision ensures that the workplace design takes disability into account.

#### Wages and working conditions

Entra has developed a policy for compensation and benefits that ensures that employees with a similar position and at the same level are assessed according to specific and similar criteria to ensure equality. There is equality in the remuneration of men and women and all employees are included in a collective bonus scheme. All employees are included in the same insurance schemes and there is an equal pension scheme based on the salary level. Entra has no employees working part-time involuntarily.

Annual salary and tariff settlement in Entra follow a standardised process. It is based on central negotiations with the union representatives and involves individual evaluation of the employee from their immediate superior based on standardised criteria's. This process ensures consistent and performance-based salary adjustments.

Evaluation and salary adjustments are anchored with HR and the CEO.

#### Targets

Entra seeks to maintain high employee engagement and targets a continued high score in the employee job engagement survey.

Entra actively seeks to increase the share of women within property management year on year. The challenge has historically been that there has been lower interest from women and required expertise within technical building operations and management. During the last years we have adjusted the tone of voice in announcements, definition of the roles and targeted search processes to attract more female candidates whilst maintaining the quality of applicants.

It will be difficult to achieve a 50 per cent share of women as the property management department contains almost one third of our employees and as the pool of applicants for new positions still has a majority of men. Our ambition is to have a relatively equal share of women and men in the rest of the company, and among our talents and strategic successors to leading roles. In 2020, 44 per cent of the company's talents and strategic successors were women, and we had 44 per cent women in senior positions (Level 2).

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

#### Identified focus areas

Entra is in the process of further developing our recruitment strategy, with a desire to increase employment for young people or groups that are out of work.

One of the focus areas is recruitment of people from different employment programmes that are currently out of work for various reasons. These programmes consider the employer's need for manpower and helps finding potential candidates. Schemes allow for a shorter free practice period without employer liability where the goal is permanent employment. Entra has good experience with recruiting from such programmes, and is evaluating which departments' future recruitment needs that can be filled through these employment programmes.

The apprenticeship scheme is part of the Norwegian public education system. The public apprenticeship is a two-year program, and the employer must be approved by the county municipality. Entra plans to start the process for being approved during 2021.

Most departments in Entra already work with educational institutions or directly with students as examiners, supervisors or conducting lectures.

An internship is a temporary employment for students, where the candidate gets relevant work experience, and will be a benefit for both parties. Entra will further assess the opportunity with relevant universities or business schools.

#### Potential risks of discrimination

The main risk of discrimination in Entra is unconscious discrimination. This is a risk that never can be eliminated, but which will be assessed and acted upon if it occurs. When starting up new initiatives, Entra will also initiate training of managers on how to succeed with inclusion. Entra currently has no reports from employees, safety representative or union representatives that discrimination has been experienced as part of our work processes.

#### Measures implemented to counter discrimination and contribute to increased equality and diversity

We are working to further develop our understanding of diversity, while implementing measures related to our strategy for social sustainability. These concepts will have additional focus through 2021, where we will investigate how we can express this into more concrete targets.

Identified initiatives:

- Cooperation has been initiated with third parties to collect data related to diversity, which will also contribute to our work with diversity in Entra.
- A diversity policy will be developed that includes already incorporated procedures related to recruitment and development of employees.
- Courses in diversity and inclusion will be conducted with the aim of maintaining and increasing awareness on unconscious discrimination.
- Equality and discrimination will become a permanent agenda point in the working environment committee (AMU) to include input from union representatives and safety representatives where they receive an overview of areas of discrimination and current HR processes.
- To implement the strategies of young people's ability to enter the labour market, and the employment for vulnerable groups currently out of work.
- Continued focus on increasing the share of women in the property management department.

#### Evaluation of the work with diversity

Entra's efforts to increase the proportion of female employees have given results. Entra has an organisation characterised by equality, with an increasing proportion of women in the property management department. As diversity is an important part of Entra's social responsibility work, we will in future reports provide an evaluation of the results of the measures implemented to contribute to increased equality and diversity.

#### Human rights

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

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 (GDPR) through secure IT and HR systems.

#### Health, Safety and Environment (HSE)

HSE work is central to Entra in all parts of the value chain. It shall be safe to visit and work in our properties and projects. 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 should be safe to work, visit and travel in and around Entra's properties and construction 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. After the outbreak of the Covid-19 pandemic, Entra's top priority has been to ensure that we are taking the necessary measures to protect the health and safety of our employees, our tenants and other users of our buildings. During 2020, a particular focus has also been on the safeguarding of Entra's parking facilities against fire.

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 improve, and at the same time 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 2020 were:

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

Incidents are reported to the CEO 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.

There were no injuries involving sick leave absence that was due to Entra in and around our buildings in 2020, but there were two 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 2020, Entra performed three HSE audits of which of one 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's goal in its core areas is 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 includes creating good atmosphere and secure surroundings in and around its buildings for the benefit of tenants, visitors and others who pass through the area. Entra ensures that the space around its buildings and building sites is neat, clean, and attractive. Entra considers 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, Sundtkvartalet and Tøyen in Oslo, and Hinna Park in Stavanger. In the years to come, Entra will also be involved in the urban development of Bryn in Oslo.

### Community engagement

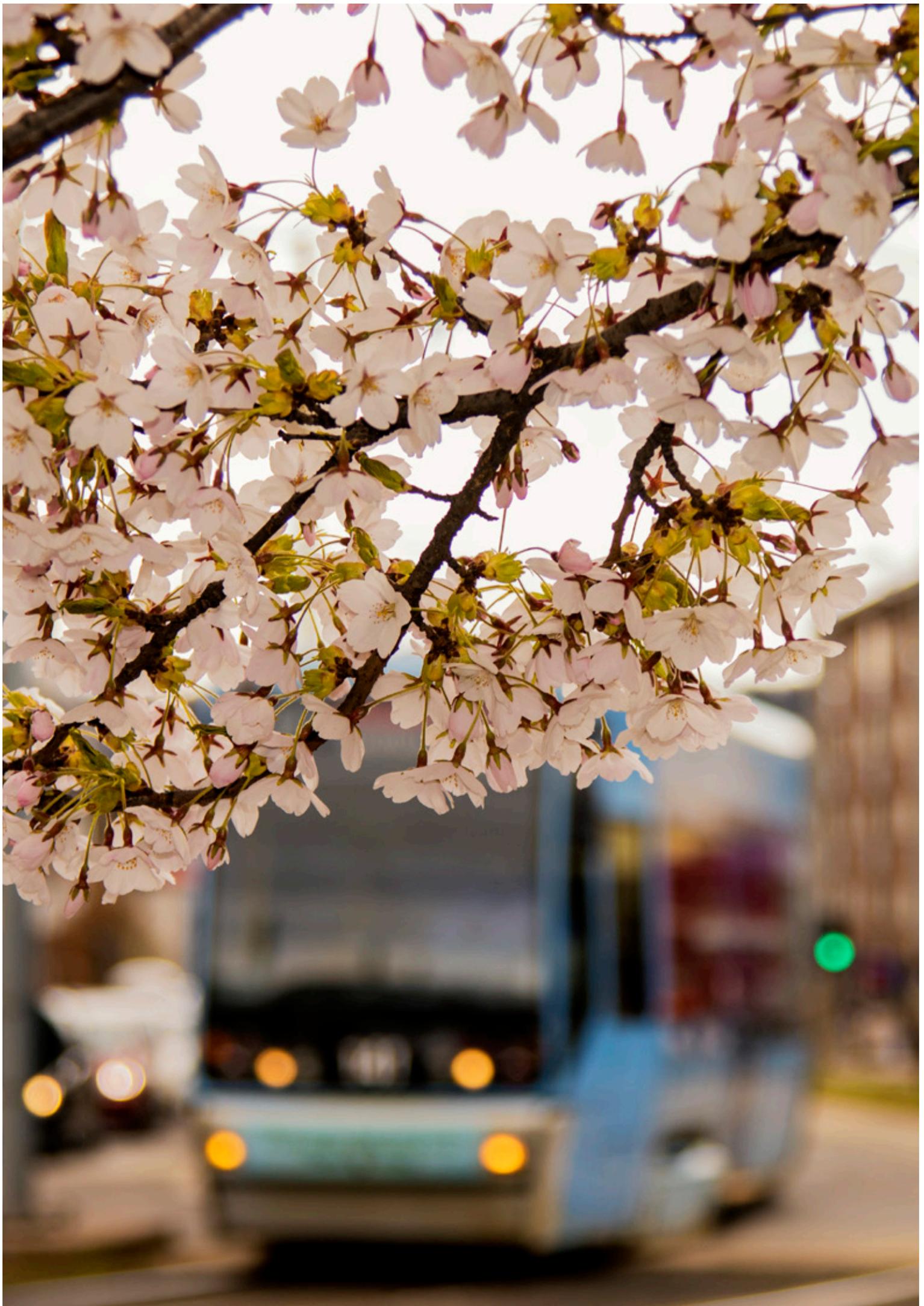
Community engagement has been an important part of Entra's ESG work for many years.

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, working to create a safer and better local environment for all those passing through the area, and contributes to increased employment to disadvantaged groups that are currently out of work. Entra is actively involved in Christmas campaigns to collect money to provide Christmas dinners for the homeless and Entra employees have been contributing to the campaign "Support someone who dreads Christmas".

Most planned community arrangements for 2020 was cancelled due to Covid-19, but some new or adjusted arrangements took place. The Pstereo festival in Trondheim was conducted as a digital concert from the rooftop of Rockheim, one of Entra's assets. At Hinna Park, they managed to arrange outdoor drive-in cinema at one of Entra's buildings, in accordance with applicable infection control rules. During autumn, both in Oslo and Drammen, there were activities with the purpose of the distribution of reflexes to visitors and employees at our facilities. In total Entra has contributed with community engagement in and around 44 per cent of its portfolio (77 assets) in 2020.

For 20 consecutive years, Entra has also been a key sponsor of Ridderrennet. Due to Covid-19 the annual competitions for disabled skiers from different countries was cancelled in 2020. To ensure the financial situation of the organisation and future competitions at Beitostølen, Entra's monetary support remained at the same level even though the competitions was cancelled.

In 2021, Entra will look into how the sponsorships with the Church City Mission can be further developed with activities that also can contribute to increased employment for disadvantaged groups that are currently out of work.



# Governance

## Board's Corporate Governance statement

Entra's Board ("the 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 Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance of October 2018, issued by the Norwegian Corporate Governance Board (NUES). 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 at least annual assessment and discussion by the Board.

## Compliance with the Norwegian Code of Practice for Corporate Governance

### CORPORATE GOVERNANCE IN ENTRA

	Compliance with the Code	Reference
1. The Board of Directors' Corporate Governance statement	●	Page 68
2. Business	●	Page 12-41
3. Equity and dividends	●	Page 76
4. Equal treatment of shareholders and transactions with related parties	●	Page 76-77
5. Free transferability	●	Page 76
6. General meeting	<sup>1)</sup> ●	Page 77
7. Nomination Committee	●	Page 77-78
8. Board composition and independence	●	Page 71
9. The work of the Board	●	Page 71-73
10. Risk management and internal controls	●	Page 28-39 , 53-59 and 72-73
11. Remuneration of the Board	●	Page 73-74
12. Remuneration of Senior Executives	●	Page 74-76
13. Information and communication	●	Page 77
14. Takeover bids	●	Page 77
15. Auditor	●	Page 79-80

<sup>1)</sup> Minor deviation, cf. section 6 below

## Roles and responsibilities

### Board of Directors

- Responsible for the long term success of Entra
- Sets the overall strategy and oversee its implementation
- Provides leadership and direction to the Group on its values and ethics
- Responsible for corporate governance
- Sets risk appetite and investment strategies
- Determines significant investments, acquisitions and disposals
- Responsible for risk management
- Responsible for financial performance, financial management and financial reporting
- Appoints core executive management positions

### Audit committee

- Preparatory body supporting the Board on the exercise of its responsibilities relating to
  - Financial reporting
  - Internal controls and financial reporting processes
  - Compliance with ethical guidelines
  - Overall risk management
  - Review of the performance and independence of the auditor

### Remuneration Committee

- Preparatory body to the Board's considerations on compensation issues
- Prepares principles for remuneration packages and employment terms of the CEO and other Senior Executives
- Oversight of remuneration practices for all employees

### Nomination Committee

- Reviews structure, size and composition of the Board and its Committees
- Leads Board appointment processes
- Ensures shareholders' views are taken into account
- Recommends appointments to the Board

### CEO

- Leads the executive team and responsible for the overall management of Entra
- Articulate vision, values and purpose
- Develops and implements strategy
- Responsible for the overall performance of the business

### Executive management

- Supports the CEO on the implementation of strategy, financial performance and management of the group

### Management committees

- Investment committee
- Sustainability committee
- Compliance

## Board activity

The Board attends 8 regular board meetings each year. Additional meetings are held on an ad hoc basis. 30 Board meetings were held in 2020 as a number of extraordinary board meetings were held in November and December following the strategic interest in acquiring the company. The calendar below sets out the main topics discussed at each regular board Meeting.

### BOARD REPRESENTATION AND PARTICIPATION IN BOARD

February	March	April	June
<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>HSE report</li> <li>Transactions and investments</li> <li>Annual results and the Q4 report</li> <li>Portfolio valuation</li> <li>Management remuneration, STI and LTI</li> <li>Portfolio investments</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>HSE report</li> <li>Transactions and investments</li> <li>Annual results and Annual report</li> <li>Going concern and viability statement</li> <li>ESG strategy and reporting</li> <li>Technology and Innovation Review</li> <li>IT and cyber security update</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>HSE report</li> <li>Transactions and investments</li> <li>Q1 report</li> <li>Portfolio valuation</li> <li>CEO and Board Committees instructions</li> <li>Compliance</li> <li>Procurement and vendor Review</li> <li>HR Review</li> <li>General remuneration principles</li> <li>Covid 19 implications, risks and contingency plans</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>HSE report</li> <li>Transactions and investments</li> <li>Property site visits</li> <li>Board meeting calendar</li> <li>Project Development Review</li> <li>Portfolio strategy</li> <li>Customer strategy</li> <li>Macro economic update</li> </ul>
July	September	October	December
<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>HSE report</li> <li>Transactions and investments</li> <li>Half year report</li> <li>Portfolio valuation</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>HSE report</li> <li>Transactions and investments</li> <li>Property site visits</li> <li>IT and cyber security Review</li> <li>Strategic insight - mobility trends and implications on real estate</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>HSE report</li> <li>Transactions and investments</li> <li>Q3 report</li> <li>Portfolio valuation</li> <li>Strategy session</li> <li>Environmental strategi</li> <li>Social sustainability strategy</li> <li>Competence development</li> <li>KPI</li> <li>Board evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>HSE report</li> <li>Transactions and investments</li> <li>Budget scenarios / financial model</li> <li>Financing plan and policy</li> <li>Investment policy</li> <li>Risk review</li> <li>Customer satisfaction survey</li> <li>Employer satisfaction survey</li> <li>KPI's 2021</li> <li>ESG strategy and reporting</li> <li>CEO Review</li> <li>Strategic interest in Entra</li> </ul>

## Board composition and independence

The Board consists of the following seven members: Siri Hatlen (Chair), Kjell Bjordal (Vice Chair), Widar Salbuvik, Camilla AC Tepfers, Benedicte Schilbred Fasmer, Marit Rasmussen and Erling Nedkvitne.

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 on page 84-85. All board members except the employee representatives are independent. Board members are encouraged to own shares in the Group.

## BOARD MEETINGS AND COMMITTEES IN 2020

	Board meetings	Audit committee	Remuneration committee	Board tenure since	Up for election
Siri Hatlen (Chair)	30		3	2012	AGM 2022
Kjell Bjordal (Vice Chair)	29	3	3	2012	AGM 2022
Widar Salbuvik	27	6		2016	AGM 2022
Camilla AC Tepfers	28			2018	AGM 2022
Benedicte Schilbred Fasmer	25	3		2020 <sup>1)</sup>	AGM 2021
Marit Rasmussen (employee representatives)	26			2020	2022
Erling Nedkvitne (employee representatives)	30		3	2018	2022

<sup>1)</sup> Since AGM April 2020

## 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 reviewing 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.

## 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 appraisers conducting quarterly valuations of Entra's investment properties, 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.

#### **Financial management**

The Group is managed by means of financial and operational targets linked to 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 development projects, in accordance with the Group's calculation model and required rate of return. The expected net present value and other key financial metrics of development 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 key balance sheet figures and cash flow.

Allocation of capital and the attitude towards risk 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 is updated on a continuous basis. Quarterly reports are made 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.

#### **Financial reporting and communication**

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. Entra's reporting fulfils statutory requirements and provides sufficient information to allow the company'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 and meetings. The Board has set an IR policy for Entra's reporting of financial and other information.

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. Management and the Chair of the Board ensures that shareholders' viewpoints are communicated to the whole Board.

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 buy or sell Entra shares.

#### **Risk management**

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. This is further elaborated on pages 28-39 and 56-59 in the Annual Report.

#### **Internal control and compliance**

The Board reviews at least twice per year the Group's risk and internal control activities. 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.

Entra works systematically to ensure continuous improvement of its internal controls linked to financial reporting and efficient

operations. 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 consultation with the Audit Committee, management defines areas where the Group conducts 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 at least an annual basis. An internal control plan is presented to the Board.

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 under the section "Ethics and anti-corruption".

The Group's Chief Compliance Officer (CCO) is responsible for ensuring that the company has implemented a compliance program that will ensure that Entra is compliant with 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 at least semi-annual reports on compliance related matters.

### 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.

### Audit Committee

The Audit Committee acts as a preparatory body and supports the Board in assessing the integrity of Entra's financial reporting, internal controls and financial reporting processes, compliance with ethical guidelines, overall risk management and review of the performance and independence of the auditor. 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 chair of the Audit Committee reports on the significant assessments discussed in an Audit Committee meeting in the first following board meeting. The Board further has access to the minutes from each Audit Committee meeting. The Audit Committee has an established calendar of meetings. 6 (7) meetings were held in 2020.

### Remuneration Committee

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.

The Remuneration Committee is composed of the Chair of the Board and one or two members of the Board and shall be independent of Senior Executives. The CEO and EVP HR & communication 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. 3 meetings were held in 2020.

### Salaries and remuneration of Board and senior executives

#### 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 shall not normally undertake separate assignments for the Group in addition to the Board appointment. If they nevertheless do, the whole Board is to be informed, and the fees for such assignments are to be approved by the Board. If remuneration is paid above the normal Board fee, this is to be specified in the annual report.

#### Remuneration of Senior Executives

##### *Board statement regarding Senior Executives' remuneration*

Pursuant to section 6-16a in the Norwegian Public Limited Companies Act, the Board will present the following statement

## BOARD REMUNERATION IN 2020

All amounts in NOK thousand	Board fees	Committee fees	Total remuneration 2020 <sup>1)</sup>
Siri Hatlen, Chair	476	51	526
Kjell Bjordal, Vice Chair	238	45	284
Widar Salbuvik	238	72	311
Camilla AC Tepfers	238	-	238
Benedicte Schilbred Fasmer from 30 April 2020	161	34	196
Erling Nedkvitne, employee representative <sup>2)</sup>	238	20	258
Marit Rasmussen, employee representative from 30 April 2020 <sup>2)</sup>	161	-	161
Ingrid Dahl Hovland until 30 April 2020	77	-	77
Mariann Halsvik Larsen, employee representative until 30 April 2020 <sup>2)</sup>	77	-	77
<b>Total <sup>1)</sup></b>	<b>1 906</b>	<b>222</b>	<b>2 128</b>

<sup>1)</sup> The overview of the remuneration of the Board of Directors shows remuneration earned in the financial year.

<sup>2)</sup> Does not include ordinary salary.

The Board and committee members received no other compensation than what is set out in the table.

regarding remuneration of the Chief Executive Officer (CEO) and other senior executives (hereafter "Senior Executives") to the 2021 annual general meeting.

#### Guidelines for management remuneration

Remuneration of Senior Executives is based on the following general principles:

- Entra shall be a professional organisation that attracts and retains skilled personnel and develops the competence of its staff. Entra thus needs to use remuneration, including competitive salaries, in order to ensure that the Group can recruit and retain competent and attractive expertise
- Moderation in the level of salaries of the Group's employees
- Management remuneration shall be competitive, but not leading
- The fixed salary shall be the main element of the remuneration, but all remuneration elements shall be considered in total
- The targets for any performance-related pay scheme shall be objective, measurable and definable, and there should be a clear correlation between the Group's business goals and the targets in such performance-related pay scheme
- Senior Executive remuneration shall be transparent and in line with the principles of good corporate governance

#### Process for determination of remuneration

The Board has established a separate Remuneration Committee. The Remuneration Committee functions as an advisory body for the Board and the CEO and is responsible primarily for:

- Making recommendations to the Board based on the committee's evaluation of the principles and systems underlying the remuneration of the CEO and other Senior Executives
- Making recommendations to the Board based on the committee's evaluation of the overall remuneration of the CEO, including the annual basis for bonus payments and bonus payments actually made

- Assisting the CEO in determining the remuneration of the other Senior Executives
- Advising the Board and the CEO in compensation matters which the committee finds to be of material or principle importance for Entra

#### Determination of remuneration in 2021

The guidelines for management remuneration set forth above form the basis for all remuneration of Senior Executives. The Board of Directors furthermore proposes that the following principles shall apply for 2021 and up until the annual shareholders' meeting in 2022.

The total remuneration of the CEO and other Senior Executives consists of a fixed package of salary and benefits supplemented by performance-based bonuses, share-based long-term incentive plans, employee share plans, pension and insurance arrangements.

#### Fixed remuneration

The fixed remuneration provided to Senior Executives includes a base salary (which is the main element of remuneration) and benefits in kind such as a car allowance, mileage agreements and telephone. The Senior Executives also have insurance coverage and other benefits in line with what is offered to the other employees in accordance with collective agreements, legislation and normal practice in Norwegian companies.

#### Performance-related pay

The Group operates performance-related pay schemes for Senior Executives. For the Group's Senior Executives, performance-related pay in 2021 includes a performance-related pay scheme ("STI") and a long-term performance based share incentive program ("LTI").

#### STI scheme

The STI scheme is based on set targets at Group level in accordance with Board approved scorecards for 2021, as well

as predefined personal targets. The scorecard for 2021 consist of the following KPIs and topics:

- NOI margin (net operating income less administrative cost/ rental income)
- Customer satisfaction score
- Energy consumption and waste management in the property portfolio
- HSE (health, safety and the environment)
- Employee satisfaction
- Compliance

For the CEO and the deputy CEO the STI scheme has a maximum limit of 50 per cent of base salary and for other Senior Executives the maximum limit is 30 per cent of base salary.

#### LTI scheme

The LTI scheme is based on two Key Performance Indicators (KPIs); Return on Equity before tax (RoE) and Total Shareholder Return (TSR), each weighting 50 per cent. The Board believes that these KPIs align the interest of Senior Executives and shareholders in a beneficial manner, even though both KPIs are also influenced by external factors beyond the control of management.

Actual performance is determined on a linear target scale between a hurdle at 100 per cent and a cap at 120 per cent for both KPIs.

1. Return on Equity: three-year average RoE before tax compared to a target determined by the Board of Directors
2. Total Shareholder Return: three-year Entra TSR performance compared to the performance of the FTSE EPRA/NAREIT index.

#### Overview of remuneration scale LTI scheme 2021

	Maximum LTI result CEO and Deputy CEO (%) <sup>1)</sup>		Maximum LTI result Senior Executives (%) <sup>1)</sup>	
Target achieved	100	120		
RoE	5.5	6.6	30	20
TSR	100 % of index	120 % of index	30	20
<b>Result LTI</b>	<b>-</b>	<b>100</b>	<b>60</b>	<b>40</b>

<sup>1)</sup> Calculated as actual achieved RoE & TSR divided by target RoE & TSR ("Result"). This Result is compared to the applicable target scale and if between 100 and 120 per cent, the linear percentage achievement is multiplied with the maximum 2021 result. I.e., if the Result is 110 per cent on the target scale, 2021 remuneration is calculated by 50 per cent multiplied by maximum 2021 result of 40 per cent and 60 per cent for Senior Executives and CEO/Deputy CEO, respectively.

The LTI remuneration will be distributed in shares which will have a vesting period of five years, whereof 1/3 matures after three years, new 1/3 after four years and the remaining 1/3 after five years. LTI remuneration is not included in the basis for pensionable salary and there is a cap on share price increase under the LTI scheme at 200 per cent share price increase.

#### Share purchase scheme

The CEO and other Senior Executives are eligible to participate fully in Entra's discounted employee share purchase plan on the same terms as all other employees.

#### OVERVIEW OF TOTAL REMUNERATION TO SENIOR EXECUTIVES IN 2020

All amounts in NOK thousand	Salary	Performance related pay (STI) <sup>1)</sup>	LTI <sup>2)</sup>	Benefits in kind	Pension costs	Total remuneration 2020
Sonja Horn, CEO	3 728	1 385	738	140	110	6 100
Anders Olstad, CFO and Deputy CEO	3 262	1 257	669	140	110	5 438
Kjetil Hoff, COO	2 047	415	179	140	110	2 892
Per Ola Ulseth, EVP Project Development	2 027	416	255	140	110	2 948
Tore Bakken, EVP Market and Commercial Real Estate Development	2 084	426	226	140	110	2 985
Åse Lunde, EVP Digitalisation and Business Development	1 757	312	251	140	110	2 570
Kristine Marie Hilberg, EVP HR and Organisation	1 634	334	120	141	110	2 339
<b>Total</b>	<b>16 540</b>	<b>4 544</b>	<b>2 437</b>	<b>981</b>	<b>770</b>	<b>25 271</b>

<sup>1)</sup> STI reflects the provision based on targets met in 2020, which will be paid out in 2021.

<sup>2)</sup> The LTI scheme has a vesting period of three years and a lock-up period of three to five years. LTI is reported on expensed basis. As such, the earned LTI for 2020 also includes a portion of LTI earned in previous years.

The above amounts are subject to National Insurance contributions of 14.1 per cent. No loans were given by Entra to senior executives at 31 December 2020.

### *Pension benefits*

The CEO and other Senior Executives has a contribution-based service pension on the same terms as other employees. The contributions are 5 per cent of salaries between 0 G and 7.1 G and 15 per cent of salaries from 7.1 G to 12 G.

### *Board compensation for company management and other employees*

The CEO and certain other Senior Executives have a number of internal directorships in subsidiaries and partly-owned companies. They do not receive any remuneration for these directorships.

Employee-elected members of the Board of Entra ASA receive fees in line with shareholder-elected Board members.

### *Severance package arrangements*

The CEO has the right to six months' severance pay based on the base salary in cases where the Board takes the initiative to terminate the employment. No other Senior Executives have pre-agreed severance pay agreements.

### *Remuneration in 2020*

Determination of remuneration of Senior executives for 2020 has been carried out in accordance with the statement presented to the AGM on 30 April 2020. The base salary of the Senior Executives remained flat in 2020. Performance-related pay for 2019 was determined and paid in 2020 on the basis of the principles determined in 2019. Performance-related pay for 2020 is determined and paid in 2021 on the basis of the principles determined in 2020.

## Equity and shareholders

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

### **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 the section on Salaries and remuneration of Board and senior executives above. The Articles of Association place no restrictions on voting, ownership or negotiability in the shares.

### **Equity and dividend**

At 31 December 2020, the Group's book equity was NOK 29,205 million (NOK 24,517 million), representing an equity ratio of 49 per cent (48 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.

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.

## Board authorisations

### *Capital increase*

The Board has been authorised to increase the share capital by up to NOK 18,213,205, equivalent to 10 per cent of the company's share capital. The authorisation may be used for the purpose to strengthen the company's equity and to cover capital need in connection with business opportunities. The authorization shall be valid until the annual general meeting in 2021, and will in all cases expire on 30 June 2021.

### *Purchase of own shares*

The Board has been authorised on behalf of the company to acquire Entra shares in the market with an aggregated par value of up to NOK 3,642,641, equivalent to approximately 2 per cent of the company's share capital, for a maximum purchase price of up to NOK 910,660,250. Treasury shares acquired under this authorisation may only be disposed of by way of a subsequent cancellation in connection with a share capital decrease, cf. section 12-1 (1) no. 2 of the Companies Act. The lowest and highest price to be paid per share is NOK 50 and NOK 250, respectively. The company's acquisition and divestment of own shares shall be carried out on a stock exchange or otherwise at a trading price and in accordance with generally accepted principles for equal treatment of shareholders. This authorisation shall be valid until the annual general meeting in 2021 and will in all cases expire on 30 June 2021.

The Board has also been authorised on behalf of the company to acquire up to 500,000 shares in Entra ASA on behalf of the company with an aggregated par value of up to NOK 500,000, equivalent to approximately 0.27 per cent of the company's share capital, for a maximum purchase price of up to NOK 125,000,000. Shares may be acquired for the purpose of carrying out the company's share scheme for all employees in the Entra group and the long-term share incentive scheme for members of the senior management in the Entra group. The lowest and highest price to be paid per share is NOK 50 and NOK 250, respectively. The company's acquisition of own shares shall be carried out on a stock exchange or otherwise at a trading price and in accordance with generally accepted principles for equal treatment of shareholders. Divestment shall be carried out in accordance with the purposes set out above, or on a stock exchange or otherwise at a trading price and in accordance with generally accepted principles for equal treatment of shareholders. This authorisation shall be valid until the annual general meeting in 2021 and will in all cases expire on 30 June 2021.

### **Equal treatment of shareholders and transactions with related parties**

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 2020 between the company and shareholders, directors, executive personnel or parties closely related to such individuals that could be described as material transactions.

### Information 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.

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.

### 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. The guidelines have been followed during the recent strategic interest in Entra.

### General meeting

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.

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.

### 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, 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. The Nomination Committee is considered to have a composition that reflects the common interests of the community of shareholders.

See [www.entra.no](http://www.entra.no) for more information on the members of the Group's Nomination Committee and the Nomination Committee's contact details.

### 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. The Compliance Officer reports on any matters to the board twice a year. A direct point of contact on such matters to

an external law firm is available on [www.entra.no](http://www.entra.no) and on Entra's intranet. There have been no reported incidents in 2020.

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 2020.

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 approximately NOK 1.5-2 bn per year on external suppliers. The main suppliers are the largest construction companies in Norway and their sub-contractors. In property management, the largest suppliers deliver maintenance works within building/refurbishment, electrical, HVAC and plumbing. Entra also uses large facility services suppliers for facility operations. Entra has signed framework agreements with its largest suppliers to minimize risk and follow up suppliers.

#### *Sustainability in the supply chain*

The construction and real estate industry in which Entra operates faces serious challenges related to Corporate Social Responsibility (CSR), business crime and labour rights. 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 facility services 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 labor or forced and compulsory labor in Entra's direct supply chain. But Entra has identified higher risk among

sub-suppliers at construction sites in regards to violation of labour rights. Entra has therefore increased the supplier management focus towards these sub-contractors.

#### *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 audits of its operations on an annual basis. The audits seek 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 2020 seven (7) 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.

The findings of violation of labor rights in one audit was so severe, that the contract with the sub-contractor was immediately cancelled.

#### *Supplier reviews and verification*

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;

- Checks that the latest version of "Socially Responsible Purchasing Guidelines" is adhered to
- 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 for cleaning companies

#### *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 2020, Entra reviewed its ethical guidelines 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.

#### **Auditor**

The Audit Committee evaluates and makes a recommendation to the Board and the general meeting regarding the choice of external auditor. When evaluating the auditor, emphasis is placed on the firm's qualifications, capacity and the auditor's fee. 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.

#### **Plan for the auditor's work**

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

#### **Auditor's relationship to the Board**

The auditor attends all meetings of the Audit Committee, as well as the Board meeting in which the annual report and financial statements are considered and adopted. At the meetings, the auditor goes through any significant changes in the Group's accounting principles, the evaluation of material accounting estimates and any 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.

#### **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.

#### **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. Management informs the Audit Committee of all additional services supplied by the external auditor at each Audit Committee meeting.

#### **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 2020

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 2020, the sections ESG in Entra, pages 42 – 81, GRI and TCFD tables, pages 177 – 182, and EPRA Sustainability Performance Measures, pages 183 - 189, 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 inquiries with management and individuals 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.

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Medlemmer av Den norske Revisorforening  
Organisasjonsnummer: 980 211 282

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## *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 2020 to be included in the Report, as described in the Report.
- ESG information presented for 2020 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 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 2020.

Oslo, March 3, 2021  
Deloitte AS



**Eivind Skaug**  
State Authorised Public Accountant



**Frank Dahl**  
Sustainability expert





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

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 meet climate risk and opportunities is discussed in the ESG work description on pages 42-82, and as part of the overall risk analysis on pages 28- 39. 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 -> <b>pages 42-43 and 72-73</b>	A. Climate-related risks and opportunities the organisation has identified -> <b>pages 53-59</b>	A. The organization's process for identifying climate-related risks -> <b>pages 37, and 53-59</b>	A. The organisations indicators for evaluating climate-related risks and opportunities -> <b>pages 37, and 53-59</b>
B. Management's role regarding assessing and managing climate-related risks and opportunities -> <b>pages 42-43</b>	B. Impact from risks and opportunities on the organisations operations, strategy and financial planning -> <b>pages 37, and 53-59</b>	B. The organizations' processes for managing climate-related risks -> <b>pages 37, and 53-59</b>	B. Emissions of Scope 1, 2 and 3 under the Greenhouse Gas Protocol -> <b>183-186</b>
	C. Preparation of the organisation's strategy in consideration of various climate-related scenarios -> <b>pages 46-59</b>	C. Integration of the above processes in the organizations general risk management -> <b>pages 37, and 53-59</b>	C. Goals for managing climate-related risks and opportunities -> <b>pages 53-59</b>

# 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 single-let properties as we have no management control of these properties and are unable to collect utilities data. For the reporting year 2020 this is only one property. 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. 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 2020 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 HQ office space 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. As of 31 December 2020, the portfolio occupancy was 97.9 per cent.

## 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 page 82-83.

## 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.

## NORMALIZATION

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 ESG 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.

#### COVID-19 SITUATION

2020 was a challenging year due to the outbreak of the Covid-19 pandemic. The Norwegian government acted swiftly at the outset of the crisis in March and implemented actions to safeguard the population. From 12th of March 2020 everyone who can was encouraged to work from home and avoid using public transportation - especially in the biggest cities. We have no concrete measures on how many people that have worked from an Entra office building in 2020 as we do not count people entering security gates. Nevertheless, we know that utilizations are directly correlated with the number of people in the building, and that activity in the office buildings throughout the year has been considerably reduced.

#### PERFORMANCE NARRATIVE ON SOCIAL PERFORMANCE

Diversity-employee gender is calculated as a percentage of female to men. The female share of Group employees is unchanged from 2019 to 2020. Diversity pay gender ratio is calculated woman to men. In June 2019 Entra hired a female CEO which has affected the gender pay ratio on senior management level from 2019 to 2020. The Chairman in Entra since 2012 is a woman.

Employee turnover is stable. In 2020, 15 people started working in Entra and 6 people left the company. Over a two to three-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 2020. Turnover rate is calculated based on people that left Entra divided on the number of employees by the end of 2020.

There have been no serious incidents involving direct employees in Entra in 2019, but in 2020 there have been 1 injury involving sick leave absence in our construction projects.

The Injury rate, Lost day rate and Accident severity rate (all calculated per 1,000,000 hours worked) were zero or close to zero in both 2019 and 2020.

#### 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 2020. For an outline on our plans for managing future performance please refer to the ESG report, pages 42-59.

#### 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 2020, absolute electricity consumption across the 63 managed assets with available data, totaled 81,692 MWh, an 8 per cent decrease from 2019. Measured as like-for-like, the decrease was 4 per cent. Landlord-obtained absolute consumption amounted to 56,969 of which 2 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 47 managed assets totaled 37,750 MWh, a decrease of 16 per cent compared with 2019. Landlord-obtained consumption amounted to 32,457 MWh.

There was no use of fuels in 2020, compared to 0,6 MWh in 2019. Entra is currently working towards phasing out fossil fuel consumption within its portfolio and has in 2020 removed all oil boilers.

Building energy intensity across the 60 management properties in our portfolio with like-for-like performance data was 124 kWh per square meter in 2020, down by 10 per cent in comparison with 2019.

##### Greenhouse gas

In 2020 Entra changed system for calculation of GHG emission. Entra has used Optima EOS system for monitoring energy, water and waste for several years. We have connected this system directly to an environmental module, automatically calculating Scope 1-3 based on consumption of energy, water and waste. This method gives a more detailed calculation than the previous calculation method. Combined with a different use of CO<sub>2</sub> factor on waste and a more detailed breakdown of the guarantee of origin for all electricity purchased by Entra, the outcome for 2020 is not directly comparable with 2019. Greenhouse gas intensity from building energy across the same assets fell to 4.18 kg CO<sub>2</sub>e per square meter, a drop of 9 per cent compared with 2019. This decrease is mainly explained by less energy consumption.

GHG emissions presented in the EPRA table are based on local-based and market-based emission factors for electricity. If calculated using a market-based emission factor for electricity, the GHG emission from electricity is about 10,503 tonnes CO<sub>2</sub>e in 2020. Due to the changes in system and methodology, as described above, GHG data is not comparable with 2019 where GHG emission from electricity was 1,933. In 2019 and 2020 Entra has purchased guarantees of origin for all electricity purchased by Entra (landlord 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 2020 was 156,699 m<sup>3</sup> compared with 277,800 m<sup>3</sup> in 2019. On a like-for-like basis, total water consumption decreased by 31 per cent primarily due to Covid-19. Building water intensity across the 60 assets with like-for-like performance data was 0.16 m<sup>3</sup> per square meter in 2020, a 36 per cent decrease from 2019.

### Waste

In 2020, Absolute waste creation across the 60 managed assets with available data was 2,501 tons. Compared with 3,383 tons in 2019 this was a decrease of 26 per cent. Like-for-like decreased with 25 per cent from 3,189 tons in 2019 to 2,378 tons in 2020. This is mainly explained by reduced activity as a result of Covid-19. 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 106,281 kWh in 2020, a 7 per cent decrease compared to 114,097 kWh in 2019. This decrease is explained by less activity in the building due to Covid-19, with a direct effect on the amount of lighting and ventilation needed.

Entra's pro-rata share of district heating and cooling decreased by 33 per cent from 89,785 kWh in 2019 to 60,363 kWh in 2020.

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

Energy intensity for Entra's headquarters was 59 kWh per square meter in 2020, down by 18 per cent in comparison with 2019. Greenhouse gas intensity from energy ended at 2.15 kg CO<sub>2</sub>e per square meter compared to 2.05 in 2019. This is mainly explained by the change in calculation method and factors on waste.

Entra's proportionate share of water consumption in 2020 was 384 m<sup>3</sup> compared with 751 m<sup>3</sup> in 2019. This 49 per cent decrease is a directly consequence of home office and Covid-19. Building water intensity was 0.14 m<sup>3</sup> per square meter in 2020, compared to 0.27 m<sup>3</sup> per square meter in 2019.

Entra's proportionate share of total waste decreased by 43 per cent from 21,5 tonnes in 2019 to 12,2 tons in 2020. Most of this decrease directly reflects the activity at HQ due to Covid-19 and home office (effect on paper and food waste).

### 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 use 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 by property type (Lfl)	Absolute performance (Abs)	2019	2020
<b>Energy</b>	Elec-Abs, Elec-Lfl	annual kWh	Electricity	59 632 854	54 998 002	55 333 987	114 097	106 281
			Total landlord-obtained electricity	59 632 854	54 998 002	55 333 987	114 097	106 281
			Proportion of landlord-obtained electricity from renewable resources	1.3 %	2.0 %	2.1 %	-	-
			Total tenant-obtained electricity	29 477 833	28 000 616	24 118 774	-	-
			<b>Total landlord- and tenant-obtained electricity consumption</b>	<b>89 110 687</b>	<b>82 998 618</b>	<b>79 452 761</b>	<b>114 097</b>	<b>106 281</b>
			<i>Electricity disclosure coverage</i>	<i>66 out of 80</i>	<i>63 out of 77</i>	<i>60 out of 68</i>	<i>1 out of 1</i>	<i>1 out of 1</i>
			<i>Proportion of electricity estimated</i>	-	-	-	-	-
	DH&C-Abs, DH&C-Lfl	annual kWh	District heating and cooling	37 334 811	36 928 726	32 056 683	89 785	60 363
			Proportion of landlord-obtained heating and cooling from renewable resources	-	-	-	-	-
			Total tenant-obtained heating and cooling	7 684 613	6 030 519	5 293 362	-	-
		<b>Total landlord- and tenant-obtained heating and cooling</b>	<b>45 019 424</b>	<b>37 750 340</b>	<b>37 350 045</b>	<b>89 785</b>	<b>60 363</b>	
		<i>District heating and cooling disclosure coverage</i>	<i>48 out of 80</i>	<i>47 out of 77</i>	<i>44 out of 67</i>	<i>1 out of 1</i>	<i>1 out of 1</i>	
		<i>Proportion of district heating and cooling estimated</i>	-	-	-	-	-	
Fuels-Abs, Fuels-Lfl	annual kWh	Fuels	-	-	-	-	-	
		Total direct landlord-obtained fuels	-	-	-	-	-	
		Proportion of landlord obtained fuels from renewable resources	-	-	-	-	-	
		Total tenant-obtained fuels	604	604	604	-	-	
		<b>Total landlord- and tenant-obtained fuels</b>	<b>604</b>	<b>604</b>	<b>604</b>	<b>-</b>	<b>-</b>	
		<i>Fuels disclosure coverage</i>	<i>1 out of 1</i>	<i>0 out of 0</i>	<i>1 out of 1</i>	<i>0 out of 0</i>	<i>NA</i>	
		<i>Proportion of fuels estimated</i>	-	-	-	-	-	
Energy-Int	annual kWh / sqm.	<b>Energy Intensity</b>	<b>136</b>	<b>123</b>	<b>138</b>	<b>72</b>	<b>59</b>	
<b>Greenhouse gas emissions</b>	GHG-Dir-Abs	annual tonnes CO <sub>2</sub> e	Direct	74	66	74	-	-
	GHG-Indir-Abs	annual tonnes CO <sub>2</sub> e	Indirect/location based	4 413	4 255	4 143	6	6
			Scope 1	-	-	-	-	-
			Scope 2	-	-	-	-	-
			Scope 3	907	1 339	836	7	7
		<b>GHG emissions intensity</b>	<b>4.53</b>	<b>4.45</b>	<b>4.61</b>	<b>2.05</b>	<b>2.15</b>	
		<i>GHG Scope 1 and 2 intensity from building energy</i>	<i>66 out of 80</i>	<i>63 out of 77</i>	<i>60 out of 68</i>	<i>1 out of 1</i>	<i>1 out of 1</i>	
		<i>Energy and associated GHG disclosure coverage</i>	-	-	-	-	-	
		<i>Proportion of energy and associated GHG estimated</i>	-	-	-	-	-	
<b>Greenhouse gas emissions - Guarantee of origin</b>	GHG-Indir-Abs	annual tonnes CO <sub>2</sub> e	Indirect/location based	1 933	10 503	10 172	NA	NA
		Scope 2	-	-	-	-	-	

<b>Water</b>	Water-Abs, Water-LfL	annual cubic metres (m <sup>3</sup> )	Water	Municipal water	277 800	156 699	219 892	151 280	751	384
	Water-Int	annual m <sup>3</sup> /sqm.	<b>Water Intensity</b>	<b>Building water intensity</b>	<b>0.29</b>	<b>0.16</b>	<b>0.25</b>	<b>0.16</b>	<b>0.27</b>	<b>0.14</b>
		<b>No. of applicable properties</b>		<b>Water disclosure coverage</b>	<b>64 out of 80</b>	<b>64 out of 77</b>	<b>55 out of 67</b>	<b>60 out of 68</b>	<b>1 out of 1</b>	<b>1 out of 1</b>
		%		<b>Proportion of water estimated</b>	-	-	-	-	-	-
<b>Waste</b>	Waste-Abs, Waste-LfL	annual tonnes	Waste type	Hazardous waste	28	23	28	23	0.06	0.01
				Non-Hazardous waste	3 355	2 477	3 161	2 354	21.46	12.19
				<b>Total waste created</b>	<b>3 383</b>	<b>2 501</b>	<b>3 189</b>	<b>2 378</b>	<b>21.5</b>	<b>12.2</b>
		proportion by disposal route (%)	Disposal routes, hazardous	Reuse	4 %	4 %	4 %	4 %	-	-
				Recycling	8 %	11 %	8 %	11 %	8 %	50 %
				Incineration (with or without energy recovery)	80 %	75 %	81 %	75 %	61 %	1 %
				Landfill (with of without energy recovery)	7 %	10 %	6 %	10 %	32 %	49 %
			Disposal routes, non-hazardous	Reuse	-	-	-	-	-	-
				Recycling	45 %	47 %	45 %	47 %	56 %	57 %
				Incineration (with or without energy recovery)	34 %	32 %	34 %	31 %	26 %	23 %
				Landfill (with of without energy recovery)	0.5 %	0.5 %	0.5 %	0.5 %	-	0.4 %
				Biodiesel production	20 %	21 %	20 %	22 %	17 %	19 %
		<b>No. of applicable properties</b>		<b>Waste disclosure coverage</b>	<b>57 out of 80</b>	<b>60 out of 77</b>	<b>49 out of 67</b>	<b>54 out of 68</b>	<b>1 out of 1</b>	<b>1 out of 1</b>
		%		<b>Proportion of waste estimated</b>	-	-	-	-	-	-

<b>Certification</b>	Cert-Tot	% total floor area	Level of certification	BREEAM-NOR	Outstanding	2 %	2 %	3 %	3 %
					Excellent	6 %	7 %	7 %	7 %
					Very Good	14 %	17 %	16 %	18 %
		<b>No. of applicable properties</b>				<b>14 out of 80</b>	<b>15 out of 77</b>	<b>14 out of 67</b>	<b>15 out of 68</b>
		% total floor area	Level of certification	BREEAM In-use: Asset Performance	Excellent	15 %	31 %	18 %	33 %
					Very Good	5 %	6 %	5 %	7 %
		<b>No. of applicable properties</b>				<b>10 out of 80</b>	<b>15 out of 77</b>	<b>10 out of 67</b>	<b>15 out of 68</b>
		% total floor area	Level of certification	BREEAM In-use: Building Management	Outstanding	6 %	9 %	7 %	10 %
					Excellent	11 %	23 %	12 %	25 %
					Very Good	3 %	5 %	4 %	5 %
					Good	-	-	-	-
		<b>No. of applicable properties</b>				<b>10 out of 80</b>	<b>15 out of 77</b>	<b>10 out of 67</b>	<b>15 out of 68</b>

**Data Qualifying Note**

- 1: NA = "Not applicable"
- 2: GHG Scope 1 emissions from fossil fuels and refrigerants are calculated using Returgass factor.
- 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 "Climate accounting for waste management" 2009, Raadal, Modahl and Lyng.
- 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			
			2019	2020		
<b>Diversity</b>	Diversity-Emp	% of employees	Board of directors	57 %	57 %	
		Gender diversity	Senior Management	43 %	43 %	
	Diversity-Pay	Ratio average basic salary	Managerial positions	46 %	44 %	
		Gender pay ratio	Board of directors	118 %	109 %	
		Ratio average bonus	Senior Management	77 %	101 %	
		Ratio average bonus within significant employee categories as identified in diversity-emp	Managerial positions	87 %	89 %	
		Direct employees bonus within significant employee categories as identified in diversity-emp	Board of directors	NA	NA	
		Direct employees training hours (vocational, paid educational leave, external courses, specific topics, etc.)	Senior Management	69 %	125 %	
		Direct employees who receive regular performance and career development review	Managerial positions	87 %	82 %	
<b>Employee Training and Development</b>	Emp-training	Average hours		35	24	
	Emp-dev	% of employees		100 %	100 %	
	Emp-Turnover	Total number	New hires		32	15
		Rate	New hires		18.3 %	8.2 %
		Total number	Turnover		17	6
	Rate	Turnover		9.8 %	3.3 %	
<b>Health and safety</b>	H&S-Emp	% of total days	Direct employees	2.6 %	3.1 %	
		Total number	Developments	-	1	
			Managed portfolio	-	-	
		Lost day injuries, direct employees	Developments	-	1	
			Managed portfolio	-	-	
		Fatalities, direct employees	Developments	-	-	
			Managed portfolio	-	-	
		Per 100 000 hours worked	Incident rate	-	0.33	
		Per 100 000 hours worked	Lost day rate	-	0.33	
		Per 100 000 hours worked	Accident severity rate	-	-	
	H&S-Asset	% of assets	Assets for which H&S impacts are assessed or reviewed for compliance	100 %	100 %	
	H&S-Comp	Total number	Registered internal control deviations at assets in management portfolio	1 831	1 662	
	Comty-Eng	Narrative	Community engagement, impact assessments and/or development programs		See narrative on page 58	

GOVERNANCE

			Corporate performance	
			2019	2020
EPRA Code	Units of measure	Indicator		
Governance	Gov-Board	Total number	Executive board members	-
		Total number	Non-executive board members	7
		Total number	Non-executive board members with competence within environmental topics	6
		Average tenure (years)	Board members	3.9
	Gov-Selec	Narrative on process	Composition of highest governance body Process for nominating and selecting the highest governance body	See narrative on page 71 and 77
Gov-Col	Narrative on process	Process for managing conflicts of interest	See narrative on page 76-77	

Social data note

- 1: Diversity-Emp: Gender diversity, percentage of female to men
- 2: Diversity-pay: gender pay ratio women to men
- 3: NA = "Not applicable"
- 4: Employees training, 116 out of 186 attending educational training over a longer periode in 2020
- 5: Incidents are actual injuries



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