

UB Nordic Property Fund AIF

Responsible Investment Report 2024



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UB Nordic Property Fund in brief

INVESTS IN PROPERTIES LOCATED IN THE NORDIC COUNTRIES

Total property value:

508 MEUR

Investments:

30

ACTIVE DIVERSIFICATION INTO DIFFERENT PROPERTY TYPES

Aiming for a well diversified portfolio
capitalising on opportunities
in market trends

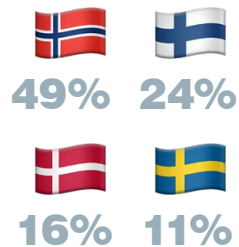


PROFESSIONAL PORTFOLIO MANAGEMENT TEAM

Long experience and specific expertise
in the Nordic real estate market

- The team is also supported by United Bankers' fixed income and equity market strategists

GEOGRAPHICAL DIVERSIFICATION



VUOTUINEN TUOTTOTAVOITE

7–9%*

EU SFDR CLASSIFICATION: ARTICLE 8**

The fund focuses on developing
existing properties

- Aiming to achieve carbon neutrality for use-phase energy consumption by 2035



Figures 12/2024. *Fund investments always involve financial risk. The value of the investment in the fund may rise or fall, and the target set for the fund may not be achieved. The return target is based on example calculations and does not necessarily reflect the historical or expected performance of the product. No subscription or redemption fees are taken into account in the calculation of the return target. **A fund under Article 8 of the EU Sustainable Finance Disclosures Regulation (SFDR) is fund as a fund that promotes, among other characteristics, environmental and social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

Fund key figures*

508 Meur

IN REAL ESTATE ASSETS

57**

REPORTABLE PROPERTIES

271,000 m²

TOTAL FLOOR AREA

303

TENANTS

44.7 GWh

TOTAL ENERGY CONSUMPTION

66%

SHARE OF RENEWABLE ENERGY

23

PROPERTIES USE GREEN ELECTRICITY

14

BREEAM-CERTIFIED PROPERTIES

*2024 figures calculated according to the ownership share of the property. **Also includes properties sold during 2024.

Portfolio Manager's comments

Due to the rise in interest rates, 2023 and 2024 were difficult years for the real estate market. However, there were signs of recovery in late 2024 after interest rate cuts were made in Sweden. When the figures for all the Nordic countries are added together, it looks like 2023 will be the worst year in terms of transaction volumes. The UB Nordic Property Fund's return for 2024 was at around zero or slightly negative depending on the series.

Inflationary pressures have eased, at least for now, which has allowed central banks to cut interest rates. This, in addition to increased construction costs, will help to support the real estate market. This applies to the existing property stock at least.

The fund made two sales during 2024. Both properties were sold at an annual return (IRR) of more than 10% and above their current fair value. The fund also made one acquisition during the year. All of the above-mentioned transactions took place in Norway. In the second half of 2024, there were clear signs of recovery in the real estate market, especially in Sweden. In concrete terms, this was reflected in the offers made for the fund's assets, which were as much as 10% above the valuation current at that time. The reopening of the real estate bond market had an underlying impact on this. In practice, this meant that real estate

investment companies were able to access cheap money from the market again. The so-called green bonds continued to be particularly popular as in previous years. With the opened bond market, banks also appear to have lowered their margins, although caution still seems to be evident in the loan-to-value ratios, for example.

Due to the low transaction volume, we have increasingly focused the fund on the development of properties, with an emphasis on environmental certification or related investments. During 2024, we gained 14 BREEAM environmental certificates with a rating of at least Very Good. We also produced a carbon roadmap for each of our holdings in early 2024. This will also serve as a guideline when we consider our strategy, also in terms of the properties we sell.

In 2024, the fund participated for the third time in the GRESB Real Estate Assessment, a global real estate sustainability benchmark, and received three stars as the result, as was the case the previous year. Our goal is to raise our rating for 2025 to four stars by improving, among other things, our reporting coverage.

**During 2024,
we gained 14 BREEAM
environmental certificates
with a rating of at least
Very Good**

Jaakko Onali

Portfolio Manager

UB Nordic Property Fund



Fund's sustainability objectives

The UB Nordic Property Fund invests primarily in Nordic real estate and real estate securities. The fund aims to invest in Nordic commercial properties as broadly as possible. The fund invests in grocery stores, offices, logistics properties and public administration buildings. The investment objective is to generate a long-term return in line with the Nordic real estate market.

The environmental and social characteristics promoted by the fund include climate change mitigation and adaptation. The fund actively participates in the development and management of the properties it owns, for example by influencing environmentally friendly building solutions and material choices, as well as sustainable energy solutions during the life cycle of the property. In property management attention is paid to issues such as energy efficiency, the use of renewable energy and the sustainability of the operations of property users.

The promotion of the environmental and social characteristics promoted by the fund is monitored based on the following sustainability indicators:

- Total energy consumption of properties
- Energy intensity describing the properties' energy performance
- Share of renewable energy used by properties in total consumption
- Greenhouse gas intensity of energy used by properties

The sustainability indicators are based on consumption data collected annually from properties and used in calculations in line with international practices.

The sustainability of the fund's real estate portfolio is also assessed and verified annually in the [GRESB global real estate sustainability benchmark](#). The fund's overall score in the benchmark is used to compare the fund's responsibility with that of the other real estate funds participating in the benchmark. In 2024, United Bankers' real estate funds participated in the GRESB Assessment for the third time.

The following UN Sustainable Development Goals (SDGs) are at the heart of the fund's activities:

- **SDG 11:** Sustainable Cities and Communities
- **SDG 13:** Climate Action
- **SDG 7:** Affordable and Clean Energy
- **SDG 12:** Responsible Consumption and Production



REAL ESTATE PORTFOLIO'S SUSTAINABILITY MANAGEMENT

Fund's sustainability principles

The fund is managed in accordance with the Principles for Responsible Investment approved by the Board of Directors of United Bankers, which define the responsible investing policies that apply to the entire Group. United Bankers signed the UN Principles for Responsible Investment (UN PRI) in 2012. The fund's responsible investment report also reports in accordance with the PRI's guidelines on real estate investments. United Bankers participates in several collaborative engagement initiatives concerning the climate (CDP, PCAF, TCFD) and the development of sustainability in the real estate sector (GRESB, EPRA, RAKLI).

ESG PRACTICES

The fund observes the following principles for responsible investment:

- ✓ Exclusion criteria
- ✓ Consideration of sustainability factors and risks in investment decisions
- ✓ Active ownership of real estate investments over the life cycle of the properties

The ESG practices are described in more detail in United Bankers' [Principles for Responsible Investment](#).

EXCLUSION CRITERIA

The fund observes the following exclusion criteria:

- ✓ Companies involved in the manufacture and sale of controversial weapons
- ✓ Companies participating in the development and production of nuclear weapons programmes
- ✓ Companies whose principal line of business is tobacco, weapons (excl. defence industry), thermal coal production, gambling or adult entertainment
- ✓ Companies deriving at least 25% of their revenue from thermal coal use in energy production
- ✓ Companies deriving at least 25% of their revenue from oil sands extraction
- ✓ Companies that violate international standards (UN Global Compact)

MANAGING SUSTAINABILITY RISKS

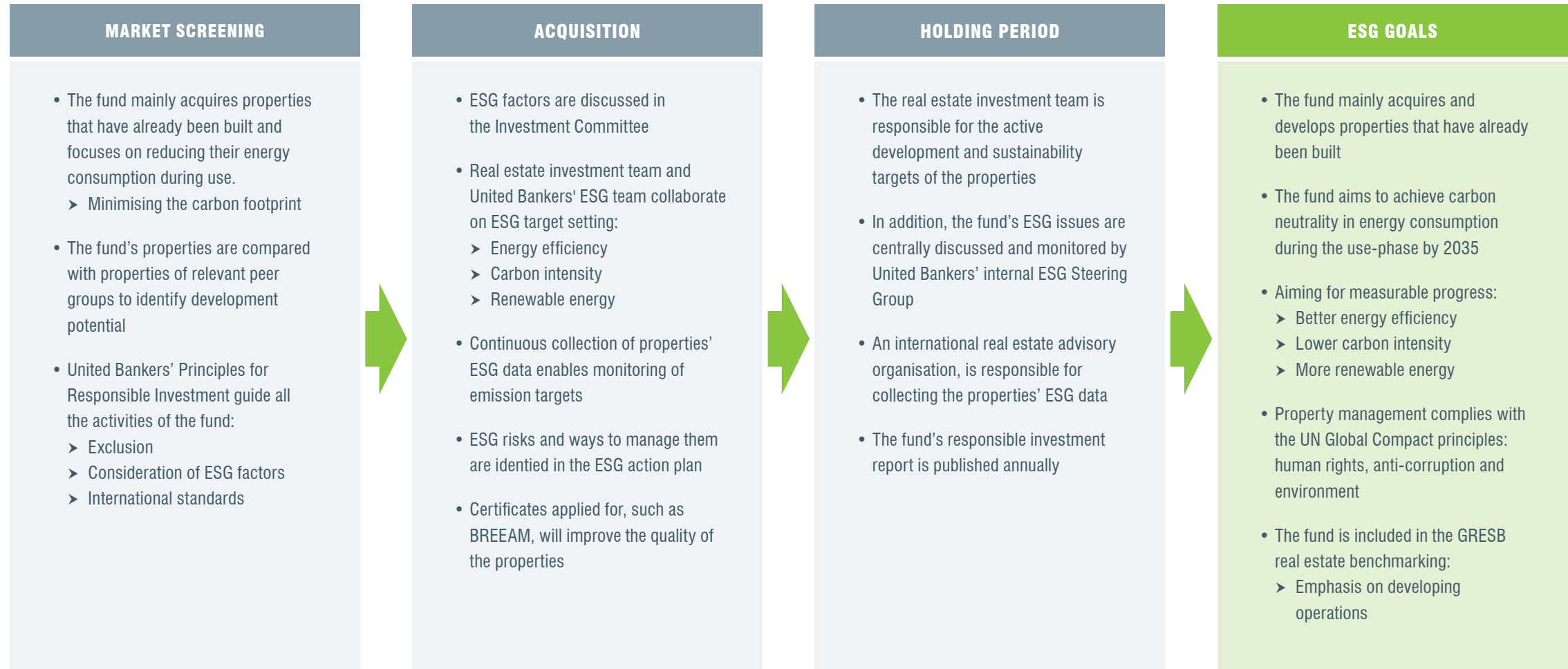
The fund assesses the sustainability and climate risks of an investment as part of its investment decision. Before investing, the property's risks are surveyed, as well as the potential for improvement measures from the perspective of good governance, finances, tech-

nical characteristics of the property and the environment. A plan of solutions is prepared for identified risks and development targets if it is considered that there is a need to improve the management of some of the property's sustainability risks. The measures are implemented during management of the property and the development of sustainability risks is monitored during the investment.

The fund aims to select those investments where sustainability risks are at a good level or where the fund has the potential to significantly improve its management of sustainability risks.



Sustainable development as part of real estate investment

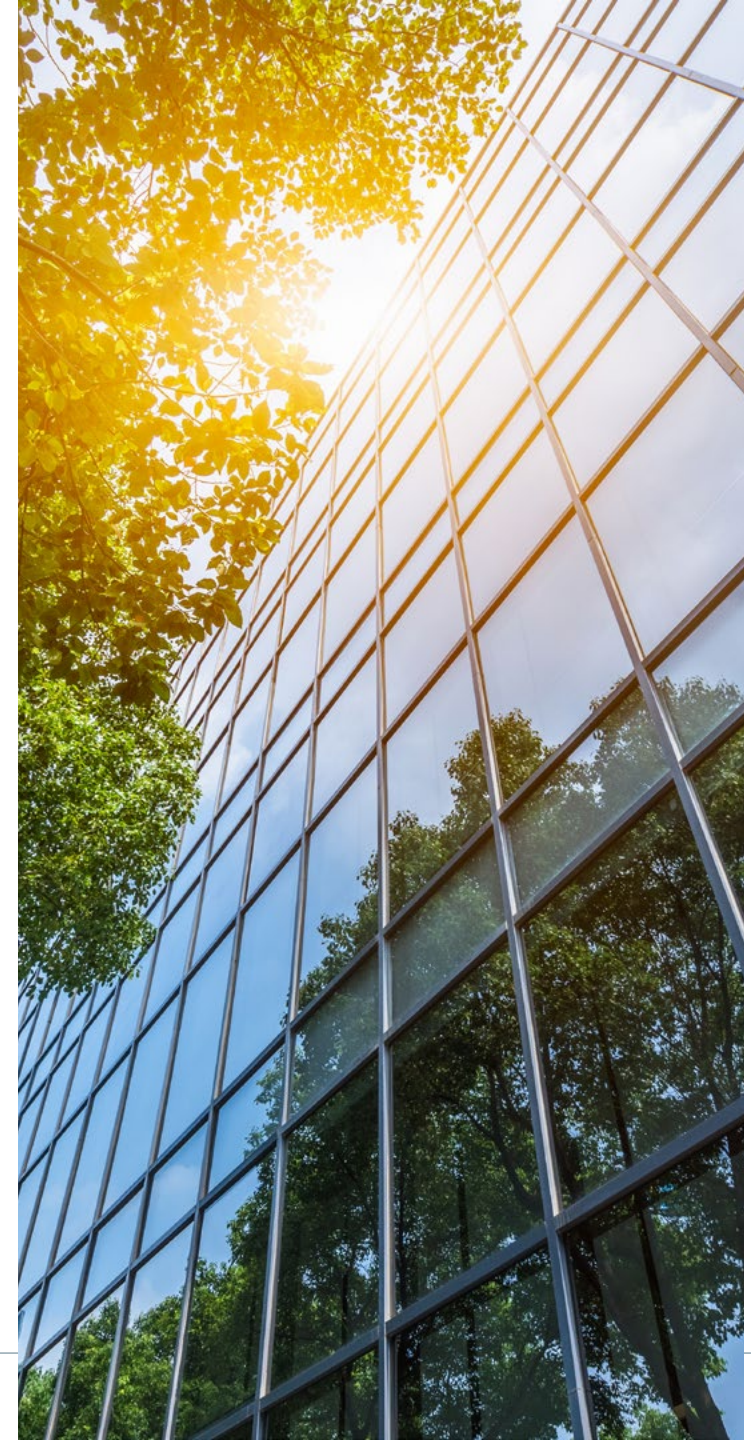


Colliers Finland – our partner in real estate management

The day-to-day management of the properties owned by the fund is the responsibility of Colliers Finland, which is part of Colliers International Group, a world-leading professional and advisory services firm in the real estate sector. United Bankers has chosen to emphasise responsible operations and good governance in its choice of real estate manager. The cooperation enables the fund to meet the growing expectations of investors and users regarding the overall sustainability of the properties, for example in terms of environmental impacts and social factors. Colliers' extensive expertise in the real estate sector also supports the sustainability work carried out by the fund more broadly.

The fund's portfolio managers hold regular collaboration and development meetings with the real estate managers at Colliers. In the real estate management, attention is paid to the following issues:

- **Sustainable and environmentally friendly materials and energy and water efficient solutions** must be favoured when carrying out renovations and major development projects at the fund's or its tenants' properties.
- **The satisfaction of the users of properties, i.e. tenants, is a key element in real estate management.** The fund strives to promote tenants' sustainability targets to the best of its abilities. Real estate managers also hold regular meetings with tenants.
- All new properties comply with **building safety requirements** and a quality manual for building. **Low-carbon material choices are prioritised** in building.
- The fund has set **an energy efficiency target** that the real estate manager is required to take into account when carrying out repairs and other activities.



REAL ESTATE PORTFOLIO'S SUSTAINABILITY MANAGEMENT

Identification and management of sustainability risks

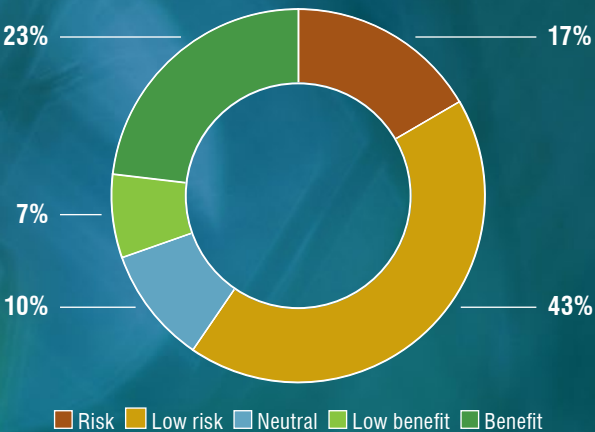
Sustainability risks refer to events or circumstances related to the environment, society, or governance that, if realised, could have a negative impact on the value of the investment. If realised, the sustainability risks of real estate investments may, for example, reduce rental income, lower the value of the investment property, increase the maintenance and repair costs of the property or make it more difficult to exit the investment.

The assessment of the fund's sustainability risks takes into account factors related to the environmental and social aspects of the properties, as well as factors related to the value and costs of the property. These include the energy efficiency of the property, energy sources and emissions trends, the operations of the property's tenants, compliance with the EU taxonomy, certifications and exposure to climate risks. The real estate market and its performance are also monitored. On the basis of these, an assessment is made on whether the factors related to environmental and social perspectives pose risks related to the property's value and return. The approach used is based on a methodology developed by JLL, a real estate expert organisation.

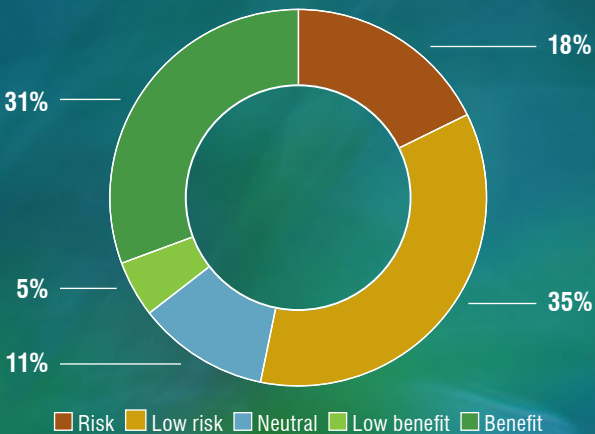
In 2024, the fund commissioned a comprehensive analysis of the real estate fund's sustainability risks from an external expert organisation. Around 53% (by number) of the fund's investments were exposed to sustainability risks of varying degrees. For example, low energy efficiency or high emissions from the district heating used were seen as a risk to the development of the value or return of certain types of property. Of the properties in the fund's portfolio, 11% were neutral in terms of sustainability risks, meaning that environmental and social issues did not pose any risks in them or produce any particular benefits. Of the fund's portfolio, 36% benefited from sustainability factors. For example, property certification, good energy efficiency or emission-free energy sources were seen as things that increased the value of a property in certain types of locations or, for example, made them easier to lease.

A set of proposed measures was drafted on the basis of the risk assessment on how improving the management of sustainability risks can create added value in real estate sites. For example, improvement of energy efficiency and certification of properties can reduce property costs in certain sites, while making the property more attractive from the perspective of tenants. This approach to managing sustainability risks enables effective value creation using sustainability factors.

Distribution of sustainability risks
(% share of total floor area)



Distribution of sustainability risks
(% share of total number of properties)



Identification and management of climate risks

Anticipation and management of climate risks is part of active portfolio management and property management in real estate funds. The aim is to minimise the costs resulting from climate change while aiming to utilise the potential of real estate return and value increase as effectively as possible.

Climate risks can typically be categorised into two types. **Physical risks** describe natural disasters and extreme weather events resulting from the progression of climate change. They are classified, based on time horizon, either into acute risks (e.g. forest fires and floods) and chronic risks (e.g. rising sea levels due to melting glaciers). **Transition risks** describe the market-based risks that are created by actions undertaken by people and societies towards a low-carbon lifestyle as a result of changes in legislation, technology and markets, and reputational damage.

The climate risk analysis of the fund's investments takes into account both physical climate risks and transition risks. In the real estate sector, the assessment of transition risks focuses on factors related to energy efficiency and greenhouse gas (GHG) emissions, as the level of requirements and regulatory demands related to them are constantly increasing. The assessment of physical climate risks focuses, for example, on the exposure of sites to various types of flooding. The climate risk assessment uses the methodology developed by JLL, a real estate expert organisation. The assessment of transition risks utilises, among other things, the CRREM carbon assessment to determine how properties can adapt to future emission reduction targets. In addition, data on compliance with the EU taxonomy, EPC certifications and the operations and related risks of the property's main tenants are taken into account. The assessment of physical climate risks takes into account the chronic and acute climate risks¹ listed in the EU taxonomy and analyses them according to the property's location and micro-location.

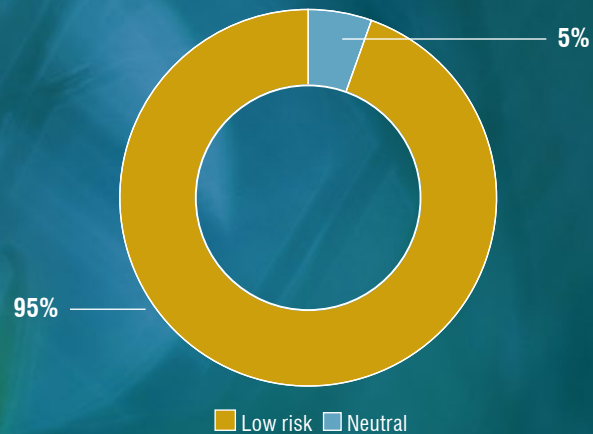
The analysis uses public national risk data and the IPCC's RCP 8.5 scenario².

Based on the method, each property is given a climate risk rating. In low-risk sites, no active measures are needed to manage climate risks. In medium-risk sites, small property-specific measures are needed. In high-risk sites, the risk factors need to be actively addressed in order to prevent their occurrence. In 2024, a large share of the fund's holdings (38%) were exposed to low transition risks, while 21% were exposed to high transition risks. Poor energy efficiency and related issues were typically seen as high transition risks. Only 5% of the sites were exposed to physical climate risks. This is explained by the fact that in the Nordic countries, the impacts of, among other things, rainfall and flooding on buildings and infrastructure are taken into account quite comprehensively already at the design stage.

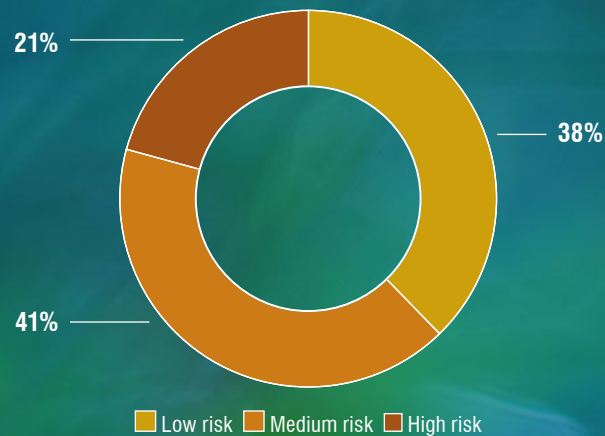
¹ CLIMATE RISKS UNDER THE EU CLASSIFICATION SYSTEM: TEMPERATURE-RELATED RISKS: CHRONIC RISKS: Temperature variability (air, freshwater, marine water), Changing temperature, Temperature variability, Heat stress, Ocean acidification, Permafrost thawing, Sea level rise. ACUTE RISKS: Heatwave. • WIND-RELATED RISKS: CHRONIC RISKS: Changing winds. ACUTE RISKS: Storm (including blizzards, dust storms and sandstorms), Cyclone, hurricane, typhoon. • WATER-RELATED RISKS: CHRONIC RISKS: Precipitation or hydrological variability, Land erosion, Increased marine water salinity, Water scarcity, Soil erosion, Flood (coastal, fluvial, pluvial and groundwater flooding). ACUTE RISKS: Drought, Heavy precipitation (rain, hail, snow), Flood (coastal, fluvial, pluvial and groundwater flooding), Glacial lake outburst. • RISKS RELATED TO SOLID MASS: CHRONIC RISKS: Soil erosion, Solifluction (flow of soil), Permafrost thawing. ACUTE RISKS: Landslide, Soil degradation, Soil movement. • OTHER RISKS: ACUTE RISKS: Wildfire, Flood damage to land and buildings caused by storms, Lower atmospheric phenomena such as the increasing impacts of flooding.

² RCP 8.5 (Representative Concentration Pathway 8.5) is one of the four scenarios of the IPCC (Intergovernmental Panel on Climate Change) that describe possible future climate change pathways. RCP 8.5 represents future scenarios in which the reduction of emissions is weak or non-existent. In this scenario, global temperatures rise significantly over the centuries, and the rise could exceed 4°C by the year 2100 compared to pre-industrial times. This scenario assumes a sharp increase in carbon dioxide (CO₂) emissions and other greenhouse gases, leading to severe climate change impacts such as extreme weather events, rise in sea level and destruction of ecosystems.

Climate risks – exposure to physical climate risks
(% share of total number of properties)



Climate risks – exposure to transition risks
(% share of total number of properties)



On the basis of the climate risk assessment, the fund develops property-specific proposals for measures and action plans for medium and high-risk properties, with the aim of both improving property-specific climate risk management and creating added value at the property sites. For properties exposed to transitional risks, measures could include improving energy efficiency or replacing energy sources with lower-emission ones, and for properties exposed to physical climate risks, improving stormwater management, for example. Portfolio managers have at their disposal estimates of the magnitude of the impact of climate risks on a property-specific basis.

[The GRESB global real estate sustainability benchmark's fund assessment](#) has also been used in the assessment of the fund's real estate portfolio in 2024. The 2024 GRESB assessment contains several sections focusing on climate risks, including the identification of physical and transition risks and the assessment of the practical impacts on the real estate portfolio. United Bankers' real estate funds participate in the assessment annually.

GRESB

Global Real Estate Sustainability Benchmark is an organisation based in the Netherlands that assesses and measures the sustainability of operators in the real estate sector. In simple terms, GRESB provides the investor with information on how the fund is performing from the perspective of the environment, social responsibility and good governance (ESG).

The annual GRESB Assessment collects comprehensive data at the property, manager and owner level. Data has long been collected on energy consumption and CO₂ emissions, for example, but nowadays the survey also includes environmental certification, customer satisfaction, employee well-being and data security practices.

In the 2024 GRESB Assessment, UB Nordic Property Fund achieved three stars with a score of 76/100, compared to the peer group average score of 76. In the Management Component, UB Nordic Property Fund gained almost full marks (28/30). In the Performance Component, the fund scored 48/70 points. The 2024 GRESB Assessment and data collection was carried out in collaboration with SWECO and Sustera.

In preparation for the 2025 GRESB Assessment, the fund has identified clear areas for further development, and by working on these, the fund should be able to achieve a higher score in the above-mentioned Performance Component in particular.



Consumption data: heat, electricity and water

The energy consumption of buildings consists mainly of electricity, heating and district cooling. Although the total energy consumption of the fund's properties increased compared to the previous year as the number of properties increased, the energy intensity of the properties, which measures energy efficiency, continued to decline compared to the comparison years.

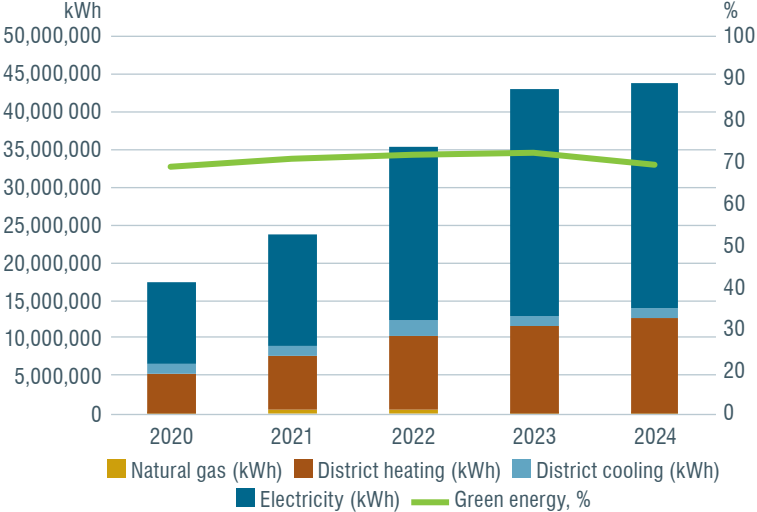
Most properties are heated using district heating. Five of the properties were heated with natural gas and five properties produced their own renewable energy. Green electricity produced from 100 per cent renewable energy sources was purchased for 23 properties. Almost 66 per cent of the total energy consumed at the properties was generated using renewable sources, which can be considered a great milestone towards a more climate-friendly real estate portfolio. The fund aims to continuously increase the share of renewable energy by increasing the amount of renewable energy produced by the properties.

Energy efficiency surveys and improvements (including the construction of solar power plants and the modernisation of ventilation systems) are constantly being carried out at the fund's investments. If the tenant is primarily responsible for the energy costs of the property, the fund may agree on a repayment arrangement with the tenant, whereby the fund makes an energy efficiency investment on behalf of the tenant and finances the investment by charging higher rent. The arrangement benefits the tenant through reduced overall costs.

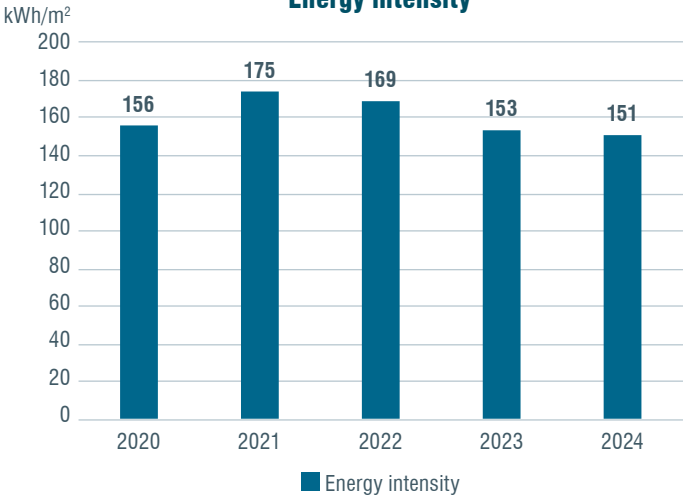
In 2019, of the fund's properties the Kiinteistö Oy Leppävaaran Kauppiastalo joined the [Energy Efficiency Agreement for Property Sector](#), which aims to improve the energy efficiency of properties by 7.5 per cent from 2015 consumption levels by 2025. The energy efficiency measures in force carried at the site have resulted in total energy savings of 562.9 MWh/a, of which 58.6 MWh/a is in electricity saved and 621.6 MWh/a is in heat saved. The savings achieved exceed the overall target set for the property, which is 226 MWh/a for 2025.

CALCULATION PRINCIPLES: The energy consumption figures are calculated on the basis of the fund's ownership share. Over the years 2020–2022 the figures used to calculate the percentage of green energy are calculated on a 100 per cent basis for all properties, i.e. the figures are not set in proportion to the fund's ownership share. The share of renewable energy is calculated on a location basis.

Energy consumption of properties

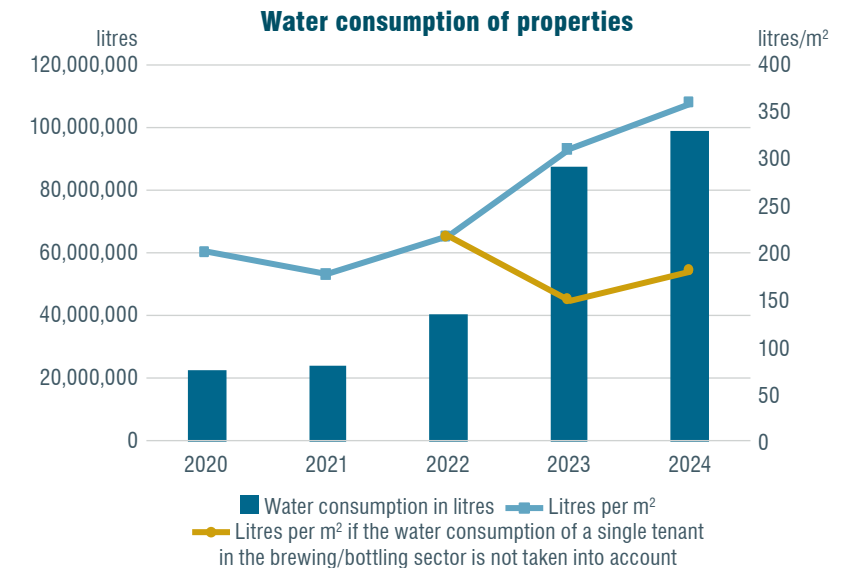


Energy intensity





The specific consumption of water used in buildings (359 litres per m²) increased from a year ago (310 litres per m²). The increase in water consumption was mainly due to the significantly higher than normal water consumption of a single tenant in the brewing/bottling sector. This significant difference in water consumption is illustrated in the graph.



CALCULATION PRINCIPLES: At the end of 2024, the fund owned 55 properties (2023: 55) Consumption data was requested for all properties, regardless of the fund's ownership share or maintenance responsibility. Final consumption data were received for a total of 47 properties (2023: 54). The consumption data are calculated on a 100 per cent basis for all properties, i.e. the figures are not set in proportion to the fund's ownership share. In the 2022 reporting the consumption data were not calculated in proportion to the fund's ownership share as they were calculated on a 100 per cent basis for all properties. The figures are therefore not comparable.

Waste data for properties

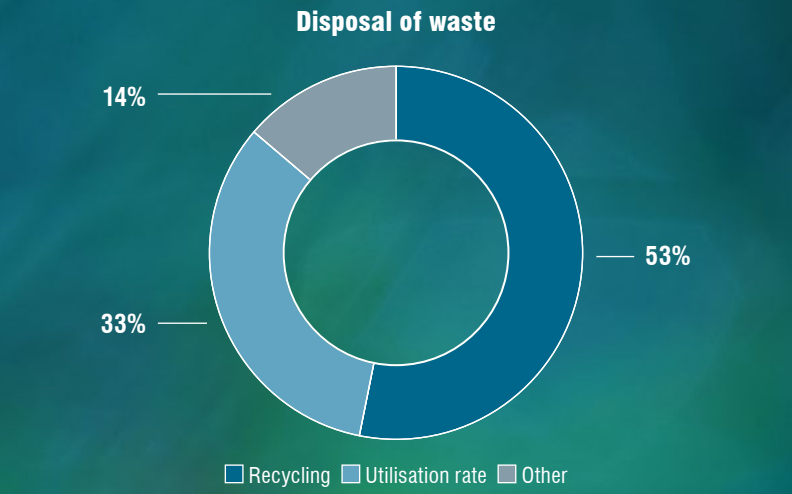
Improving waste management at the properties and increasing recycling rates are important drivers towards a sustainable circular economy. In 2024, properties owned by the fund generated a total of around 2 217 tonnes of waste (2023: 2 712 tonnes), of which 53 per cent was recycled and 33 per cent was reused as energy. In 2024, 57 of the properties participated in the fund's waste monitoring, whereas in 2023 waste data was obtained from 55 properties. The waste data are therefore not fully comparable due to improvements in the waste data coverage.

The reported waste data are obtained from the in-house reporting systems of the waste management companies used by the properties, from the real estate managers, and directly from the waste management companies. The aim is to further improve average recycling rates at the properties in the future and to increase the number of waste fractions collected. In most properties, the tenant is responsible for the waste management contract. The fund aims to increase the number of waste fractions collected and to improve the recycling rate in properties through active dialogue with tenants.



CALCULATION PRINCIPLES: The total waste figures for 2023–2024 have been calculated taking into account the properties' ownership shares, i.e. the figures have been set in proportion to the fund's ownership share. The total waste figures reported in 2022 were not set in proportion to the fund's ownership share, as the figures were reported on a 100 per cent basis for all fund properties.

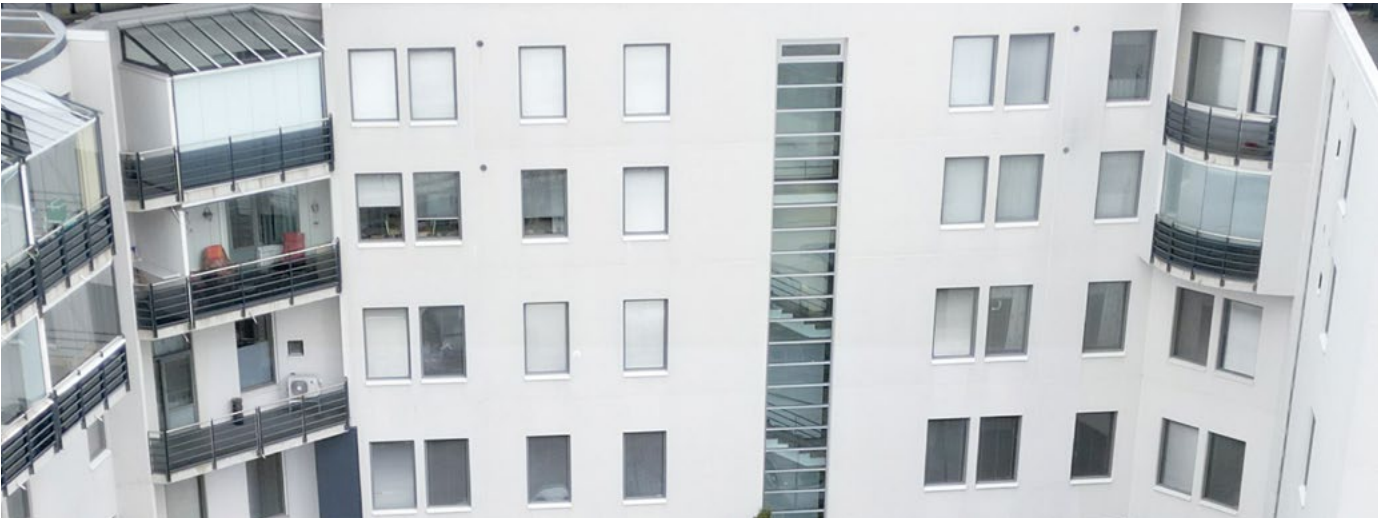
WASTE DATA FOR PROPERTIES	2024	2023
Total amount of waste	2,217 t	2,712 t
Recycling rate	53%	42%
Efficiency rate in energy production	33%	27%
Number of reported properties	39/57	49/55



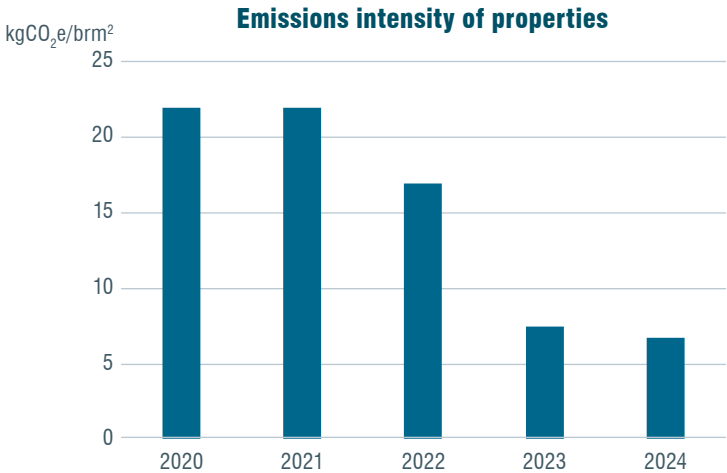
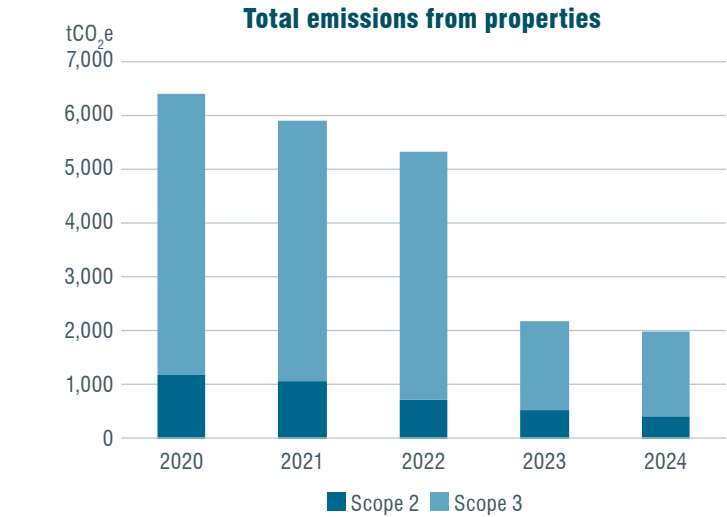
Emissions from energy consumption

The fund's total emissions consist of the Scope 2 emissions of gross rent properties managed by the fund (property manager is responsible for heating and purchase of electricity) and the Scope 3 emissions of net rent properties (tenant is responsible for heating and purchase of electricity). The fund's total emissions in 2024 were around 1,998 tCO₂e.

Although the use of renewable energy sources in the production of district heat has increased every year, district heat is still partly produced with fossil fuels. The fund is constantly working to reduce buildings' emissions from heat production, for example by promoting the transition to geothermal heating.



CALCULATION PRINCIPLES: The emission figures are calculated for 2023–2024, in accordance with the fund's ownership shares. Over the years 2020–2022 the properties' emission figures were calculated on a 100 per cent basis for all properties, i.e. the figures were not attributed to the fund's ownership share. The calculation of carbon dioxide emissions is based on the methodology of the [Greenhouse Gas Protocol](#) Corporate Standard. Scope 2 and Scope 3 emissions have been calculated by multiplying the reported energy consumption figures by the location-based average emission factors for each target country. Greenhouse gas emissions have been calculated for electricity and district heating using absolute consumption data. The sources of energy consumed in properties have been calculated for Finland according to the national residual mix for electricity maintained by the Energy Authority. District heating is calculated according to the district heating statistics compiled by Finnish Energy.



Roadmap to carbon neutrality

The fund aims to achieve carbon neutrality regarding the energy consumption of the properties during their use-phase by 2035. The target that was set in 2022 is incorporated as part of United Bankers' [climate roadmap](#) compiled in 2023 that covers the entire Group.

The carbon neutrality objective will be taken into account in the day-to-day operations of the fund and will guide investment decisions in the coming years. As the fund's opportunities to influence are naturally lower for minority holdings, the fund will focus on investing in majority holdings in the portfolio. A significant proportion of the fund's properties are also net rent properties, where the tenant is responsible for the purchasing of energy. In these properties, the fund aims to actively influence the tenant's energy choices and provide financial support for the necessary investments. The fund and external real estate managers respond to the challenges of change management through active interaction.

An essential part of the carbon neutrality target is the annual monitoring of the properties' emissions and the annually updated carbon roadmap based on this which allows the fund to monitor progress towards the target. During 2024, the carbon emissions of the fund's properties were reviewed on a property-specific basis. The portfolio management has access to property-specific information on how the emissions of each property compare to the national CRREM

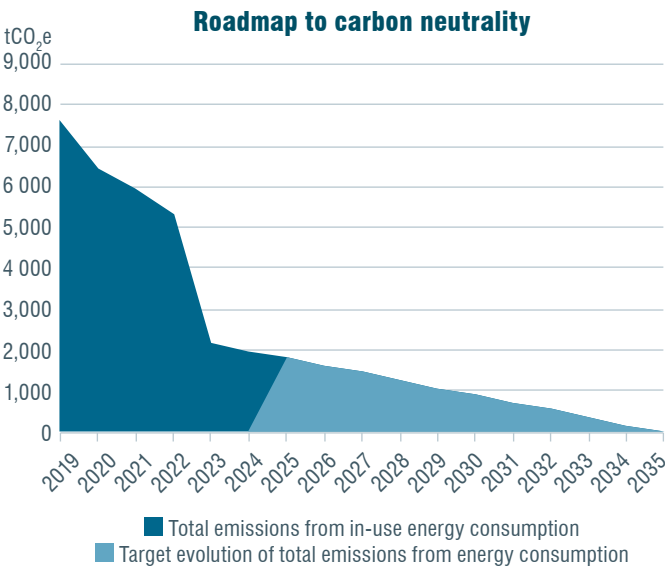
emission reduction pathways for each property type in the real estate sector. Based on the analysis, around 10% of the properties in the fund's portfolio require additional measures to achieve the CRREM emission reduction pathway or to remain within the projected emission targets before 2035.

Overall, the fund has, over the long term, successfully reduced the total emissions and emissions intensity of the properties' energy consumption during their use.

To achieve carbon neutrality, the following actions will be taken:

- Primary actions are **reducing energy consumption and improving energy efficiency** in buildings. Active property management and cooperation with tenants are key actions in terms of energy consumption, and energy efficiency measures are already surveyed during the fund's investment process.
- To minimise greenhouse gases, the energy used in properties should be as green as possible, so **the fund invests in renewable energy production** by the properties and **supports tenants in making the necessary investments**. The aim is to update all energy contracts to make them fully green.

- While completely eliminating emissions from a property's energy consumption during its use phase might not be achievable solely by reducing consumption or transitioning to green energy, the fund recognizes the importance of offsetting any remaining emissions through a dependable partner. Nevertheless, the fund places a higher priority on pursuing other proactive measures before resorting to offsetting.



CRREM (Carbon Risk Real Estate Monitor) is an international programme that helps real estate investors, developers and managers to assess and manage the emissions and climate risks of their real estate portfolios. The programme provides tools to monitor and predict the development of a property's energy consumption and emissions. CRREM has created emission reduction targets and pathways for the real estate sector to help property owners reduce their carbon emissions and achieve climate neutrality in the long term, in line with EU climate targets and requirements.

BREEAM environmental certifications

SITE	CERTIFICATE	LEVEL
NMK Næringseiendom AS	BREEAM In-Use	Excellent (Part 1)
K2 Eiendom AS	BREEAM In-Use	Very Good (Part 1)
KOy Paimion Green Field 1	BREEAM In-Use	Very Good (Part 1)
KOy Vanha Kaarelantie 33 A	BREEAM In-Use	Very Good (Part 1)
ME Real Estate Ljungby AB	BREEAM In-Use	Very Good (Part 1)
Oulun Ideapark	BREEAM In-Use	Very Good (Part 1) Very Good (Part 2)
Fastena Limhamn AB	BREEAM New Construction	Very Good (New Construction)
KOy Maskun Kankaisten Kauppatie 2	BREEAM In-Use	Very Good (Part 1)
Nordre Gate 4 AS	BREEAM In-Use	Very Good (Part 1)
Aquaticus Real Estate Ab	BREEAM In-Use	Excellent (Part 1)
H9 Offentlig Eiendom AS	BREEAM In-Use	Very Good (Part 1)
Devik Park Invest AS	BREEAM In-Use	Very Good (Part 1)
Hørsholm Kongevej 11B ApS	BREEAM In-Use	Very Good (Part 1)
Risavika Eiendomsinvest AS	BREEAM In-Use	Very Good (Part 1)

Environmental certification of properties is an essential part of the fund's sustainability work. At the end of 2023, ten of the fund's properties had BREEAM environmental certification. In addition to these, two new certificates were granted to the fund right at the beginning of 2024 as a result of work carried out in 2023. The aim is to increase the number of certified properties every year. The fund aims to achieve the highest certification levels, which in the BREEAM classification are 'Excellent' (highest level) and 'Very Good' (second highest level). The potential for certification is assessed for each property before an investment decision is made.

[BREEAM \(Building Research Establishment Environmental Assessment Method\)](#) is an international system for the environmental classification of buildings, which assesses buildings using various environmental indicators. A BREEAM-certified property therefore meets the criteria for a responsible property, both in terms of the physical building and the management of the property. BREEAM certification is always verified by a third-party and is valid for several years.

Nine of the fund's properties have BREEAM In-Use certification, which assesses the environmental impacts of the in-use performance and management of buildings in areas such as responsible sourcing, use of materials, waste recycling, energy and water efficiency, climate change mitigation and biodiversity. The purpose of classification is to reduce the environmental impacts of a building during its use-phase. Certification also calls for active cooperation and communication with the tenants of the property to achieve set sustainability targets.



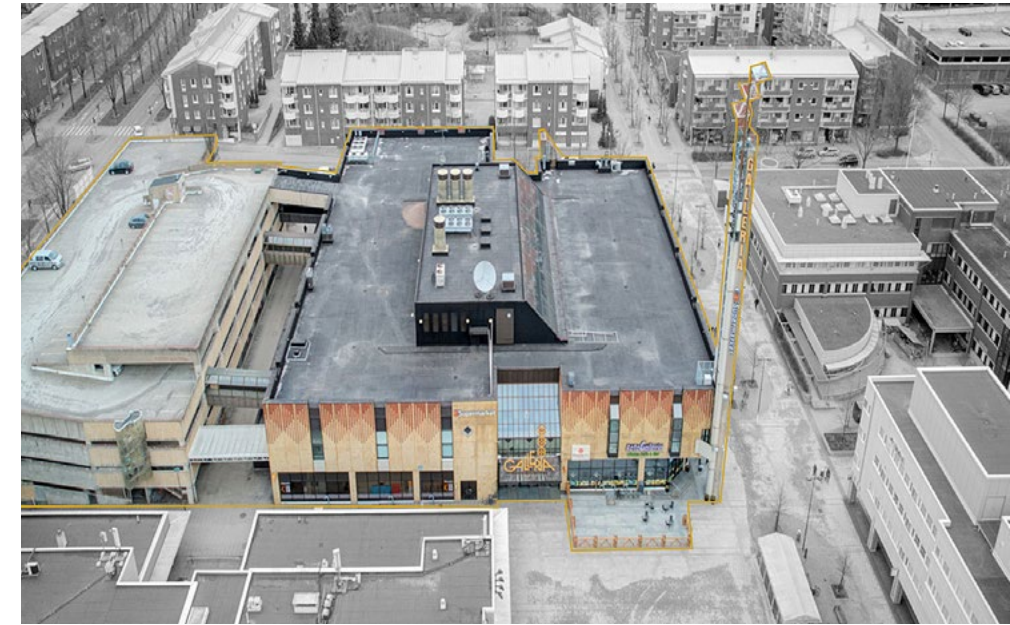
Leasing and refurbishment project of the Galleria shopping centre, which is important for residents of Leppävaara

The Galleria shopping centre, which is owned by the fund, is a neighbourhood shopping centre in Leppävaara that serves the area north of the Leppävaara railway station. There is a K-Supermarket and a gym in the shopping centre. The Galleria shopping centre has played an important role in the area surrounding the station since the 1980s and has undergone many changes over the years.

The fund has owned the property since 2016, and one of the reasons for the purchase was the excellent location and the City of Espoo's desire to develop the area into one of the city's largest hubs. In other words, this means that no major renovations have been carried out on the property, as the idea has been to demolish properties and replace them with new ones. The biggest investments have been in energy-efficient cooling and ventilation.

Due to delays in development activities, the fund started project leasing in Galleria in 2023, together with Nortecon, a specialist in this field. The aim was to refurbish the interior and find good anchor tenants for the property at the same time, taking into account the nature of the area and current trends. One of the most significant leases at the site was the Kontti concept store opened by the Finnish Red Cross. Kontti sells a wide range of second-hand goods, from clothing to everyday consumer goods. The shopping centre's occupancy rate is now 100%.

Towards the end of 2024, the fund started to refurbish the lobby area after the leasing project was completed. The refurbishment is still ongoing at the time of writing in 2025. The shopping centre will serve the local area even better for a few more years, until it is time to carry out further development of the shopping centre.



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