

DNB REAL ESTATE MANAGEMENT

DNB REIM (DNB Næringseiendom AS) aims to be a leading player in sustainable property management. As a responsible player, we recognize the necessity of contributing to a resource-conscious future.

CLIENT:S

- a) DNB Livsforsikring AS (DNB Life); Property Management
- b) DNB Scandinavian Property Fund; Management of the AIF as well as investments and management of the Portfolio of direct investments in Norwegian and Swedish commercial properties.
- c) DNB Eiendomsfond Core Plus (DNB ECP); Management of the AIF as well as properties in the Nordic region and EEA directly, or indirectly through investments in syndicates and real estate funds.

MAIN ACTIVITIES AND CORE ACTIVITIES:

- a) Fundraising
- b) Investing in real estate
- c) Management and development of real estate properties
- d) Carrying out real estate projects

DNB REIM SHALL:

- Comply with all statutory regulatory requirements
- Contribute to reducing the burden on the climate and environment, by continuously promoting new work patterns, products, services and technical solutions that can reduce CO₂ emissions.
- Continue our focus on environment and climate in our daily operations.
- Provide our tenants with added value through increased profitability and reduced environmental impact and help our tenants and other partners to be able to reduce its environmental and climate impact.
 - Actively manage climate risk.
- Work to become climate neutral in 2050

ANCHORING;

DNB REIM's anchors and obligations are particularly linked to:

- DNB Bank ASA's corporate policy, objectives and guidelines.
- UN Sustainable Development Goals
- Paris Agreement, adopted at the climate summit in Paris December 2015
- The EU Action Plan for a Circular Economy
- The EU's Green Deal (Climate neutral in 2050)
- EU Taxonomy and Disclosure Regulation (SFDR)
- Norway's commitment to reduce emissions by at least 55 percent by 2030 compared with 1990
- The real estate sector's "Roadmap towards 2050" prepared by the Norwegian Real Estate and Green Building Alliance.
- Energy Performance Building Directive (EPBD)
- Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standard (ESRS)

The Group's obligations; [DNB Transition Plan](#)

All of the UN's Sustainable Development Goals are important for achieving the world's common goals. DNB REIM has chosen to have a special focus on number 7, 11, 12 and 13.

OBJECTIVES FOR THE PERIOD 2024-2030

Climate and environmental goals:

- Reduce greenhouse gas emissions by 35 percent
- Reduce energy consumption in accordance with greenhouse gas emission targets
- Reduce water consumption and waste by 5 percent
- Achieve an average sorting rate of waste of 70 per cent over operations and 90 percent in projects respectively

Objectives related to social relationships:

- Equal payment
- Transparent employee survey
- No physical injuries registered at work
- Create increased well-being on own properties and in neighborhood areas
- At least one annual HSE round is conducted in DNB REIM

Objectives related to corporate governance:

- 100 percent compliance with laws and regulations
- Identify and manage conflicts of interest
- Transparency about employee positions, investments and relationships
- Third-party risk assessment
- All employees shall comply with applicable laws, regulations and internal regulations. Compulsory training. Code of Conduct.
- Combating corruption and financial crime and mandatory training for employees.

Reporting and measurement:

- We report in accordance with the GHG standard for greenhouse gas accounting.
- We report in CRREM (EU tool for defining "Stranded Assets")
- We use Energy Monitoring System EOS
- Environmental Management System – External Environment ISO 14001.
- BREEAM In Use is used to map the building's environmental standard for buildings in operation and promote continuous improvement.
- We sign green leases with our tenants, which commits both DNB REIM as the landlord as well as the tenants to promote sustainable solutions.
- The environmental standard for the property is documented in the property's building strategy.

Project implementation;

- Environmental and sustainability programs must be developed for all major projects.
- BREEAM NOR is used as a management tool in larger projects.
- Projects that aim to improve energy class and character in BREEAM.
- Greenhouse gas accounts are prepared.
- Reuse, circular economy and biodiversity are prioritized. The aim is to reduce environmental impact, promote sustainable methods and safeguard biodiversity.

Investing in real estate:

- When purchasing property for DNB Life and DNB Scandinavian Property Fund, the building is generally required to have an energy class as decided by the client.
- For buildings that do not satisfy these requirements, the cost of upgrading the building to energy class B (or level required by the policy) must be calculated and included in the decision basis. This includes climate risk assessment and mitigation measures to reduce this, deviations from this requirement must be justified in the recommendation.
- For investments in indirectly owned real estate, through DNB ECP, there shall be a focus on sustainability in the decision basis.

CLIMATE RISK:

Climate change and European climate policies can have an impact on the value of our assets, investments and infrastructure. Our focus is on developing higher environmental standards for the properties in the portfolio, in line with new technology and in accordance with applicable requirements.

Transition risk:

Is the risk that companies and real estate investors face when adapting to policies, laws and regulations related to the environment and sustainability.

Physical risk:

Physical risks are divided into acute, event-driven changes and chronic, long-term changes. Each risk is carefully evaluated and managed based on the probability of occurrence. Risk scenarios are termed "RCP 2.5 / RCP4.5 / RCP 8" depending on severity. The Government recommends the RCP 8.5 climate risk scenario.

Opportunities related to climate change adaptation:

Strategic measures have been established in line with the TCFD framework.

Our goal is net zero emissions by 2050 and we are adapting our strategy to new regulations.

Social conditions:

Our daily work is influenced by

- Diversity and inclusion – including universal design
- Health, safety and environment (HSE)
- Development of local communities
- Training and education – apprentices on construction sites

CORPORATE GOVERNING CRITERIA:

In DNB REIM, we have organized our business according to the principles of three lines of defence. In this way, we can control risk, compliance and conduct internal auditing. The first line of defence is operational management/employees who are responsible for following established routines and guidelines in their daily work.

The second line of defence shall monitor and guide the first line of defence, and report any deviations or violations of requirements.

The third line of defence is the internal audit and shall carry out independent and objective controls to assess and strengthen corporate governance, risk management and internal

controls. It shall also report its findings and recommendations to the Board and the Management group.

The following areas must also be addressed: conflicts of interest, human rights and responsible supplier conduct, management of regulatory frameworks, anti-money laundering and terrorist financing, anti-corruption and data protection.

REPORTING AND BENCHMARKING

Sustainable Financial Disclosure Regulation (SFDR) introduced by the European Union to promote transparency and accountability in the context of sustainable investments. It aims to prevent greenwashing and help ensure that investors and stakeholders are properly informed on sustainability aspects related to financial products and services. The regulation also applies to Norwegian financial institutions, including DNB REIM. DNB REIM manages the alternative real estate funds DNB SPF and DNB ECP. The funds promote sustainability and are classified as "Article 8" funds according to SFDR.

Corporate Sustainable Reporting Directive (CSRD):

Is a new EU directive that aims to create a common framework for what to report on sustainability and ensure that sustainability reporting is of the same quality as financial reporting, in accordance with the EU taxonomy. DNB REIM follows the Group's guidelines for reporting in accordance with CSRD and will be included in the Bank's reporting.

European Sustainability Reporting Standards (ESRS):

Applies to all businesses covered by CSRD. In general, specific matters relating to environmental factors, social factors and business ethics (ESG) shall be reported under ESRS.

The Transparency Act:

Norwegian regulation that requires Norwegian companies to be transparent and report on measures to safeguard human rights and working conditions in their value chain. The law requires Norwegian companies to report on how they work to safeguard fundamental human rights and decent working conditions, including measures to prevent violations such as child labour and forced labour.

Sustainability Annual Reports:

Give us the opportunity to assess and measure our environmental, social and governance (ESG) performance over the year, compare them to industry-specific standards and best practices, and share our performance and progress with our stakeholders.

These reports serve as a critical tool to document our commitment to sustainability and our ability to meet our sustainability goals, while providing a transparent insight into our strategy and performance.

DNB REIM publishes the annual report for DNB Life and DNB SPF, taking into account the reporting requirements of the GRI (Global Reporting Initiative).

Annual reporting in ORSA:

ORSA is the abbreviation for Own Risk and Solvency Assessment. ORSA is part of the Solvency II regulation and specifically Pillar II, Risk Management. DNB Liv reports annual climate risk to Finanstilsynet (Financial Supervisory Authority of Norway). DNB REIM will report on how we assess climate risk and the degree of climate risk in our management of commercial real estate.

BENCHMARK

Benchmarking is an effective practice to measure, understand and improve our sustainability performance.

GRESB:

The GRESB benchmark is one of the tools used for DNB SPF's portfolio. DNB SPF has participated since 2013.

The Energy Monitoring System (EOS):

Provides insight into energy consumption, water consumption and waste management. Data from the EEA shall be made available to employees of DNB REIM, tenants and decision-makers. Environmental data is integrated with other financial information using the PowerBI dashboard.

CRREM:

CRREM (Carbon Risk Real Estate Monitor) is a leading framework and tool designed to help real estate players identify and understand climate risks associated with their real estate portfolios. This framework focuses specifically on carbon risk and the challenges associated with climate change that can affect the valuation and profitability of properties.

TCFD:

TCFD (Task force on Climate-related Financial Disclosures:)

Is an internationally recognized framework that provides guidelines and recommendations for how organizations should report on climate-related financial information. The purpose of the TCFD is to help companies assess, discuss and report climate risk and climate impact in their financial reports, providing investors, policymakers and the market as a whole with necessary insights into how climate change may affect their business and the economy.

BREEAM:

Serves as both a management tool and an international certification system and is today the most widely used environmental certification system for buildings in Norway. DNB REIM uses BREEAM NOR for rehabilitation projects and BREEAM In Use as a management tool and environmental certification system in the management of the real estate portfolio.

ISO 14001:

ISO 14001 (Environmental Management System) is a recognized international framework and standard for environmental management systems that provides organizations with guidelines and requirements to establish and maintain effective environmental management systems.

The purpose of ISO 14001 is to help organizations identify, understand, and systematically manage environmental risks and impacts in their operations. It provides the opportunity to reduce negative environmental impacts, meet regulatory requirements, and improve environmental performance. DNB REIM was first certified ISO 14001 in 2015.