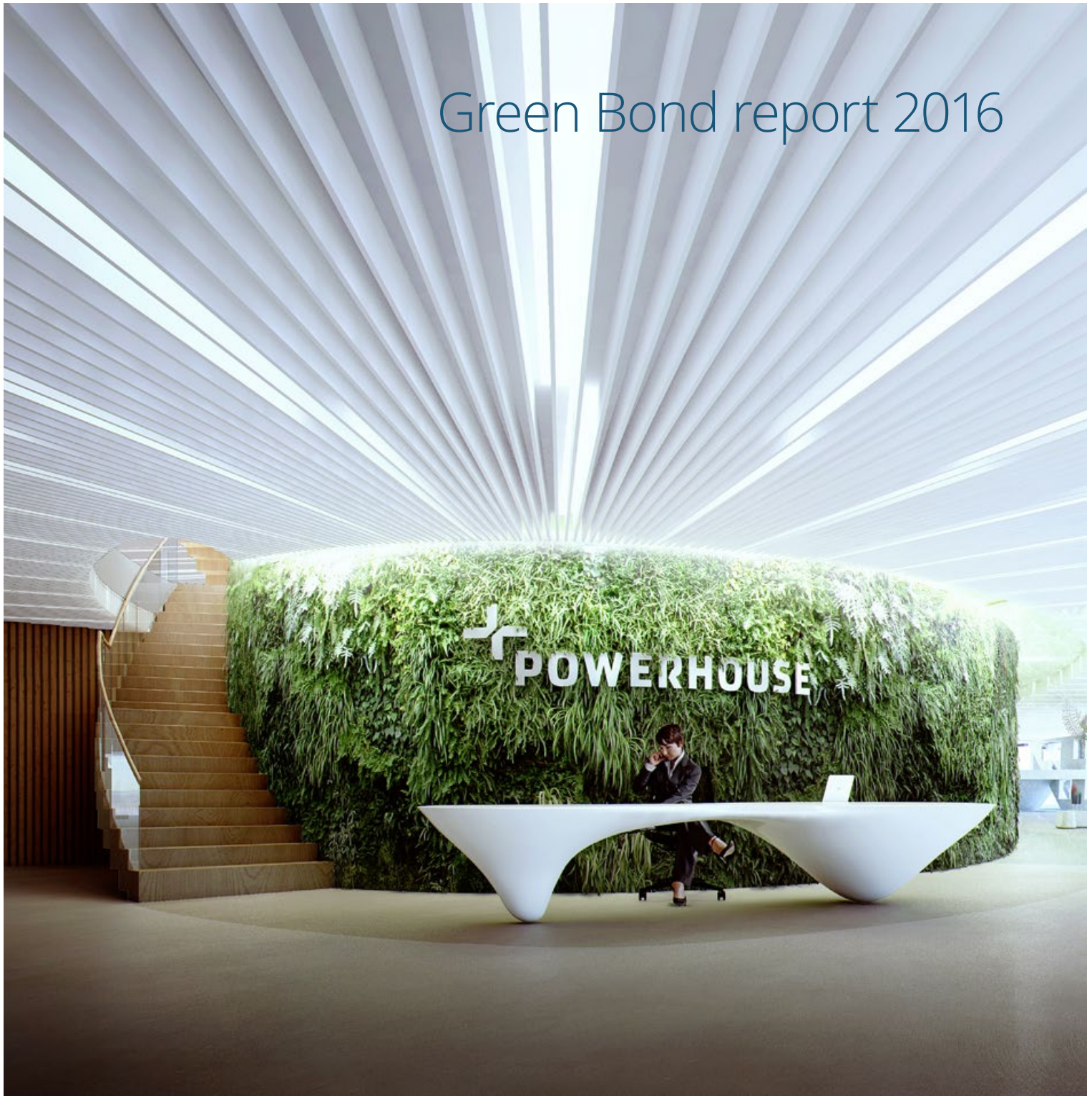


Green Bond report 2016



Flexible, attractive and environment-friendly office properties



Green Bond report

During 2016, Entra issued its first green bonds of NOK 1 bn. Entra is the first issuer of green bonds in the Norwegian property sector.

As of 31.12.16 the NOK 1 bn Green Bond proceeds had been fully utilised for re-financing of the two recently finalised projects/properties Powerhouse in Sandvika and Schweigaardsgate 16 in Oslo as further described below.

In accordance with the Green Bond Framework Entra's Chief Compliance Officer has verified the Green Bond Report, the internal tracking method and allocation of funds from the Green Bond proceeds.

Status Eligible projects financed



Powerhouse Kjørbo

Powerhouse Kjørbo is situated in the Kjørbo office park in Sandvika outside Oslo. The building was renovated into Powerhouse standard in 2014 and was the first building in Norway to achieve the rating BREEAM-NOR Outstanding. The building has set a new environmental standard as it produces more energy than it uses over its lifetime, including the materials used for construction. Entra is currently renovating two of the other blocks at Kjørbo to Powerhouse standard.

Energy consumption 2016:	38 kWh/m ²
CO ₂ Emissions 2016:	14.9 tCO ₂
Water consumption 2016:	71 liter/m ²
Waste sorting % 2016:	46 %



Schweigaardsgate 16, Oslo

Schweigaardsgate 16 in Oslo is a new built office property which was finalised in 2015. The property is 15,500 sqm and is classified BREEAM Excellent. The building is designed with 100 per cent LED lightning.

Energy consumption 2016:	90 kWh/m ²
CO ₂ Emissions 2016:	61.3 tCO ₂
Water consumption 2016:	190 liter/m ²
Waste sorting % 2016:	40 %

CSR and Environmental leadership in Entra

1. Climate and the environment

Climate-related challenges are our shared responsibility. Entra seeks to meet these challenges by reducing its own energy consumption, limiting carbon emissions as well as by influencing and setting requirements for other parts of the value chain. Entra has an ambition to be an environmental leader in the real estate sector. Based on technology, expertise and experience Entra contributes to reducing consumption through measures in existing buildings and through refurbishment and construction of new buildings. Entra's approach includes a focus on the circular economy and cradle-to-cradle thinking and the company seeks to use materials that can be re-used or recovered in new-build and refurbishment projects.

Entra complies with national and international environmental requirements and takes responsibility outside its own value chain by actively driving innovation and sharing its experience and expertise with other stakeholders. Entra sees no contradiction between long-term financial profitability and its commitment on global climate change. Both customers and Entra have lower costs over time in environmentally-friendly buildings, among other things through lower energy costs.

Only around 3 per cent of the total building stock in Norway is built or refurbished each year. Some 80 per cent of today's buildings will still be standing in 40 years' time. In order to create a lasting environmental impact, Entra is therefore working not only on environmental measures in new buildings and refurbishments, but also on measures in its existing property portfolio. Green Benefit Agreements¹⁾ are examples of efficient tools for reducing the environmental impact of the existing portfolio.

Environmental strategy and action plans

Entra has a defined an environment strategy for the period 2014 – 2017, combined with established targets and action plans for the measures envisaged. Entra is currently in the process of establishing an environmental strategy for the future that will seek to further broaden the company's focus and take its environmental work to a new level. Entra has signed up to "The roadmap towards 2050 for the property sector" compiled by the Green Building Council and Norsk Eiendom. The roadmap's vision is to contribute to a climate neutral Norway in 2050. Entra has started the work on implementing the ten immediate measures outlined in the roadmap. The roadmap will also form an important basis for Entra's new environmental strategy and business strategy.

Important priorities for environmental work in Entra in the period from 2014– 2017 are set out below:

Develop the property portfolio through innovation and new expertise

In recent years Entra has established a leading position in the sector by creating, innovative, environment-friendly buildings both through new developments and renovation of existing buildings. Entra will continue to follow this path and harvest experience that can be used on the existing property portfolio.

Environmental analysis and assessments are important criteria in connection with property transactions and planning of new-builds/renovations in order to make sure that environmental considerations are included in the decision-making process together with commercial considerations.

Entra is developing buildings that are environmental flagships in a global context, irrespective of whether they are new buildings or refurbishments of existing properties.

Powerhouse Kjørbo in Sandvika was the first building in Norway to achieve the rating BREEAM-NOR Outstanding. The property has attracted considerable attention far beyond Entra's organisation and Norway's borders. The building has set a new environmental standard as it produces more energy than it uses over its lifetime, including the materials used for construction. In practice the building therefore acts as a local power station that delivers environmentally-friendly energy. In December 2016 Entra announced the start-up of a new build Powerhouse project at Brattørkaia in Trondheim. Powerhouse Brattørkaia will utilise sun and sea water for heating and cooling. The building will be covered by 3,000 sqm. of solar panels and thus produce around 500,000 kWh of renewable energy annually. This is more than twice as much as the building will consume for heating, cooling, ventilation and lighting and means that the building will have a positive energy balance in its lifetime even when all the energy that goes into building processes, materials and finally demolition is included. The project is aiming for the environmental classification BREEAM Outstanding and Energy class A++.

During 2016 Entra has finalised the new-build project Sundtkvartalet, achieving a BREEAM Excellent classification, and the renovation of Strømsveien 96, achieving a BREEAM Very Good classification.

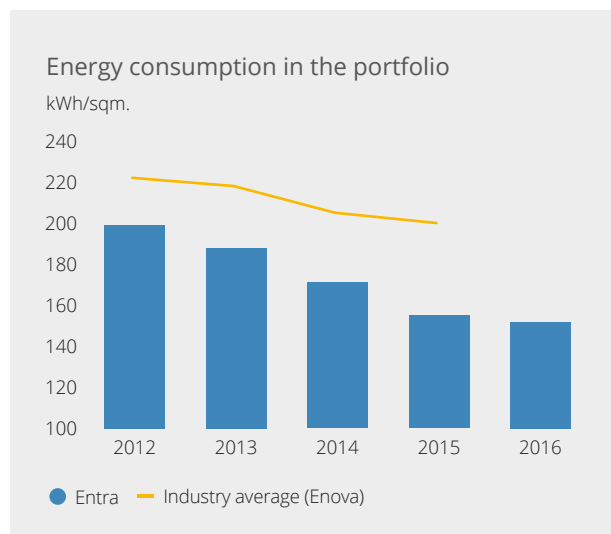
Entra will continue work to arrange for cycle parking, showers and cloakrooms, as well as facilities for electric cars at existing parking spaces in its properties.

Energy consumption in the portfolio

Energy consumption is the single most important factor in evaluating the environmental impact of commercial buildings. Energy consumption accounts for around 90 per cent of Entra's total carbon footprint and for several years Entra has worked to reduce energy consumption in its property portfolio. In 2016 energy consumption in Entra's property portfolio was 152 kWh/m². In comparison energy figures from Enova show that the sector's average energy consumption amounted to 200 kWh/m² in 2015.

Strengthen customer collaboration

Entra also undertakes environmental investments in the property portfolio through systematic co-operation with customers and through Green Benefit Agreements. Green Benefit 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 2016 Entra signed 17 new agreements reducing the energy consumption of the customers by around 1.7 GWh. The reduction corresponds to the annual consumption of approximately 100 Norwegian households and represents a total annual saving of around NOK 1.4 million for Entra's customers.

Certification

Entra is working on plans to certify the organisation as a "Miljøfyrtårn" ("Environmental Lighthouse"). Entra also plans to seek BREEAM-In-Use certification for two existing buildings in 2017 and then to evaluate whether to implement BREEAM-In-Use as an environmental management system for the entire portfolio. Entra aims to achieve BREEAM Excellent classification or better for all new-build projects and BREEAM Very Good or better for renovation projects.

Develop and share competence

Entra is working on its requirements for "the Entra building" for use in new-build and renovation projects. Core in these requirements is standardization and achieving a BREEAM

Excellent certification combined with flexible solutions and a focus on the circular economy and life cycle costs.

In order to be a sector leader on the environment over time Entra works actively to develop expertise and raise knowledge of environmental gains among customers, partners and employees. Communication channels include lectures, articles, board appointments in sector organisations and environmental courses for new employees.

The Powerhouse co-operation is a successful industry co-venture with the aim of constructing "plus buildings" in Norway. The partners in the Powerhouse co-operation are Entra, Asplan Viak, Skanska, Snøhetta, Zero and Sapa. Entra is also a member of Green Building Council, Norsk Eiendom, Norges bygg- og eiendomsforening and Futurebuilt.

Research and development

Entra is currently participating in the following major research projects:

- EnergiX/EFFEKT: an environment and innovation project with an aim to correctly predict the effect and energy demand of buildings.
- BIA project: Quality and learning in construction projects, together with Veidekke
- Svalent.: Environment project regarding development of pre-heating of air in ventilation systems

CDP reporting and score

Global institutional investors representing US\$ 100 trillion in assets, comprising banks, pension funds, insurance companies and fund managers, stand behind the Carbon Disclosure Project (CDP). Every year, inquiries are sent to companies to ask them to report how they are addressing the climate change threat in a structured manner. In Norway, CDP is supported by amongst others Folketrygdfondet, Norges Bank Investment Management and KLP.

Entra achieved a score B. The average for the Industry Group in 2016 was score C and for the CDP programme in total was score C. The B score implies that Entra is at a Management level and is taking coordinated action on climate change issues. Entra will continue to work on improving the score.

Green Bond

In 2016 Entra issued its first Green Bond capitalizing on the environmental qualities in a selection of its property portfolio

REPORTING AND ACHIEVEMENTS IN 2016

	2016	2015	Target
Energy consumption (KWh/m ²)	152	155	Ambition of 150 by 2017.
Energy reduction through Green Benefit Agreements (GWh)	1.7	3.4	Goal of aggregate energy reduction of 17.6 GWh in period 2013 up to 2018.
Water consumption (litre/m ²)	270	280	Goal of reduction in water consumption to 260 litre per m ²
Waste sorting (% sorted waste)	55	54	Goal of increase waste sorting to 56 %
CO ₂ emissions (tCO ₂)	6 894	7 389	Goal of reduction in CO ₂ emissions
Innovative, environmentally friendly building under development	2	2	At least one per year

and its management processes. CICERO (Norway's foremost institute for interdisciplinary climate research) has certified the Green Bond Framework.

Entra was awarded the rating Dark Green, which is the best rating possible.

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.

Future targets

As mentioned above, Entra has started working on a new environmental strategy and has signed up to "The Roadmap towards 2050 for the Property Sector". The 10 immediate measures and how Entra plans to comply with them are listed below.

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*

- CICERO, Second opinion

FUTURE ENVIRONMENTAL TARGETS

Activities	Targets for 2017	3-year target	5-year target
Develop a new environmental strategy	Develop a new environmental strategy	Comply and follow	Comply and follow
Comply with and follow the Roadmap towards 2050 for the Property Sector, hereunder:	Comply and follow	Comply and follow	Comply and follow
- Certify the organization	Establish plan for certification	Certify the organisation as Miljøfyrtårn	Comply and follow
- Remove fossil heating in buildings	Planning and budgeting - removal of fossil heating.	Remove in three remaining buildings	No fossil heating
- Only buy building products that do not contain hazardous substances	Covered by Entra's sustainable purchasing procedures	Covered by Entra's sustainable purchasing procedures	Covered by Entra's sustainable purchasing procedures
- Introduce BREEAM-In-Use as a management system for the entire portfolio	Perform two pilots. Evaluation of the pilots	Establishing BREEAM-In-Use as an environmental management system for the portfolio.	Continuous improvement of BREEAM-In-Use score in the portfolio.
- Conduct a study of what the roofs can and should be used for	Study different possibilities for use	Converting roofs according to study	Converting roofs according to study
- Demand and reward innovative environmental solutions	Request and demand innovative solutions in new-build projects.	Request and demand innovative solutions in new-build projects.	Request and demand innovative solutions in new-build projects.
- Require architects to make plans for re-use of materials and minimize waste.	Implemented in Entra's standard technical requirements	Implemented in Entra's standard technical requirements	Implemented in Entra's standard technical requirements
- Order energy budgets to calculate real energy use	Implemented in Entra's standard technical requirements	Implemented in Entra's standard technical requirements	Implemented in Entra's standard technical requirements
- Demand and prioritize building products with low CO ₂ emissions	To be implemented in Entra's standard technical requirements	Implemented in Entra's standard technical requirements	Implemented in Entra's standard technical requirements
- Demand fossil free construction sites	To be implemented in Entra's standard technical requirements	Implemented in Entra's standard technical requirements	Implemented in Entra's standard technical requirements



Head office

Biskop Gunnerus gate 14 A
0185 Oslo

Postal address

Postboks 52, Økern
0508 Oslo

Tel: (+47) 21 60 51 00
Fax: (+47) 21 60 51 01
E-mail: post@entra.no

Customer service centre

E-mail: service@entra.no
Tel: (+47) 800 36 872

www.entra.no