Corporate social responsibility

Entra reports its work with respect to corporate social responsibility (CSR) based on the fundamental values and principles set out in the UN’s Global Compact. Reporting is based on the Report to Parliament no. 27 (2013–2014) “Diverse and value-creating ownership” and the relevant section in the Accounting Act, § 3–3C.

Entra is committed to operate in accordance with responsible, ethical and sound business principles. Entra maintains a close dialogue with its main stakeholder groups. Such dialogue with customers, suppliers, employees, owners, authorities, research communities and other industry participants is fundamental to Entra’s CSR work. We believe that partnership with others is important for making greater progress in our efforts to achieve a sustainable value chain.

Entra, has identified the following three areas as core for making an important and positive contribution to society and for achieving a sustainable value chain:

• The environment
• Health, safety and environment (HES)
• Anti-corruption and business crime

The environment
Climate-related challenges are our shared responsibility. Entra seeks to meet these challenges by reducing its own energy consumption and limiting carbon emissions in all parts of the value chain. Entra has an ambition to be an environmental leader in the property sector. Based on technology, expertise and experience Entra contributes to reducing energy consumption through measures in existing buildings and through refurbishments and new buildings.

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 amount of buildings are being 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 building portfolio. Green Benefit Agreements 1 are examples of efficient tools for reducing the environmental burden of the existing building portfolio.

Entra’s environmental strategy and action plans
Entra has a defined environment strategy, as well as established targets and action plans for further work. Four important priorities for environmental work in Entra are set out below:

1. Develop the property portfolio with the help of innovation and new expertise
Entra’s objective is always to have one innovative, environmentally friendly building under development.

In recent years Entra has established a leading position in the sector by creating, through development or renovation, innovative, environmentally friendly buildings. Entra will continue to build profitable, innovative, environmentally friendly buildings and harvest experience that can be used in the existing property portfolio. Entra uses clear, experience-based environmental criteria in property transactions and new buildings so that environmental considerations are included in the decision-making process together with commercial considerations.

Entra is developing buildings that are environmental leaders in a global context, irrespective of whether they are new buildings or refurbishments of existing properties. Entra uses BREEAM-NOR as an environment classification tool and works to achieve

1) Entra’s scheme for working with customers on environmental measures. The scheme is further described later in this report.
BREEAM Excellent or better on new buildings and BREEAM-NOR Very Good for refurbishments (and energy class A). In addition Entra is considering using BREEAM-NOR In-Use as a standard for classification on existing buildings in the portfolio. The objective with BREEAM-NOR In-Use is strengthened sustainability in existing buildings. Entra has participated with a pilot building in a trial of this method, and has plans for a new pilot building on the next release of the method parameters.

Powerhouse at Kjørbo outside Oslo was first 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 project sets new environmental standards as the building produces more energy than it uses over its lifetime. In practice the building therefore acts as a local power station that delivers environmentally friendly energy.

Entra continues to investigate new opportunities. In the refurbishment of both Powerhouse Kjørbo and Kunnskapsparken in Sandvika, Entra has reused materials in accordance with the Circular Economy method, often called “Cradle to cradle”. As an example, Entra used the old glass facades from Kjørbo as internal office glazing. Reused materials give environmental gains as well as possible cost savings.

Entra will continue work to arrange cycle parking, showers and cloakrooms so that more customers can use the bicycle to work.

2. Reduce energy consumption and strengthen customer cooperation through Green Benefit Agreements

Entra’s target is to save 17.6 GWh (-11 per cent) in the period 2013–2018.

Energy consumption is the single most important factor in evaluating the environmental impact of commercial buildings. Energy consumption accounts for around 94 per cent of Entra’s total carbon footprint and for several years Entra has worked to reduce energy consumption in the property portfolio. In 2015 energy consumption in Entra’s property portfolio was 155 kWh/m2.
In comparison energy figures from Enova show that the sectors average energy consumption amounted to 212 KWh/m² in 2014.

Entra also undertakes environmental investments in the property portfolio through systematic cooperation 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 finance the measures. Customers pay back 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. As a result, the total balance is in favour of the tenant. Once the initial investment has been paid down, the customer receives the benefit through reduced common costs. Examples of buildings with Green Benefit Agreements include Statens Hus in Bergen, Posthuset in Oslo and Kunnskapsparken in Drammen.

Since 2011 Entra has signed more than 100 Green Benefit Agreements with its tenants. Entra’s customers reduced energy consumption by 12 GWh in 2015. The reduction corresponds to the consumption of approximately 600 Norwegian households and represents a total annual saving of around NOK 8.3 million for Entra’s customers.

3. Develop and share expertise

Entra’s goal is to develop, maintain and share leading expertise on environmentally friendly buildings in Norway.

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

Powerhouse 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, Sapa and Hydro. In 2014, the first plus building in Norway became a reality - Powerhouse Kårbo in Sandvika, with Asplan Viak as tenant. The refurbished building will produce more energy than it uses over the building’s lifetime. Powerhouse Kårbo is a world leading environmentally friendly building and the first refurbishment project outside Great Britain to achieve BREEAM Outstanding. In Trondheim, Entra has recently obtained political approval to build Powerhouse Brattørkaia which if completed would be the first newly built powerhouse.
4. External environment: Urban development

Entra’s strategic core areas are the four main cities Oslo, Bergen, Stavanger and Trondheim. Entra’s goal is to contribute to urban districts that are attractive, inclusive and accessible for residents. A part of Entra’s environment strategy is to look for locations close to important public transportation hubs, thus contributing to less use of private cars to the benefit of public transport and environmentally friendly alternatives such as bicycles.

For Entra, urban development means creating a good atmosphere and secure surroundings in and around 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 gives consideration to tenant composition in order to create life and variation among visitors and users of its buildings. Where it is natural Entra considers how the ground floors of buildings can be used to create life at street level.

In its work on urban development Entra places emphasis on a good dialogue with partners, competitors and other stakeholders. 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 the selected target groups.

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

Environmental key performance indicators

Entra has been measuring the environmental impact of its properties for several years. Entra’s performance is measured through development in the key performance indicators calculated by Entro AS and provided in the table below.

Entra will continue its work on reducing energy consumption, water consumption and increase waste sorting.

CDP Reporting and Score

Entra reported to the Carbon Disclosure Project (CDP) for the first time in 2015. A total of 822 institutional investors around the world with assets of US$95 trillion, comprising banks, pension funds, insurance companies and fund managers, stand behind 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 disclosure score of 97. The disclosure Score (0-100) measures the level of transparency in the reporting company. Entra furthermore achieved the performance band score B. Performance Band (A - E) measures how effectively the company is addressing climate risk. 97B is a very high score, particularly as it was the first time that Entra reported to CDP. The average for the Industry Group in 2015 was 87C and for the CDP programme in total was 84C.

It proves that Entra had a solid environmental strategy and action plans in place long before being asked to report to CDP as well as a greater understanding of the company’s exposure to climate change challenges than the average company in its industry class and in the CDP universe as a whole. It can be attributed to all the measures, large and small, taken by Entra, such as increasing energy efficiency and replacing fossil fuels.

Health, safety and environment (HSE)

Entra’s goal is that no one should be exposed to injury or become ill (physically or mentally) as a result of the company’s working environment. Entra monitors risks in the working environment, and places particular emphasis on following up its employees’ health and working conditions.

Entra’s business covers the whole value chain in property, from acquisition of sites to zoning, planning, construction and management. The operations represents many aspects within health, safety and environment (HSE). Entra works continuously for secure operations that protect people, the environment, the community and material assets.

Environmental key performance indicators

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption (KWh/m²)</td>
<td>199</td>
<td>188</td>
<td>171</td>
<td>155</td>
<td>Ambition of 150 by 2017</td>
</tr>
<tr>
<td>Energy reduction through Green Benefit Agreements (GWh)</td>
<td>0</td>
<td>2.6</td>
<td>6</td>
<td>3.4</td>
<td>Goal of aggregate energy reduction of 17.6 GWh in period 2013 up to 2018</td>
</tr>
<tr>
<td>Water consumption (litre/m²)</td>
<td>254</td>
<td>262</td>
<td>260</td>
<td>280</td>
<td>Goal of reduction in water consumption</td>
</tr>
<tr>
<td>Waste sorting (% sorted waste)</td>
<td>55</td>
<td>55</td>
<td>54</td>
<td>54</td>
<td>Goal of increase in waste sorting</td>
</tr>
<tr>
<td>CO₂ emissions (kg CO₂/m²)</td>
<td>52</td>
<td>52</td>
<td>48</td>
<td>46</td>
<td>Goal of reduction in CO₂ emissions</td>
</tr>
</tbody>
</table>

Source: Entro AS, Entra ASA
HSE is well established as a natural part of day-to-day operations and is a focus area at all levels of the organisation. Entra regards HSE as a personal responsibility of all employees. Members of top management are directly involved in practical HSE work and are expected to take the lead through behaviour and practical leadership. As part of this a review of the latest HSE report is one of the first points on the agenda at each management meeting. HSE status is also the first item on the agenda at all staff meetings. A serious incident on a construction project is reported directly to the company’s chief executive and to the board of directors. The contractor’s project manager is expected to attend to report on the situation, to state what the relevant person and the contractor could have done to avoid the incident and what future measures are to be implemented.

Entra’s view is that all accidents can be prevented and that work on HSE can always be improved. In 2016, Entra will further develop its goals and strategy for HSE in general, will develop new HSE documents and further develop the HSE reporting system.

Learning from undesired incidents is an important element in strengthening the HSE work. In 2015 Entra has worked actively to increase awareness with regard to the registration of near accidents and accidents. Reporting of undesired incidents is important in order to become better, and at the same time increase awareness internally among Entra’s own employees, among suppliers and customers. It is therefore positive that Entra has achieved a more than tripling of reported events in both categories.

Entra has recorded undesired incidents in 2015 that potentially could have had serious consequences. These incidents have been reviewed and analysed subsequently in order to identify and evaluate the causes and the sequence of events, draw conclusions and implement new routines where this has been necessary. During 2014 and 2015, Entra’s portfolio have undergone facade checks. In addition, an overall safety assessment has been carried out of Entra’s buildings. Group management has participated in HSE inspections on building sites and in Entra’s buildings during 2015. These activities will continue in 2016.

The H-value for Entra was 5.2 in 2015. The H-value is a measure of the frequency of working accidents (per one million working hours) that result in absence from work. Entra targets an H-value below 4.0. The average H-value in the sector was 6.2 in 2014.2

Workers’ rights and safety
The employees in Entra represent the company’s human capital. Together they create the basis for further development and growth. A clear objective is that employees should consider Entra to be a good and attractive place to work.

The Entra Manual
The Manual describes Entra’s values, management system and group policy and sets out guidelines and expectations in relation to employees and management, working conditions, ethics, procurement, corporate social responsibility, the environment, HSE, etc. The values are the foundation on which Entra builds its business and express what characterises the company. In addition, the intranet is used actively for information to all employees. The company’s personnel manual is also available on the intranet with details of the rights and obligations of employees.

Maintain standards
Entra observes established standards and employment legislation. Entra is a member of the Confederation of Norwegian Enterprise, and tariff agreements have been established with employee organisations.

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 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 at a time among employees with experience and knowledge of working conditions in the company.

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

Employees in Entra are free to organise themselves and are organised in several different associations. Entra has established an accord with the Norwegian Engineers and Managers Association (FLT). The accord sets out agreement on a number of important matters affecting members’ working lives.

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

Health and working environment
Entra has carried out a number of measures to contribute to good health among employees. As an example, Entra has an internal sports club that is active in a number of sports such as running, cycling and curling. Sick leave in Entra in 2015 was 2.6
per cent. This is low compared to a country average of 5.4\(^3\). The objective is a continued low level of sick leave.

Entra has established whistle-blowing routines. An external law firm has been engaged as an experienced, external partner with a duty of confidentiality in order to lower the threshold compared with having to contact someone in Entra. There have been no whistle-blowing cases in 2015.

Each year Entra carries out the survey “Great Place to Work”, and has an ongoing programme of measures relating to employee satisfaction. In 2015 Entra achieved a score of 79 per cent compared to 72 per cent in 2014.

**Diversity and equality**

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 integrated part of the company’s personnel policy and is reflected in the composition of senior management. Three of seven members of the group management and three of seven board members, including the chair, were women at the end of 2015.

At 31 December 2015, the Group had 162 employees of which 49 were women. Historically property operation jobs have been dominated by men. These jobs are, however, to an increasing extent involving more service, IT and customer service. Entra thus expects more women to work in operations over time. The company will also actively contribute to strengthening the proportion of women by recruiting women in these types of jobs.

Entra’s employees have varied backgrounds and expertise from different professional and technical areas and an average age of 46 years.

**Human rights**

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

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

It is a fundamental human right that everyone has space for reflection and development. Entra provides its employees with opportunities for professional and personal development. Entra undertakes know-how development to ensure that employees have the right knowledge for the job and are able to use their expertise and assume responsibility. Entra demonstrates respect for its employees’ private life and takes into account requirements for personal data protection through secure IT and HR systems.

The group’s ethical guidelines build on principles of equal opportunities for all, consideration for the environment and a view of society with an emphasis on ethics, openness, integrity and sincerity. Entra creates ethical awareness through regular training. Each year all employees must sign the ethical guidelines. Entra requires integrity and fairness in all matters that relate to the group’s business.

Entra has established a scheme where employees can give notice of a breach of the company’s values, ethical guidelines and rules, as well as public laws and rules.

**ILO’s eight core conventions**

Entra complies with national legislation and observes established employment standards, including fair pay for the company’s employees. The ILO’s eight core conventions are central to Entra’s work with respect to human rights. The core conventions are mainly taken into account through clauses in contracts with sub-contractors (in Entra’s guidelines for socially responsible procurement).

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3) Source: Statistics Norway as of 30.09.15
No breach of the company’s values, ethical guidelines and rules, as well as public laws and rules, has been notified in 2015. The ethical guidelines will continue to be reviewed and signed by all employees once a year. Entra has not been involved in any labour conflicts in 2015. The company works continuously and in a targeted fashion on the working environment and carries out each year the “Great place to work” survey as part of these measures.

**Anti-corruption and business crime**

Corruption may involve unethical preferential treatment, waste of resources, misuse of power, distortion of competition and weakened confidence in democratic institutions.

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, ambitious and hands-on.

The construction industry in which Entra operates faces serious challenges related to business crime and social dumping. Entra has zero tolerance for such matters and has established several routines to ensure compliance with the law. During 2015, a programme was introduced for a more detailed review/audit of our most important and most risk-exposed frame agreement suppliers. The reviews are partly being performed by Entra and partly by a third party. The programme and follow-up work will continue through 2016, reviewing existing frame agreement suppliers across the business.

Entra invited most of its larger construction suppliers to meetings during the autumn of 2015 to discuss developing a common approach to the challenges faced by the industry (including HSE). It is important for Entra to support serious companies in their work against social dumping and business crime and to be aligned with their best practices and requirements. These meetings will take place on an annual basis.

Reviews are made of all new suppliers to Entra that deliver services/goods with a value above NOK 200 000. One of the routines is a credit check before entering into a contract to ensure that suppliers have a financially sustainable business. At the end of December 2015 an annual credit check was made of all suppliers that had delivered for at least NOK 200 000 during the year. In addition, a routine was introduced at the end of 2015 (that will continue in 2016) for checking compliance with tax and VAT payments by suppliers within construction, craft trades and cleaning services.

Entra also exercises its supervisory duty on large investment projects as well as carrying out HSE inspections. In relation to cleaning services, all cleaning suppliers have signed a declaration confirming compliance with Entra’s requirements related to tax, VAT, payments to workers, etc.

**Active work on ethics in practice**

Entra has established the “Entra Manual” that includes ethical business guidelines for employees. In addition, personal guidelines are available on the intranet with practical examples of acceptable/unacceptable behaviour in relation to suppliers (gifts, entertainment, participation in arrangements, etc.). Ethical business guidelines are also incorporated in the ongoing management development programme and the guidelines are evaluated by the Board on an annual basis.

**Responsible procurement**

Entra’s fundamental purchasing principle is to achieve the best possible total result through competition and the fewest possible suppliers. Purchasing 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 purchasing that include requirements on documentation, role/work division (dualism) and equal treatment of suppliers through competition. The routines are intended to counter conflicts of interest and corruption.

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**Absolute requirement on suppliers**

- Follow Entra’s guidelines “Socially responsible procurement”. Undertaking also on behalf of sub-suppliers.
- A healthy financial situation – all are credit checked etc.
- In order to be able to enter into agreements for more than NOK 200,000 the supplier must have an environment strategy, be environment certified or be willing to implement an environment strategy within six months.
- Confirmation of VAT and tax payments (large purchases).

In 2015 Entra has reviewed “Socially responsible procurement” together with eleven frame agreement suppliers in order to ensure that the guidelines are being followed. The goal is closer involvement, raising levels and increased reporting.
All new employees take a purchasing course focusing on processes, guidelines and tools for implementing good and fair procurement processes. Anti-corruption has also been a theme on these courses.

Entra continuously monitors the number of suppliers and frame agreements within each category with a target to decrease the total and ensure that the company only does business with serious suppliers. Entra has strengthened the supplier qualification criteria to prevent business crime and social dumping and has updated its “Responsible Purchasing” documents to which all suppliers must agree. The update includes, amongst others, a requirement for only two levels in large construction companies’ supply chains, only one level of supplier in a frame agreement supplier’s chain, use of approved manpower companies and membership in StartBANK where relevant.

Entra wishes to have a “hands-on” relationship with key suppliers and in 2014 Entra implemented a supplier follow-up programme that has been maintained in 2015 and will continue in 2016. The main purpose is to have an established arena for dialogue and cooperation that, among other things, will focus on contributing to solving the sector’s challenges relating to working conditions, corruption and business crime.

Close supplier follow-up
In order to enter into an agreement with Entra, suppliers must follow the company’s guidelines (“Socially responsible procurement”). Suppliers must then take responsibility for healthy and safe working conditions for their own and Entra’s employees, take precautions against accidents and occupational illnesses, undertake training, and observe requirements related to HSE and a well-functioning working life.

The guidelines cover prohibitions against the use of materials from threatened species that can harm the environment or are in conflict with the UN Convention on the Rights of the Child, the European Human Rights Convention etc. Suppliers also give undertakings in relation to their sub-suppliers. In accordance with the guidelines suppliers must give notice of unsatisfactory conditions or suspicions of the same with respect to themselves, sub-suppliers or Entra. No unsatisfactory conditions were reported in 2015.

Sponsorships
Church City Mission
Since 2014, Entra has been engaged as a sponsor of the Church City Mission in Norway. The Church City Mission’s vision is that people in the city should experience respect, justice and care and through such co-operation Entra contributes to positive urban development. 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: Oslo and the surrounding districts, Bergen and Trondheim. In Oslo, Entra is involved, among other things, in the newly started “Neighbour cooperation”, which involves several companies in the city centre of Oslo and Bjarvika, working to create a safer and better local environment for all those passing through the area. In 2015, Entra has been actively involved in a Christmas campaign collecting money to provide Christmas dinners for the homeless. Using the reception areas in Entra’s largest buildings several Entra employees have been engaged in the campaign.

Ridderrennet
For 17 consecutive years, Entra has been the main sponsor of Ridderrennet, a full week of skiing activities and competitions for all classes of visually and mobility disabled persons. The lower age limit is 15 years with no upper limit. In 2016, it is expected that around 500 disabled skiers from several different countries will participate in various competitions at Beitostølen. Ridderrennet is important for Entra in order to learn more about everyday life for people with disabilities and maintain our focus on universal design and arrangements to make life easier for disabled persons.

Refugees welcome to Norway
In 2015 Entra contributed to the initiative “Oslo welcomes refugees” where volunteers became engaged through an extremely fast growing facebook-campaign. Huge amounts of clothing and necessary everyday articles for refugees were collected and distributed from an Entra building at Tøyen. Entra prepared the necessary space and made it available free of charge.