



Entra ASA

Shades of Green assessment

 Sector: Real estate

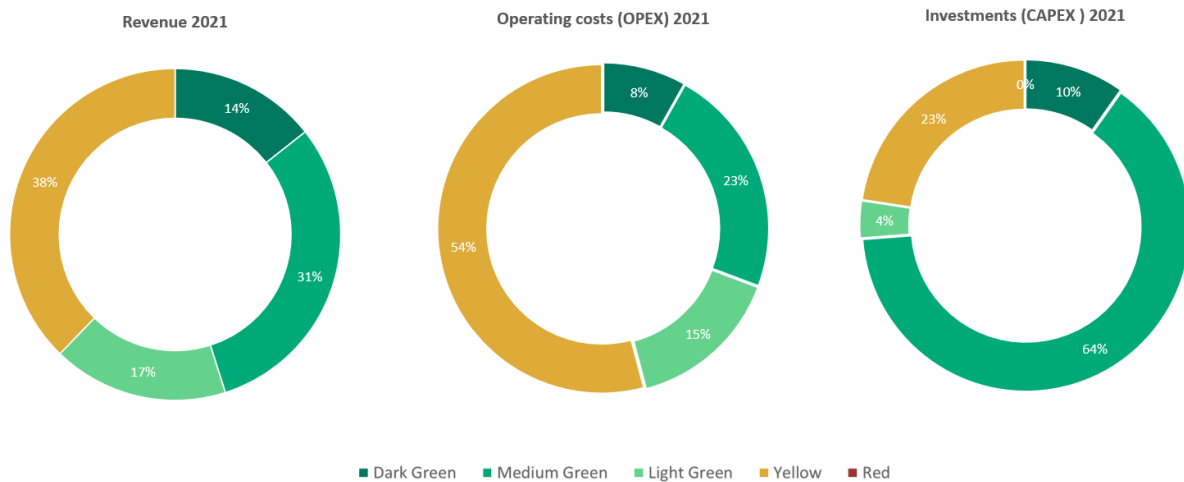
 Region: Nordics

20th December 2022

Executive Summary

Entra ASA is a leading property developer in Norway, with a focus on office buildings in central locations. Approximately 75% of the property portfolio (by value) is in the greater Oslo region, and the remaining in the cities of Trondheim, Bergen and Stavanger. As of Q4 2021, Entra's property portfolio comprised 96 buildings, with a market value of NOK 67.5 billion.

Shading of Entra's 2021 revenue, operating expenses, and capital expenditures



In 2021, 62% of rental revenue, 46% of operating costs (opex) related to buildings, and 77% of investments (capex), came from assets with some Shade of Green. The Shade of Green assigned to a property reflects its overall climate risk and environmental impact, where we take into account if it is new construction, a major redevelopment or an existing building. From a climate perspective, it is better to renovate existing buildings rather than build new ones. Therefore, to qualify as green for newer buildings, the requirements for energy efficiency are higher than for existing buildings. For new buildings, we also consider material choices and embodied emissions, as these a growing share of overall emissions associated with buildings and need to be addressed. Dark Green is allocated to properties that are Powerhouses, passive houses or follow the FutureBuilt guidelines, meaning this shade is assigned to revenues from existing buildings that meet these standards. Investments in major renovations achieving an energy use improvement of at least 30% are also assigned the Dark Green shade. Medium Green is given to new construction of properties designed to achieve an energy label A and a BREEAM-NOR Excellent certification, in addition to existing buildings with energy label A or B (if built before 2018), and renovations that do not secure a 30% improvement in energy use. Finally, Light Green is given to revenues from existing buildings with the energy label C, as these buildings are expected to be among the most energy efficient in the building stock, but mostly not better than applicable regulations, except for older buildings that have been renovated to achieve these levels.



Entra has performed a climate risk assessment of its property portfolio in line with best practice and works systematically to make its properties resilient to a changing climate. The assessment is in line with the do-no-significant-harm (DNSH) criteria to adaptation in the EU taxonomy and covers three different climate change scenarios.

Governance Assessment

Entra has a comprehensive sustainability strategy, which it has recently updated, setting a target to reach net zero by 2030 according to the definitions and targets set out by World Green Building Council. To date, Entra's policies have mostly targeted energy use, while the new strategy marks a shift towards reducing emissions associated with building materials. Entra's environmental strategies particularly stand out in the areas of re-use and recycling, together with the focus on major renovations. To reach its 2030-target, Entra expects to cut some 70-80% of its emissions per square meter (compared to a 2015-baseline), while the remaining emissions will be covered by offsets. Employee's performance scoring system, which is the basis for bonus payments for all employees, includes ESG metrics. The company has plans on how to reduce emissions across its buildings' lifecycle, and we encourage the company to report scope 3 embodied emissions going forward.

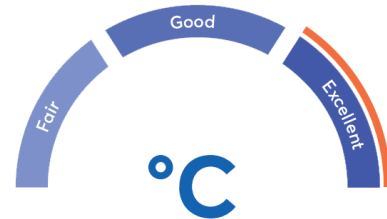


Figure 2: CICERO Green assigns an excellent rating for Entra's governance structure and practices

EU taxonomy

The relevant EU Taxonomy activities for Entra is Construction of new buildings, Renovation of existing buildings and Acquisition and ownership of buildings. Overall, some 62% of revenues, 46% of opex related to buildings and 61% of capex come from assets that are likely aligned based on currently available information. There is methodological uncertainty on the energy performance criteria as the Norwegian energy labelling system is not based on primary energy demand; and this assessment needs to be updated when the system is revised, or new information becomes available. For new construction, it is not possible to conclude on the energy criteria due to the Norwegian regulatory context. For instance, the Nearly Zero Energy Building (NZEB) is not yet defined nationally. For renovation, seven out of nine projects likely meet the 30% primary energy demand improvement criteria. The only gap to the DNSH criteria is that not all of Entra's buildings meet the technical requirements for water appliances. Entra has policies to reduce water use, and we assess this gap to be minor. CICERO Green concludes that Entra appears to fulfil requirements of the minimum social safeguards. The company has a Human Rights Policy and focuses specifically on health and safety risks for workers in its supply chain. Every second year, Entra carries out a risk mapping and assessment of human rights risks in its supply chain. The company follows up closely the parts of its operations that have been identified as high risk, and regularly carries out audits of suppliers and contractors.

Table 1: Environmental metrics

	Scope 1, 2 and parts of scope 3 emissions (tonnes CO ₂ e)	Emissions intensity (kg CO ₂ e/m ² , scope 1 and 2)	Energy intensity (kWh/m ²)	Green building certifications (% of value)
2021	5,292	4.00	123	69%
2020	5,660	4.45	118	60%
2019	5,390	4.53	135	53%



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Entra's sustainability governance

Company description

Entra ASA is a large, listed Norwegian real estate company, headquartered in Oslo. Entra has a focus on developing, letting and managing attractive and environmentally friendly commercial buildings. At year-end 2021, the public sector tenants accounted for 56% of total contractual rent.

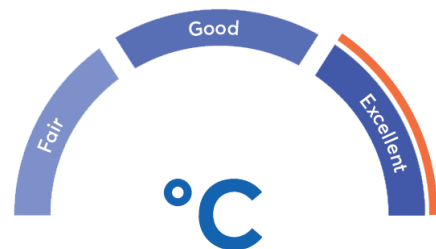
Governance Assessment

Entra has appropriate and relevant strategies and policies covering both climate change mitigation and adaptation, as well as strategies for other environmental issues, such as water use, chemicals and waste. In 2022, it launched a new environmental strategy, with a goal to achieve net zero emissions for its entire value chain by 2030. The company has a public human rights policy, and the health and safety of employees is seen as a key issue within its own organisation. Entra has a responsible sourcing strategy with specific environmental requirements.

Sustainability is a strategic priority throughout the organisation. Employee's performance scoring system, which is the basis for bonus payments for all employees, includes ESG metrics. There is a clear reporting structure for environmental issues, where the CEO is responsible for overall sustainability strategy and CFO is responsible for handling climate risk.

Reporting on sustainability follows well established standards, including the TCFD. The reporting is transparent on the methodologies and assumptions that are used.

The overall assessment of Entra's governance structure and processes gives it a rating of Excellent. To improve, Entra could report on embodied emissions from building materials.



Key strategies, policies, and targets

Environmental considerations have been an integrated part of Entra's business model for more than ten years. Entra's sustainability policy is publicly available in its annual report.

Entra has recently revised its targets, setting new environmental targets for both the short and long term. Its overarching target is to become Net Zero Carbon within 2030 according to the definitions and targets set out by World Green Building Council¹. The strategy is implemented through targets and detailed policies in four areas: 1) own organization, 2) property portfolio and management, 3) project development and 4) stakeholders, including suppliers and customers. Central for all areas are efforts to reduce energy consumption along with efforts to produce green energy. Specifically, Entra plans to reduce the operational emissions from its buildings under management by 70%, through reducing energy use, increase on-site renewable energy, replacing refrigerant gases with lower GWP alternatives, reduce waste, increase recycling and re-use and reduce water use. For new projects, Entra is planning to reduce emissions per square meter by 80% by 2030 compared to current emissions for new

¹ [The Net Zero Carbon Buildings Commitment | World Green Building Council \(worldgbc.org\)](https://www.worldgbc.org/)



projects. Entra is working to reduce life cycle emissions and striving that all new developments in 2030 are in accordance with the criteria's set in FutureBuilt Zero². The 2030 target for new projects is to be achieved through energy efficient buildings, the use of low emissions materials, fossil free construction sites by 2025, BREEAM Excellent certification, reduced waste and an increased share of reused materials, as well as more renewable energy. Starting from 2022, GHG accounting is done for all new projects. To reach net zero, the remaining emissions in 2030 will be compensated through offsets.

The short-term target for energy use for 2022 is 126 kWh/m², with a long-term target to get the entire portfolio below 100 kWh/m² by 2030. For newbuilds, the target is energy label A with energy use at least 15% lower than NZEB, while targeting a 35% reduction in energy use for major renovations. The NZEB level for Norway has not yet been defined officially, but the issuer expects this to happen in the near future. Entra's energy use targets include both landlord and tenants' energy use, and cover actual measured energy use. Entra has developed its own measurement method, where it adjusts for outside temperature, energy use from server rooms, parking basements, electric car chargers, and outdoor snowmelt system.

Entra has made a strategic choice to focus on retaining existing buildings rather than demolishing and building new, while also favouring the re-use of materials. For all new developments and major renovations, CO₂ accounting is done to choose low emission materials. Entra has pioneered these approaches in some flagship projects, such as an office building in Oslo being the first circular building according to the FutureBuilt criteria. These projects are used as benchmarks for other projects.

Governance structure

The Board of Directors reviews and sets out the sustainability focus areas and overall risk analysis at least on an annual basis, and various sustainability topics are on the Board agenda regularly, e.g., revision of the environmental strategy, corporate governance, ethical guidelines, and risk analysis. The individual business units present business reviews to the Board of Directors at least on an annual basis. These reviews also include sustainability targets and KPIs. Targets are then aggregated into company KPIs and followed up on a regular basis.

The CFO of Entra is responsible for handling climate risk. Entra has set up a Sustainability Committee that has a separate responsibility to evaluate, follow-up and implement new initiatives. This committee reports to corporate management on a regular basis.

The CEO is responsible for following up the implementation of the sustainability strategy in Entra. Implementation and evaluation of risks and opportunities is mostly handled by the individual business units and is reported to the CEO/CFO quarterly and in corporate management meetings. Several of the company's ESG targets are included in the company's performance system for employees, which is the basis for bonus payments.

Supply chain

Entra has procedures for sustainable purchasing and environmental requirements are part of procurement conditions. These conditions include requirements for reduced waste, while Entra does not allow the use of materials hazardous to health and the environment that are on the Substance of Very High Concern (SVHC) list³. Entra is in active dialogue with suppliers, among other by enquiring about fossil-free construction sites. The company has also set up a scheme for working with customers on environmental measures, through so-called

² FutureBuilt

³ [Which chemicals are of concern - ECHA \(europa.eu\)](https://echa.europa.eu)



“green benefits agreements” where Entra and its customers identify potential environmental measures, which are then funded by increased rent for a set period of time.

Environmental risk management

Entra works systematically to identify, monitor and manage different risks. A materiality analysis has been performed to identify the issues that are core to Entra’s organisation, shareholders and future value creation. Entra’s assessment of climate risks (both physical and transition risks) is an integral part of a more general risk assessment. Follow-up on all key risks, including climate related risks, are assigned to members of the corporate management who are responsible for implementing key risk mitigation plans. Strategies are in place to address both transition and physical climate risk.

Social risks

Entra has policies on several social issues, mainly focusing on health and safety and human rights. Entra follows Norwegian labour regulations, it has a Human Rights Policy and has adopted a Social Strategy as well as Socially Responsible Purchasing Guidelines. Entra supports the UN Guiding Principles on Business and Human Rights, as well as the ILO core conventions. These are mirrored in guidelines and management tools, including those dealing with fundamental values, ethical guidelines and socially and responsible procurement. The Human Rights Policy is integrated into the company’s annual public sustainability report.

In line with the requirements under the minimum social safeguards, Entra has made a mapping of risks for violations of human rights and workers’ rights in relation to their activities. Through this, Entra has identified the following sectors as high risk: real estate and project development, building and construction, facilities management and services, cleaning, reception, canteen and hospitality, as well as risks related to recruitment. Any suppliers engaged in those sectors must, when submitting a bid to work for Entra, provide documentation which verifies that they have adequate systems and measures in place, to ensure respect for human rights and decent working conditions. Additionally, certain high-risk industry suppliers are followed up closely through a special supplier management programme.

The risk mapping and assessment of human rights risks in Entra’s supply chain is carried out every second year. Suppliers need to fill out self-assessment questionnaire, which Entra uses to score the supplier’s risk; also including relevant risks related to its sector and location. Suppliers in high-risk sectors (as identified above) with a score indicating high risk, will be subject to further follow-up. Once a year, the compliance group (compliance, procurement, projects and Health, Safety and Environment) establish an audit plan for the coming twelve months, deciding the number of HSE audits and supplier audits that are to be carried out and for which projects and suppliers. Furthermore, some 5-10 contractors (suppliers and sub-contractors involved in real estate projects) per year are subject to a working condition and salary audit.

Reporting

Entra has extensive sustainability reporting in its annual report, reviewed by an external auditor. Reporting is done using the GRI standards, the recommendations of the TCFD as well as with the Sustainability Best Practice Recommendations (sBPR) from the European Public Real Estate Association. Reporting includes energy consumption, waste, water usage as well as greenhouse gas emissions in line with the GHG Protocol (scope 1, 2 and 3). Finally, Entra provides impact reporting in connection with its green bonds on an annual basis.



Sector risk exposure

The below text box highlights some key risks for the real estate sector.



Physical climate risks. For the Nordic building sector, the most severe physical impacts will likely be increased flooding, changing snow/ice patterns and urban overflow, as well as increased storms and extreme weather. Developing projects with climate resilience in mind is critical for this sector. The real estate sector is also exposed to climate risks through links to the construction industry and the utilities sector.

Transition risks. Entra is exposed to transition risks from stricter climate policies e.g., stricter regulation on energy performance or absolute limits on embodied emissions per square meter. The company is also exposed to liability risks due to e.g., legal challenges if preventable damages from climate change increases. In addition, the real estate sector is exposed to changing consumer preference for more climate smart and energy efficient buildings.

Environmental risks. The construction sector is at risk of polluting the local environment during the erection of the properties, e.g. from poor waste handling. There are also risks related to impacts on local biodiversity/habitats as well as the use of unsustainably sourced material like tropical wood.

Social risks. The social risks related to the real estate and construction sector include risks for human rights violations primarily in the supply chain in the sourcing of materials and services. Risks in relation to workers' rights are particularly linked to health and safety for the company's own employees as well as those of subcontractors.



Assessment of Entra's activities

Key issues and metrics

GHG Emissions

Entra reports on GHG emissions following the GHG Protocol methodology. Emissions resulting from the production and transport of building materials, as well as from fossil fuel combustion during the construction phase, are currently not included in Entra's emissions reporting.

Table 2: GHG-emissions and main emission reduction targets.

	Total (tons CO ₂ e)	Scope 1 emissions	Scope 2 emissions	Scope 3 emissions
Main targets	Net zero for scope 1 and 2 by 2030.	Net zero for scope 1 and 2 by 2030.		
2021	5 292	179	3 876	1 237
2020	5 660	66	4 255	1 339
Change 2021- 2020	- 368	+ 133	- 379	- 102
Main Sources		From fossil fuel and refrigerant gases. One property with fossil fuel combustion due to cold weather, but the property has now been sold.	From electricity and district heating/cooling, location-based approach.	From travel, waste and waste management.

Energy

Entra's energy use per square meter has steadily declined since 2011 (when it averaged 202 kWh/m²), mostly due to new energy efficient properties entering the portfolio, but also due to some improvements in its existing building portfolio. The 2020 energy use was particularly low due to the covid-19 pandemic, and 2021 was also partially impacted by the pandemic and low office occupancy. The target set for 2022 is nevertheless lower than the pre-pandemic 2019 level, and represents one step towards the 100 kWh/m² target by 2030.

Table 3: Average energy intensity for Entra

	Energy intensity (kWh/m ²) for office buildings
Target	126 (for 2022), 100 by 2030
2021	123
2020	118
2019	135



The distribution between electricity and district heating (and cooling) in 2021 is shown in table 4. In 2021, absolute electricity consumption across the 67 managed assets with available data, totalled 85,748 MWh, a 5% increase from 2020, which was particularly low due to the pandemic. Measured as like-for-like, the increase was 7%. Landlord-obtained consumption amounted to 62,440 MWh, of which 2.1 % came from on-site renewable resources (four buildings). Entra aims to increase this proportion through solar panels (on-site), wind and hydropower (through guarantees of origin).

Table 4: Energy mix by energy source (2021)

Energy source	Percent of total	Comments
Electricity	64%	2% of landlord-obtained electricity came from on-site solar panels.
District heating and cooling	36%	
Fuels	0.1%	

Climate Resilience

Entra has identified the main physical climate change and transition risks it is exposed to, including both acute and chronic physical risks. According to this analysis, the most significant risks in the short term are stronger winds and storms, and extreme rainfall. In 2021, Entra mapped and analysed the physical climate at asset level, for all of its properties, using the requirements from BREEAM In-Use version 6, the EU taxonomy's Annex II and the TCFD criteria. To conduct the analysis, the company used external experts. Three different climate model scenarios were used, and Entra analysed its portfolio's exposure to different types of climate related weather hazards. To limit the consequences of such events, Entra is working to maintain roofs and facades to make them able to withstand more extreme conditions, while also focusing on water management. In the long term, the identified risks are flooding and rising sea levels. According to the company, most of Entra's buildings are not directly exposed to rising sea level. In the purchase of any property going forwards, physical climate risks will be assessed.

Environmental certifications

Entra is using the BREEAM NOR and BREEAM In use systems for certification of new and existing buildings, having in total 69% of total portfolio (based on value) certified, up from 53% in 2019. The table below shows the distribution of properties between different types and levels of certification as percentage of total portfolio area as of end 2021 compared to 2020.



Table 5: Classification of properties in the current portfolio according to share of total portfolio area.

				2020	2021
% total floor area	Level of certification	BREEAM-NOR	Outstanding	2 %	2 %
			Excellent	7 %	9 %
			Very Good	17 %	15 %
				26 %	26 %
		BREEAM In-use: Asset Performance	Outstanding	0 %	1 %
			Excellent	35 %	32 %
			Very Good	6 %	9 %
				42 %	42 %
		BREEAM In-use: Building Management	Outstanding	9 %	9 %
			Excellent	28 %	26 %
			Very Good	5 %	6 %
			Good	0 %	0 %
				42 %	40 %

Table 6: CICERO Green assessment of Entra’s management of key environmental issues

Key issue	CICERO Green comments
GHG emissions	<ul style="list-style-type: none"> ✓ Entra has an ambitious quantified emission reduction target for 2030, and concrete plans on how to achieve it. Entra expects to cut emissions by 70-80% per square meter compared to a 2015-baseline, while the residual emissions will be covered by offsets. However, as a real estate developer with growth ambitions, Entra’s absolute emissions levels across all scopes are expected to increase going forward. ✓ To date, most progress has been made on the energy use of the buildings, while going forward more efforts will be put on reducing emissions from building materials. As buildings become more energy efficient, embodied emissions represent an increasing share of lifecycle emissions. In a 2050 perspective, it is important to tackle both, and it is encouraging to see Entra’s efforts in this direction. ✓ Entra’s efforts to reduce waste from construction and demolition activities and high focus on recycling and reuse, mean that fewer resources will be extracted, likely also reducing emissions. The highest GHG savings are typically achieved for re-use. Recycling tends to reduce emissions significantly compared to new materials, but this is not necessarily the case for all types of materials and recycling. For example, one study suggests that while recycling of bricks is associated with large emission reductions, this is not always the case for concrete⁴.

⁴ [Comparison of GHG emissions from circular and conventional building components \(journal-buildingscities.org\)](https://www.journal-buildingscities.org/)



Energy	<ul style="list-style-type: none">✓ It is positive that Entra both has long-term and short-term targets for energy consumption, covering both landlord and tenant energy use, and differentiating between the total portfolio and new construction.✓ Given that consumption numbers depend on the use of the building, it is hard to assess how ambitious the targets on energy are, but it is positive that Entra monitors and cooperates with tenants to reduce their energy use.✓ Entra’s plan to significantly increase the share of renewable energy produced on site is important in a 2050-perspective, while the company notes that the regulatory conditions for i.e. solar panels in Norway are challenging.
Climate resilience	<ul style="list-style-type: none">✓ Entra’s approach to the risks of a changing climate is best practice, and different types of adaptation solutions are being implemented.
Environmental certifications	<ul style="list-style-type: none">✓ It is positive that for all new buildings as well as for major renovations, Entra aims to achieve a BREEAM-NOR Excellent certification. BREEAM-NOR is the Norwegian version of the internationally recognized BREEAM certification. This is a robust certification scheme considering a wide range of environmental considerations, but also topics such as wellbeing. The point-based system may fall short of guaranteeing a building with low climate risk.✓ This is mitigated by Entra’s own efforts, for example in calculating embodied emissions, reducing waste and developing “role model” projects that follow even more ambitious environmental standards, such as passive house, FutureBuilt and Powerhouse. Entra uses the lessons learnt from its most ambitious projects in its other real estate projects.✓ The most recent version of BREEAM-NOR manual (released this year) is more ambitious, and projects developed with the new version will likely address topics such as re-use, emissions and energy in a more thorough manner. For instance, the requirements for achieving each level have been tightened, and more weight is given to material choices.



Shading of Entra's revenue, operating expenses and capital expenditures

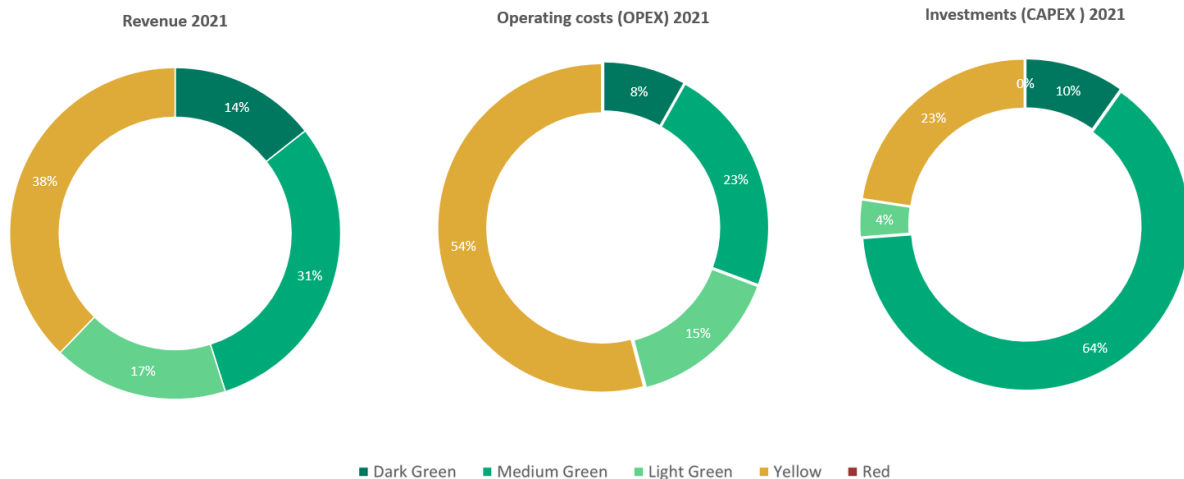


Figure 2: Entra's 2021 revenue, operating costs related to buildings and investments by Shade of Green

The Shade of Green assigned to a property reflects its current overall climate risk and environmental impact, based on our assessment and allocation of a shade of green to each property in the portfolio. Our analysis of the properties is positively influenced by Entra's governance score of Excellent and the company's management of some key environmental concerns, in particular its policies on energy performance, the focus on redevelopments and circular approaches, efforts to reduce embodied emissions as well as the robust approach to resiliency.

The shade assigned to each property is based on asset specific information, including the achieved or expected energy label of the building, environmental certifications, information on sustainable choices, hereunder energy sources. The importance of these factors in our shading depends on whether it is a new or existing building or an ongoing renovation, as well as the construction year of the building.

Dark Green is assigned to the following assets:

- Existing properties that have been built according to the FutureBuilt or Powerhouse guidelines as well as the passive house standard⁵. The FutureBuilt and Powerhouse guidelines contribute to pioneering ambitious approaches to cut greenhouse gases from the building sector, covering both embodied emissions, energy efficiency, on-site renewables and more recently also circular approaches (FutureBuilt). The FutureBuilt standard achieves lifecycle emissions (from operations and building materials) that are some 50% better than current standard practices. The Powerhouse standard ensures that the building produces more energy than it consumes over its lifetime. The energy performance of the passive house is 15% better than energy label A.

⁵ [473.015 Dokumentasjon av passivhus og lavenergibygninger i henhold til NS 3700 og NS 3701 - Byggforskeren](#)



- Investments in major renovations achieving an energy use improvement of at least 30%. In Entra's case, seven out of nine such projects achieve this level of improvement in energy performance compared to pre-investment. Combined with the company's focus on re-use and recycling, these represent a Dark Green investment. Due to the importance of embodied emissions, it is, from a climate perspective, preferable to maintain and improve existing buildings rather than building new, while striving to improve existing buildings' energy performance.

Medium Green is allocated to the following assets:

- All existing properties with an energy label A, as well as those with an energy label B built until 2018. All of these buildings have energy performance that is better than regulation at the time of construction. Nearly a third of the buildings meeting these energy criteria in Entra's portfolio were certified BREEAM-NOR Excellent or Very Good when constructed. We note that more than a third of Entra's buildings energy labelled B are older buildings that have been significantly upgraded to achieve this label, which broadly corresponds to current regulations.
- For new construction, Medium Green is allocated to buildings expected to achieve an energy label A and expected to be certified BREEAM-NOR Excellent. The certification level should contribute to buildings where significant steps have been taken to limit embodied emissions, reduce waste and energy use.
- Major renovations that fail to deliver a 30% improvement in energy use. In spite of failing to meet this specific threshold, these projects represent significant steps towards the low carbon future, as they avoid the significant amount of emissions associated with new construction while still reducing the operational emissions of the existing building stock.

Light Green is assigned to the following assets:

- Existing buildings with an energy label C. In our assessment, the threshold for achieving a Light Green shading (existing buildings) is set at the level defined in the EU taxonomy, i.e. the top 15% of the national building stock, based on currently available information. While there are methodological challenges and uncertainties related to the fact that the Norwegian energy labelling system is not based on primary energy, based on currently available data, a report from consultancy Multiconsult⁶ assesses that office, retail, industrial buildings and warehouses built in line with the 2010 building regulation and later⁷, account for less than 15% of the office and commercial building stock. The upper limit of energy label C corresponds to the level required by the TEK10 building regulation, introduced in 2010, which is why we consider existing buildings (built before 2021) with an energy label C to be Light Green.

Yellow is assigned for buildings where there is too little information to give a green shading or buildings that do not fulfil any of the criteria above.

With these provisions, we find that for 2021, 14% of rental revenue came from assets considered Dark Green, 31% from assets shaded Medium Green, 17% from assets shaded Light Green, and 38% from non-green assets shaded Yellow. Thus, 62% of the rental revenue came from assets with some Shade of Green.

For all buildings under management, Entra has provided numbers on building specific operational expenditures and capex. Based on these numbers, and the above, we find that for 2021, some 46% of operating costs were

⁶ [Report KfSEiendomskreditt 01_v02.pdf](#)

⁷ The report assumes a two-year lag between the 2010 regulation and implementation, meaning all buildings completed in 2012 onwards are considered to be within the top 15% of the national building stock.



associated with assets with some Shade of Green, with the remaining from Yellow assets. Some 8% of operating costs were related to assets shaded Dark Green, 23 % to assets shaded Medium Green and 15% to Light Green assets. Looking at capex, 77% of capex was spent on investments in assets with some Shade of Green, with 10% Dark Green, 64% Medium Green and 4% Light Green.

In our shading assessment, we have to some extent based ourselves on buildings' energy labels. These energy labels indicate a standardized theoretical energy use, and do not guarantee a building with low energy use. Actual energy use will vary, and we are encouraged by Entra's systematic efforts to monitor and reduce the energy use of its buildings, including through BREAM-NOR In-Use certification.

Since our previous company assessment of Entra's revenues and investments in 2019⁸, the Shades of Green methodology has evolved. In the previous assessment we used a scale of brown to shade building that did not achieve a Shade of Green. We have since updated our approach and use either the Yellow or Red shade, while the thresholds for achieving a darker Shade of Green have been raised. The Red shade is reserved for the highest emitting activities with high lock in risk, and is generally not applicable to Nordic real estate. This means that the figures in the two assessments are not directly comparable.

Investors should note that our assessment is based on data reported or estimated by the company and has not always been verified by a third party. We analyse revenue, operating costs and capital expenditures, however there is typically not an explicit link between sustainability and financial data⁹. The opex numbers provided by Entra for this assessment do not include all operational expenditures of the company, but those operating expenditures that can be attributed to specific assets. Our assessment of opex including alignment to the EU taxonomy is therefore not an assessment of the full 2021 opex and taxonomy alignment reporting at the corporate level may differ from the figures in our report. Our shading often requires allocating line items in financial statements to projects or products, for this we rely on the company's internal allocation methods. In addition, there are numerous ways to estimate, measure, verify and report e.g. data on emissions, which may make direct comparisons between companies or regulatory criteria difficult and somewhat uncertain.

⁸ https://cicero.oslo.no/file/2/Sustainable_Edge_Entra_report.pdf/download

⁹ Most accounting systems do typically not provide a break-down of revenue and investments by environmental impact, and the analysis may therefore include imprecisions and may not be directly comparable with figures in the annual reporting



EU Taxonomy

The mitigation criteria in the EU taxonomy includes specific thresholds and do no significant harm (DNSH) criteria for construction of new buildings, renovation of existing buildings, as well as acquisition and ownership of existing buildings¹⁰. Comments on alignment are given in the table below, and detailed thresholds, NACE-codes and likely alignment with DNSH criteria are given in Appendix 2.

Table 7: Overall EU Taxonomy alignment

Overall EU Taxonomy alignment (Substantial contribution + DNSH + minimum safeguards)	Revenue	OPEX¹¹	CAPEX
Total share eligible (activities covered by criteria)	100%	100%	100%
Total share likely aligned to all criteria¹²	62%	46%	61%
Total share likely aligned to substantial contribution criteria	62%	46%	68%

All revenue and opex come from properties under management. The share of revenue and opex coming from assets that are assessed as likely fully aligned with all taxonomy technical criteria reflects the share of properties under management (“acquisition and ownership”) that we assess to be fully aligned, which also corresponds to assets in this category that have been assigned a Shade of Green.

For the relevant financial year, capex includes investments in new construction and renovations, as well as the cost of any acquisition of properties. For capex, the share assessed as likely aligned with all criteria is lower than the share of capex considered green (77%) because, for new construction, we are not able to conclude on alignment with the mitigation criteria due to the absence of an official NZEB definition in Norway. The difference between the share of capex likely aligned to all criteria compared to the share of capex aligned to the substantial contribution criteria is due to the fact that seven (out of nine) renovations meet the substantial contribution criteria, while only one such project is fully aligned.

Alignment with minimum social safeguards

To qualify as a sustainable activity under the EU taxonomy certain minimum social safeguards must be complied with. CICERO Green has assessed the company’s work under the minimum social safeguards with a focus on human and labour rights. Based on information received from the company, we have taken the sectoral, regional and judicial context into account and focus on the risks likely to be the most material social risks. Entra has a Human Rights Policy and focuses specifically on risks related to health and safety and other working conditions for workers in its supply chain. Every second year, Entra carries out a risk mapping and assessment of human rights risks in its supply chain, in which also the Board of Directors participate. The company follows up specifically projects identified as high risk, and regularly carries out audits of suppliers and contractors. CICERO Green concludes that Entra appears to fulfil requirements of the minimum social safeguards.

¹⁰ [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf \(europa.eu\)](#)

¹¹ The opex numbers provided by Entra for this assessment do not include all operational expenditures of the company, but those operating expenditures that can be attributed to specific assets. Our assessment of opex including alignment to the EU taxonomy is therefore not an assessment of the full 2021 opex and taxonomy alignment reporting at the corporate level may differ from the figures in our report

¹² To the best of our knowledge and based on information provided by the company.



Table 8: Summary of alignment to construction of new buildings ((NACE Code F41.1, F41.2))

Eligibility	2021 share
Activities covered	No revenues or opex for new buildings, 5% of total capex.
Substantial contribution	Summary of assessment
Mitigation Criteria	<ul style="list-style-type: none"> ✓ Likely aligned with GWP and air-tightness criteria. ✓ Not possible to conclude on the alignment with the criteria to have a Primary Energy Demand (PED) that is 10% than NZEB due to absence of official definition of NZEB in Norway.
DNSH-criteria	Summary of assessment
Climate Change Adaptation	✓ Likely aligned.
Sustainable use and protection of water and marine resources	✓ Likely aligned, except for one property.
Transition to a circular economy (circular economy)	✓ Likely aligned.
Pollution prevention and control	✓ Likely aligned.
Protection and restoration of biodiversity and ecosystems	✓ Likely aligned.

Table 9: Summary of alignment to renovation of existing buildings ((NACE Code F41 and F43))

Eligibility	2021 share
Activities covered	No revenues nor opex related to this activity, 13% of capex.
Substantial contribution	Summary of assessment
Mitigation Criteria	✓ Seven out of nine ongoing renovation projects are likely aligned, while two projects likely not aligned due to technical limitations. These seven projects represent 9% of capex.
DNSH-criteria	Summary of assessment
Climate Change Adaptation	✓ Likely aligned.
Sustainable use and protection of water and marine resources	✓ Likely partially aligned. One renovation project meets this DNSH, making it fully taxonomy aligned. This project represents 2% of capex.
Transition to a circular economy (circular economy)	✓ Likely aligned.
Pollution prevention and control	✓ Likely aligned.

Table 10: Summary of alignment to acquisition and ownership of existing buildings (NACE code L68)



Eligibility	2021 share
Activities covered	100% of rental revenues come from assets in this activity, 100% of opex provided to CICERO Green for this assessment, and 82% of capex.
Substantial contribution	Summary of assessment
Mitigation Criteria	✓ Buildings with an energy label of A or B are likely aligned with criteria to be within top 15% of national building stock for non-residential buildings, based on currently available evidence. In Entra's portfolio in 2021, on the basis of the figures used in this assessment, 62% of the revenue, 46% of OPEX and 59% of capex likely meet the mitigation criteria.
DNSH-criteria	Summary of assessment
Climate Change Adaptation	✓ Likely aligned.













Terms and methodology

The aim of this analysis is to be a practical tool for investors, lenders and public authorities for understanding climate risk. CICERO Green encourages the client to make this assessment publicly available. If any part of the assessment is quoted, the full report must be made available. Our assessment, including on governance, is relevant for the reporting year covered by the analysis. This assessment is based on a review of documentation of the client's policies and processes, as well as information provided to us by the client during meetings, teleconferences and email correspondence. In our review we have relied on the correctness and completeness of the information made available to us by the company.

Shading corporate revenue and investments

Our view is that the green transformation must be financially sustainable to be lasting at the corporate level. We have therefore shaded the company's current revenue generating activities, as well as investments and operating expenses.

The approach is an adaptation of the CICERO Shades of Green methodology for the green bond market. The Shade of Green allocated to a green bond framework reflects how aligned the likely implementation of the framework is to a low carbon and climate resilient future, and we have rated investments and revenue streams in this assessment similarly. We allocate a shade of green to the revenue stream and investments according to how these streams reflect alignment of the underlying activities to a low carbon and climate resilient future and taking into account governance issues.

Shading	Examples
 Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low-carbon and climate resilient future.	 Solar power plants
 Medium Green is allocated to projects and solutions that represent significant steps towards the long-term vision but are not quite there yet.	 Energy efficient buildings
 Light Green is allocated to transition activities that do not lock in emissions. These projects reduce emissions or have other environmental benefits in the near term rather than representing low carbon and climate resilient long-term solutions.	 Hybrid road vehicles
 Yellow is allocated to projects and solutions that do not explicitly contribute to the transition to a low carbon and climate resilient future. This category also includes activities with too little information to assess.	 Healthcare services
 Red is allocated to projects and solutions that have no role to play in a low-carbon and climate resilient future. These are the heaviest emitting assets, with the most potential for lock in of emissions and highest risk of stranded assets.	 New oil exploration

In addition to shading from dark green to red, CICERO Shades of Green also includes a governance score to show the robustness of the environmental governance structure. When assessing the governance of the company, CICERO Green looks at five elements: 1) strategy, policies and governance structure; 2) lifecycle considerations including supply chain policies and environmental considerations towards customers; 3) the integration of climate



considerations into their business and the handling of resilience issues; 4) the awareness of social risks and the management of these; and 5) reporting. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.

In March 2020, a technical expert group (TEG) proposed an EU taxonomy for sustainable finance that included a number of principles including “do-no-significant-harm (DNSH)-criteria” and safety thresholds for various types of activities¹³. In April 2021, EU published its delegated act to outline proposed criteria for climate mitigation and adaptation, which it was tasked to develop after the EU Taxonomy Regulation entered into law in July 2020. CICERO Green has assessed the mitigation criteria in the EU taxonomy that includes specific thresholds for activities relevant for the company¹⁴.

Do-No-Significant-Harm criteria include measures such as ensuring resistance and resilience to extreme weather events, preventing excessive water consumption from inefficient water appliances, ensuring recycling and reuse of construction and demolition waste and limiting pollution and chemical contamination of the local environment, as well as restriction on the type of land used for construction (no arable or forested land).

CICERO Green has assessed potential alignment against the mitigation thresholds and the DNSH criteria in the delegated acts published in April 2021.

In order to qualify as a sustainable activity under the EU regulation 2020/852 certain minimum safeguards must be complied with. The safeguards entail alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the International Labour Organisation’s (‘ILO’) declaration on Fundamental Rights and Principles at Work, the eight ILO core conventions and the International Bill of Human Rights. CICERO Green has completed a light touch assessment of the above social safeguards with a focus on human rights and labour rights risks¹⁵. We take the sectoral, regional and judicial context into account and focus on the risks likely to be the most material social risk.

Our assessment of alignment against the EU Taxonomy is based on a desk review of the listed source documents against the Taxonomy Delegate Act and following our own shading methodology.

¹³ Taxonomy: Final report of the Technical Expert Group on Sustainable Finance, March 2020. [TEG final report on the EU taxonomy \(europa.eu\)](https://ec.europa.eu/economy_finance/~/media/12020/tegg-final-report-on-the-eu-taxonomy/eu-taxonomy-2020-03-20-10-15-2020.pdf)

¹⁴ [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf \(europa.eu\)](https://ec.europa.eu/economy_finance/~/media/12021/tegg-final-report-on-the-eu-taxonomy-2021-04-01-10-15-2021.pdf)

¹⁵ CICERO Green is in the process of further developing its assessment method to ensure that it encompasses the object and purpose of the minimum safeguards.



Appendix 1: Referenced documents list

Document Number	Document Name	Description
1	Annual report 2020	Financial annual report, including sustainability reporting, as well as sustainability policy and targets.
2	Annual report 2021	Financial annual report, including sustainability reporting, sustainability policy and targets, and Group Human Rights Policy.
3	FutureBuilt Zero kriterier	Criteria for FutureBuilt Zero, guidelines for construction of buildings with 50% lower lifecycle emissions (from energy and materials) than the industry average in Norway.
4	“Retningslinjer for ansvarlige innkjøp”	Guidelines for sustainable procurement



Appendix 2: EU Taxonomy criteria and alignment

Complete details of the EU taxonomy criteria are given in [taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2021/2800/annex-1/en.pdf)

7.1 Construction of new buildings

Framework activity	Green buildings		
Taxonomy activity	7.1 Construction of new buildings (NACE Code F41.1, F41.2)		
	EU Technical mitigation criteria	Comments on alignment	Alignment
Mitigation criteria	<ul style="list-style-type: none"> Substantial contribution to climate change mitigation <p>Constructions of new building, eligible if:</p> <ul style="list-style-type: none"> The Primary Energy Demand is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national regulation. The energy performance is certified using an Energy Performance Certificate (EPC). For buildings larger than 5000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. As an alternative; where robust and traceable quality control processes are in place 	<p>Relevant contextual information</p> <ul style="list-style-type: none"> The threshold for Nearly Zero-Energy Building (NZEB) in Norway is yet to be officially set. Changes to the currently applicable building regulation in Norway (TEK 17) underwent a public hearing during the autumn 2021, but at this stage it is not clear when a revised building regulation will be ready. The revised regulation is expected to include a definition of NZEB. Testing of airtightness is a requirement for BREEAM certifications. The Norwegian standard NS3720 is based on the EU standard EN 15978 which is referenced in the taxonomy. <p>Information provided by the issuer</p>	<p>Likely aligned with GWP and air tightness criteria.</p> <p>Not possible to conclude on alignment with PED criteria, due to regulatory uncertainty on NZEB in Norway.</p>



	<p>during the construction process this is acceptable as an alternative to thermal integrity testing.</p> <ul style="list-style-type: none"> For buildings larger than 5000 m², the life cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle and is disclosed to investors and clients on demand. 	<ul style="list-style-type: none"> All new construction achieves at least a BREEAM Excellent certification. Entra performs CO₂ accounting for the materials used in development projects, using the Norwegian Standard NS3720. Entra plans to do the emissions accounting in two ways, one following the FutureBuilt criteria and one in line with NS3720. 	
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	<p>The physical climate risks that are material to the activity have been identified (chronic and acute, related to temperature, wind, water, and soil) by performing a robust climate risk and vulnerability assessment with the following steps¹⁶:</p> <p>(a) screening of the activity to identify which physical climate risks from the list in Section II of this Appendix may affect the performance of the economic activity during its expected lifetime;</p> <p>(b) where the activity is assessed to be exposed to physical climate risks, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;</p> <p>(c) an assessment of adaptation solutions that can reduce the identified physical climate risk.</p> <p>The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models.</p> <p>For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions ('adaptation solutions'), over a period of time of up to five years, that reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the implementation of those solutions is drawn up accordingly.</p>	<p>Information provided by the issuer</p> <p>In 2021, Entra assessed, with external consultants, the physical climate risks it is exposed to, using climate scenarios and in accordance with the TCFD framework. The assessment included a mapping and analysis of the specific climate risks for each of its properties.</p> <p>Overall, the portfolio is considered to have high resilience to flooding, low mass related, wind related and temperature related risk.</p> <p>For some risks, Entra has already implemented mitigation measures, such as non-return valves, waterproofing of basements.</p> <p>Exposure to physical climate risk is part of Entra's general processes on risk exposure, and the company will continue to monitor and mitigate climate related risks.</p>	<p>Likely aligned.</p> <p>Most assets have been covered by the climate risk assessment, while the assessment is either ongoing or planned in the near future for a small number of properties.</p>

¹⁶ The Taxonomy is referring to Appendix A in the Taxonomy Annex 1.



	<p>For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has implemented them before the start of operations.</p> <p>The adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.</p>		
<p>Sustainable use and protection of water and marine resources</p>	<p>Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label¹⁷ in the Union, in accordance with the technical specifications:</p> <ul style="list-style-type: none"> (a) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; (b) showers have a maximum water flow of 8 litres/min; (c) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres; (d) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre. <p>To avoid impact from the construction site, the activity complies with the criteria in the EU Water Framework Directive¹⁸.</p> <p>Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU¹⁹ and includes an assessment of the impact on water in accordance with the Water Framework Directive, no additional assessment of impact on water is required, provided the risks identified have been addressed.</p>	<p>Relevant contextual information</p> <ul style="list-style-type: none"> • These requirements are integrated in the updated BREEAM manual, and buildings meeting the BREEAM Excellent level going forward (new construction) need to fulfil them. • Construction of buildings will normally not require an EIA, as the area has already been made available for new construction in the municipality regulation plans. This includes a plan for impacts on water sources. <p>Information provided by the issuer</p> <ul style="list-style-type: none"> • Entra has a policy to reduce water consumption, which was reduced by 6 % (per sq. meter) in 2021 compared to 2020. 	<p>Likely partially aligned, four out of five properties likely aligned.</p>

¹⁷ The Taxonomy is referring to Appendix E in the Taxonomy Annex 1.

¹⁸ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy

¹⁹ DIRECTIVE 2011/92/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the assessment of the effects of certain public and private projects on the environment.



<p>Transition to a circular economy (circular economy)</p>	<ul style="list-style-type: none"> At least 70 % (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material²⁰) generated on the construction site is prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials. Operators limit waste generation in processes related to construction and demolition. Building designs and construction techniques support circularity and in particular demonstrate how they are designed to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling. 	<p><u>Relevant contextual information</u></p> <ul style="list-style-type: none"> Waste is regulated in the Waste regulation (“avfallsforskriften”), building waste specifically in building regulation (TEK 17). The revised EU waste framework directive is not yet implemented! The current requirement in buildings regulation is that 60% of construction and demolition waste is sorted. Overall in Norway, an estimated approx. 50% of construction and demolition waste is re-used, recycled or used for other material use. <p><u>Information provided by the issuer</u></p> <ul style="list-style-type: none"> Entra has a target to considerably reduce waste and to sort 90% of waste in development projects. In 2021, 95% was sorted. Only 5% of generated waste goes to incineration, the rest to recycling. Building design supports circularity and circularity is a strategic priority for Entra. 	<p>Likely aligned.</p>
<p>Pollution prevention and control</p>	<ul style="list-style-type: none"> Building components and materials used in the construction comply with the criteria set out in Appendix C to the Taxonomy Annex 1. For building components and materials used in the construction that may come into contact with occupiers’ formaldehyde emissions are within relevant limits²¹. Where the new construction is located on a potentially contaminated site (brownfield site), the site has been subject to an investigation for potential contaminants²². Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. 	<p><u>Relevant contextual information</u></p> <ul style="list-style-type: none"> In Norway, municipalities are responsible for assessing risks for potential contaminants on sites where new buildings are constructed (such as previous landfill sites). The Norwegian Environment Agency has recently updated guidelines on how municipalities should assess such risks²³. <p><u>Information provided by the issuer</u></p> <ul style="list-style-type: none"> Entra does not purchase building products that contain hazardous substances. Strict requirements on substances are part of the BREEAM certification, in addition to regulatory requirements in the national building regulation 	<p>Likely aligned.</p>

²⁰ Refer to the European List of Waste established by Commission Decision 2000/532/EC

²¹ Emit less than 0,06 mg of formaldehyde per m³ of material or component and less than 0,001 mg of categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/TS 16516522 and ISO 16000-3 523 or other comparable standardised test conditions and determination method.

²² Standard ISO 18400 can be used.

²³ [Bygging på nedlagte deponier - Miljødirektoratet \(miljodirektoratet.no\)](https://www.miljodirektoratet.no/Bygging-pa-nedlagte-deponier)



		<p>(TEK17). These include the substances restricted under REACH, in addition to specific recommendations from the Norwegian Environment Agency. All new construction by Entra must be BREEAM-NOR certified, which requires the absence of environmental toxins.</p> <ul style="list-style-type: none"> In all projects, Entra implements an environmental programme to minimize noise, dust and pollution during the construction phase. 	
Protection and restoration of biodiversity and ecosystems	<ul style="list-style-type: none"> An Environmental Impact Assessment (EIA) or screening should be completed in accordance with national provisions²⁴. Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented. For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented. The new construction should not be built on one of the following: <ol style="list-style-type: none"> arable land and crop land; greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species (flora and fauna) listed on the European Red List or the IUCN Red List. land matching the definition of forest as set out in national law used in the national greenhouse gas inventory, or where not available, is in accordance with the FAO definition of forest²⁵. 	<p>Relevant contextual information</p> <ul style="list-style-type: none"> Areas with prioritized biodiversity, endangered species and protected areas are regulated in the Nature Diversity Act. Construction of buildings will normally not require an EIA, as the area has already been made available for new construction in the municipality regulation plans. The Planning and Building Act sets out requirements to the municipality regulation plans, to i.a. protect valuable land. <p>Information provided by the issuer</p> <ul style="list-style-type: none"> Entra builds in central areas on land on which there typically already are buildings. Entra has confirmed that it does not build in or near biodiversity-sensitive areas, neither on arable or crop land, land of high biodiversity value and land that serves as habitat of endangered species, nor forest land. 	Likely aligned.

²⁴ The Taxonomy is referring to Appendix D in the Taxonomy Annex 1.

²⁵ Land spanning more than 0,5 hectares with trees higher than five meters and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ. It does not include land that is predominantly under agricultural or urban land use, FAO Global Resources Assessment 2020. Terms and definitions: <http://www.fao.org/3/I8661EN/i8661en.pdf>.



7.2 Renovation of existing buildings

Framework activity	Green buildings		
Taxonomy activity	Renovation of existing buildings (NACE code F41 and F43)		
	EU Technical mitigation criteria	Comments on alignment	Alignment
Mitigation criteria	<ul style="list-style-type: none"> Substantial contribution to climate change mitigation <p>Renovation of existing buildings, eligible if:</p> <ul style="list-style-type: none"> The reduction of primary energy demand (PED) must be at least 30 %. 	<p><u>Information provided by the issuer</u></p> <ul style="list-style-type: none"> Most projects reach an improvement of 35% of energy consumption compared to previously. For some projects (redevelopments), this is not possible due to technical constraints. 	Seven out of nine ongoing redevelopment projects are likely aligned, while two projects likely not aligned due to technical limitations.
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	<ul style="list-style-type: none"> Please refer to Construction of new buildings. 	Please refer to Construction of new buildings.	Likely aligned
Sustainable use and protection of water and marine resources	<ul style="list-style-type: none"> Where installed, except for installations in residential building units, the specified water use for the following water appliances are attested by product datasheets, a building certification or an existing product label²⁶ in the Union, in accordance with the technical specifications: <ul style="list-style-type: none"> (e) wash hand basin taps and kitchen taps have a maximum water flow of 6 litres/min; (f) showers have a maximum water flow of 8 litres/min; 	<p><u>Relevant contextual information:</u></p> <ul style="list-style-type: none"> The BREEAM certification contains criteria and potential points in relation to water use, and the updated BREEAM manual (2022) will require to meet these thresholds for the Excellent level. <p><u>Information provided by the issuer:</u></p>	Likely partially aligned, one in nine projects meet the specific criteria.

²⁶ The Taxonomy is referring to Appendix E in the Taxonomy Annex 1.



	<p>(g) WCs, including suites, bowls and flushing cisterns, have a full flush volume of a maximum of 6 litres and a maximum average flush volume of 3,5 litres;</p> <p>(h) urinals use a maximum of 2 litres/bowl/hour. Flushing urinals have a maximum full flush volume of 1 litre.</p>	<ul style="list-style-type: none"> Entra has a policy to reduce water consumption, which was reduced by 6 % (per sq. meter) in 2021 compared to 2020. 	
Transition to a circular economy (circular economy)	Please refer to Construction of new buildings.	Please refer to Construction of new buildings.	Likely aligned.
Pollution prevention and control	<ul style="list-style-type: none"> Building components and materials used in the construction comply with the criteria set out in Appendix C to the Taxonomy Annex 1. Building components and materials used in the construction that may come into contact with occupiers emit less than 0,06 mg of formaldehyde per m³ of material or component and less than 0,001 mg of carcinogenic volatiles²⁷. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance works. 	Please refer to Construction of new buildings.	Likely aligned.

²⁷ Categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/TS 16516522 and ISO 16000-3 523 or other comparable standardised test conditions and determination method.



7.7 Acquisition and ownership of buildings

Framework activity	Green buildings		
Taxonomy activity	7.7 Acquisition and ownership of buildings (NACE Code L68)		
	EU Technical mitigation criteria	Comments on alignment	Alignment
Mitigation criteria	<ul style="list-style-type: none"> Substantial contribution to climate change mitigation <p>Acquisition and ownership of buildings, eligible if:</p> <ul style="list-style-type: none"> For buildings built before 31 December 2020, the building has at least Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings. For buildings built after 31 December 2020, the building meets the criteria set out for the activity 'construction of new buildings'. Where the building is a large non-residential building it is efficiently operated through energy performance monitoring and assessment. <p>For buildings built after 31 December 2020, buildings are eligible if:</p> <ul style="list-style-type: none"> The Primary Energy Demand is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) 	<p>Relevant contextual information:</p> <ul style="list-style-type: none"> Norway's energy labelling system is based on a standard calculation of delivered energy (independent of actual energy use)²⁸, and not primary energy demand. The 2010 energy performance of buildings directive was incorporated in the EEA agreement on 29th April 2022²⁹. It is yet to be fully integrated in Norwegian laws and regional and changes to the current energy labelling system could occur as a consequence of this integration. In a report written on behalf of Kredittforeningen for sparebanker (KfS) and Eiendomskreditt³⁰, the consultancy Multiconsult has developed a methodology and criteria to identify the 15% of the national building stock in the Norwegian context for different types of buildings. The report concludes that non-residential buildings that follow the building regulations TEK10 qualify to be within the top 15%. Since the upper limit of energy label C has thresholds corresponding to TEK10, CICERO Green considers that buildings with at least an energy label C are likely within the top 15% of the national building stock. The assessment of what constitutes the top 15% will have to be renewed when the energy labelling scheme is revised, if an official definition is set or when new data becomes available. <p>Information provided by the company:</p>	<p>100% of revenues and opex eligible.</p> <p>62% of revenues, 46% of opex and 59% of capex are likely aligned with this criteria for this activity.</p>

²⁸ [Energimerking.no - Beregning av energikarakteren](http://Energimerking.no)

²⁹ [135-2022.pdf \(efta.int\)](https://www.efta.int/135-2022.pdf)

³⁰ [Report_KfSEiendomskreditt_01_v02.pdf](https://www.kfs.no/rapport/KfSEiendomskreditt_01_v02.pdf)



	requirements in national regulation. The energy performance is certified using an Energy Performance Certificate (EPC).	<ul style="list-style-type: none"> • Entra monitors energy performance (landlord and tenant energy consumption), and energy monitoring and assessment is in place for all large buildings. 	
	EU Taxonomy DNSH-criteria	Comments on alignment	Alignment
Climate change adaptation	Please refer to Construction of new buildings.	Please refer to Construction of new buildings.	Likely aligned.



Appendix 3: About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green Company Assessments indicate the greenness of a company by providing a shading of revenues, operating costs and capital expenditures, as well as an assessment the company's governance structure. CICERO Green also provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green, sustainability and sustainability-linked bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the company being assessed, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of assessments.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University, the International Institute for Sustainable Development (IISD) and the School for Environment and Sustainability (SEAS) at the University of Michigan.

Environmental
Finance
Bond Awards
2022
Winner
External assessment
provider of the year

- ★ **2020 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
- ★ **2020 Largest External Review Provider In Number Of Deals**, Climate Bonds Initiative Awards
- ★ **2019 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
- ★ **2019 Largest Green Bond SPO Provider**, Climate Bonds Initiative Awards
- ★ **2018 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
- ★ **2018 Largest External Reviewer**, Climate Bonds Initiative Awards
- ★ **2017 Best External Assessment Provider**, Environmental Finance Green Bond Awards
- ★ **2016 Most Second Opinions**, Climate Bonds Initiative Awards