



Fokus Eiendomsfond Norge I IS/AS

Sustainability Report 2025

 Fokus Nordic



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Executive summary

Fokus Eiendomsfond Norge I operates a sustainability strategy fully integrated into investment decisions and asset management, with an aim to be aligned with the UN Sustainable Development Goals, the EU Taxonomy, and the Fund's classification as an SFDR Article 8 fund.

The strategy supports long-term value creation while managing environmental, regulatory, and market-related risks.

The Fund has committed to net zero emissions by 2050, with an interim target of 50% emissions reduction by 2030. All properties are digitally monitored for energy, emissions, waste, and water, enabling transparent reporting and data-driven prioritisation of measures. In 2025, continued investments in energy efficiency and system upgrades contributed to reduced operational energy use and emissions.

On-site renewable energy production reached approximately 744,000 kWh, supported by extensive procurement of renewable electricity, resulting in approximately 7,560 tonnes of CO₂ emissions avoided. All assets are energy-rated, with a target of EPC C or better across the portfolio by 2030.

Asset quality and resilience are supported through the systematic use of BREEAM In-Use as a certification and management framework. At year-end 2025, 92% of the portfolio (by GAV) was BREEAM In-Use certified, primarily at *Good*, *Very Good*, or *Excellent* levels. Comprehensive climate risk and vulnerability assessments have been completed across the portfolio, integrating physical and transition risks into capital planning.

No physical climate risks with material financial impact were identified in 2025.

The Fund applies robust ESG governance and transparency, including quarterly investor reporting via a dedicated ESG dashboard. It reports annually to GRESB and achieved a 94/100 score with a 5-star rating in 2025, reinforcing its position as a Global Sector Leader.

Responsible business conduct underpins operations, with updated policies, a strengthened Supplier Code of Conduct, and active monitoring of diversity, equality, and equal pay principles.

Together, these initiatives position the Fund to meet evolving regulatory requirements, enhance asset performance, and support sustainable long-term returns for investors.



Gamle Leirdals vei 20, Oslo

Sustainability strategy

The fund has an overarching sustainability strategy that is anchored in the manager's Investment Approach & Process, along with a corresponding ESG policy at the fund level. This policy consists of several key and focus areas that collectively provide concrete frameworks for the fund and the management of the underlying properties.

These policies are aligned with the UN Sustainable Development Goals and the EU Taxonomy Regulation. By committing to these frameworks, the Fund aims to safeguard, maintain and enhance natural, social and economic capital over the long term.

At the same time, the strategy contributes to mitigating financial, reputational, legal, operational and sustainability-related risks.

Key Focus Areas

The Fund's sustainability framework is structured around six core focus areas:

- Climate impact, emissions and access to clean, renewable energy
- Resource efficiency
- Clean and safe water supply
- Biodiversity
- Health, wellbeing and community impact
- Social safeguards

In addition, the fund has committed to a sustainability plan to achieve certain goals based on a materiality analysis conducted by the fund management, approved by the investment committee.

By anchoring and implementing specific goals, the fund aims to influence decision-making across all parts of the value chain in line with the UN Sustainable Development Goals and the EU Taxonomy Regulation.

The fund has pledged to the UN goal of net-zero emissions/ be carbon neutral by 2050, with an interim target of reducing emissions by 50% by 2030.

Regulatory Framework and Reporting

The EU Sustainable Finance Disclosure Regulation (SFDR) entered into force in Norway on 1 January 2023. In response, the Manager has established the necessary documentation, processes and governance structures to ensure compliance, including ongoing monitoring and reporting.

The fund is classified as an Article 8 fund under SFDR.

In parallel with technical screenings of the property portfolio, the fund documentation has been updated with Annex II, outlining the fund's environmental goals and the measures to be used to achieve these goals (pre-contractual).

Mandatory disclosures are available on the Managers website.

Furthermore, the fund has initiated a review of CSRD requirements to assess the implications for potential future reporting.

The business reports in accordance with the new Transparency Act, which came into force on July 1, 2022. The work on due diligence assessments and reporting according to the Transparency Act is a dynamic process, and the report for the previous year will be published annually by the deadline set for June 30th.

The statement and assessments will be published on the following website:

<https://fokusnordic.com/media/>

Responsible Business Conduct

The Fund is committed to ensuring responsible operations and promoting good practices among its business partners.

The Manager sets high standards for corporate conduct, including:

- Compliance with all applicable laws and regulations
- Protection of human rights
- Provision of a safe working environment
- Minimisation of environmental impact

These principles apply equally to employees, suppliers and subcontractors. The Fund expects all stakeholders to adhere to applicable legal and ethical standards in the jurisdictions in which they operate.

The manager uses the systems Smartbank and Ignite to monitor suppliers and subcontractors.

Fund Certification

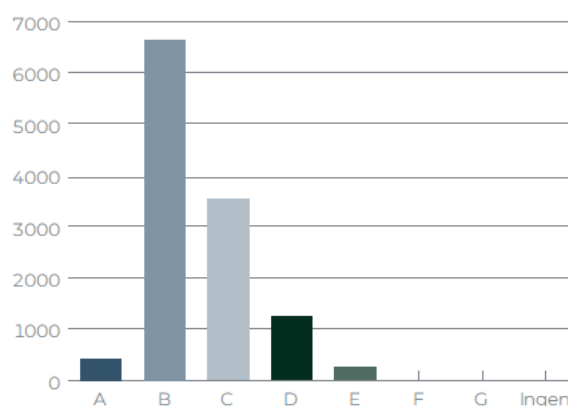
BREEAM In Use is a certification scheme that assesses the quality of the management of properties in regular operation.

The goal is to use the certification as a tool to actively improve each property in terms of sustainability, with the aim of achieving a better score upon re-certification, which takes place every three years.

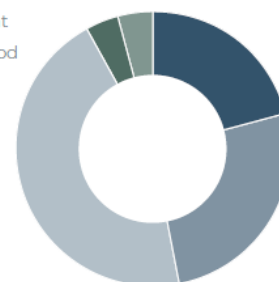
When renovating or constructing new buildings, the manager's environmental standards and the potential for BREEAM certification are considered during the planning and design phases, including the possibilities for reuse.

BREEAM In-Use is applied as a certification framework to assess and improve the sustainability performance of operational assets. The certification is actively used as a management tool, with re-certification carried out every three years. At year-end 2025, 92% of the portfolio was certified under BREEAM In-Use.

Energimerker i porteføljen pr. GAV (mNOK)



- 21% Breeam in use Excellent
- 26% Breeam in use Very good
- 45% Breeam in use Good
- 4% Pågående
- 4% Ingen



GRESB Reporting

The Fund reports annually to the Global Real Estate Sustainability Benchmark (GRESB), which is widely recognized as the leading benchmark for ESG performance in the real estate sector. In 2025, the Fund achieved a score of 94 out of 100, corresponding to a 5-star rating.

This represents an increase from 92 in 2024. The result positions the Fund as a Global Sector Leader within GRESB. Reports are available upon request, by receiving investor access to the portal.



ESG Overview 2025

All of the company's properties are connected to an electronic energy tracking system, and the properties are actively monitored with regard to energy consumption and greenhouse gas emissions.

Energy consumption is monitored constantly and based on our UN goal of being net-zero/carbon neutral by 2050, with an interim target of reducing emissions by 50% by 2030, the fund monitors progress over time, with identified vision of what measures that need to be implemented by what year in order to reach our goal.

To better visualize goal achievement on key sustainability parameters, the manager has established extensive ESG reporting as a mandatory part of the quarterly reporting to investors, using an "ESG dashboard" that is updated quarterly.

This allows investors to track progress in the important dynamic work within the ESG field. The dashboard identifies and calculates the costs related to measures necessary to achieve the goal of being climate-neutral by 2050. This provides financial predictability.



Key Initiatives in 2025

During 2025, the Manager and fund management focused on the following key initiatives:

- Implementation of SFDR and the EU Taxonomy Regulation, as mentioned above.
- Updating Annex II in accordance with SFDR, with clear goals and strategies which are reported on in Annex IV.
- Technical screening analyses have been produced for all properties – Climate Risk and Vulnerability Assessment.
- The fund has set a target that all properties will have an energy rating of C or better by 2030.
- During 2025, investments were made in energy efficiency measures in many of the assets. As a result, the EPC has been improved in several of these assets.

For instance, in Brynsalléen 4 (from D to B), Apotekergata 10 (from E to C) and Vollsveien 6 and Sommerrogaten 13-15 (C to B).

- A separate ESG due diligence process is required for the purchase of new properties.

No investments will be made in properties with an energy rating of D or worse unless measures are identified, designed, and implemented to elevate the property to a C (or better) within a relatively short time frame after the acquisition.

- BREEAM In Use certification of properties: All properties should be certified with the exception of newly acquired properties, project properties or other special circumstances. As of the end of 2025, 92% of the portfolio (measured by GAV) was BREEAM In Use certified.

- GRESB score of 94 (5-star rating and Global Sector Leader status)
- Renewable energy production of approximately 744 046 kWh kWh
- Energy wells and recycled heat from data center in Brynsalléen 4 in operation from early 2025, with a net reduction of purchased electricity of 1 162 000 kWh
- Tenant satisfaction survey with ESG focus
- All properties are energy-rated in accordance with public requirements (EPC).
- As part of becoming Fokus Nordic, all policies will be revised, and a new Supplier Code of Conduct will be introduced.
- The Fund has reported in line with EU legislation, SFDR and Taxonomy. Please see Annex IV, Risk Report and the CSR Report (Group and Fund level) which all complement each other.

Since 2019 (baseline year), the Fund has implemented continuous electronic collection of environmental data, including energy consumption, waste, and water usage.

This data is used to optimize operational performance and reduce the portfolio's carbon footprint.

All properties are energy-rated according to public requirements. The fund has implemented a goal for all properties to have an energy rating (EPC) of C or better by 2030.

The manager is a member of the Green Building Alliance. The manager is certified as an Eco-Lighthouse (Miljøfyrtårn).



Transition Risk Identification & Impact Assessment

The entity has established a structured process for identifying and prioritizing transition risks, focusing on the four key areas outlined in the GRESB standard: policy and legal, technology, market, and reputation.

Please also see the funds Risk Report for Q4 2025 where additional risks are described and addressed.

Regulatory and legal risks

Regulatory and legal risks are assessed in relation to emerging regulations such as carbon pricing mechanisms, emissions taxes, and energy performance requirements. The entity monitors these developments closely to ensure compliance and to mitigate potential legal liabilities through the quarterly risk reporting. Identifying new policies involves monitoring regulatory changes, engaging stakeholders, and evaluating internal operations to uncover gaps or inefficiencies.

Regularly assessing industry trends, emerging risks, and external factors (e.g., societal concerns or technological advancements) helps pinpoint areas needing new policies. Benchmarking against industry peers and consulting subject matter experts can also provide insights into where policies are needed to ensure compliance, competitiveness, and alignment with evolving expectations.

The fund is impacted by policy and legal risks primarily through increased operating costs arising from evolving regulations and compliance requirements. As environmental and social regulations become more stringent, the fund faces higher costs related to meeting new legal standards. For example, the implementation of stricter carbon emissions regulations may require the fund to invest in energy-efficient technologies, upgrade buildings to meet sustainability standards, or purchase carbon credits.

For the reporting year 2025, the fund has through its quarterly reporting experienced higher costs related to the time spent on expanded reporting obligations in accordance with new European legislation, including SFDR, among others. As a result, the fund has sought to

increase collaboration with other stakeholders to reduce costs and gain additional knowledge.

Furthermore, the fund experience increased costs related to purchasing carbon credits for green energy in order to meet the goals outlined in its sustainability strategy. All costs are identified and monitored in the Fund ESG dashboard, see below.

Furthermore, changes in tax policies or the introduction of new environmental taxes can result in increased operational expenses. Compliance with these regulations may require ongoing investments in legal and consultancy services to ensure the fund remains in full compliance, as well as expenses related to potential penalties for non-compliance.

These rising operating costs are crucial considerations in the fund's financial planning, as they directly impact profitability and may require adjustments to investment strategies to account for the increased financial burden.

As a result, the fund must be proactive in assessing the potential legal and policy changes that could influence its cost structure and long-term financial sustainability. For the reporting year of 2025, no extra costs related to this topic have been detected.

Technological Risks

Technological risks are evaluated through ongoing analysis of innovations that may render existing systems or assets obsolete, with particular attention to energy efficiency improvements and smart building technologies.

There is a growing expectation that buildings will meet high technical standards for energy performance, indoor climate control, and digital connectivity.

Failure to keep pace with technological advancements could lead to increased operational costs, reduced asset value, and challenges in attracting or retaining tenants who prioritize sustainability and comfort. For example, older HVAC systems or lighting solutions may not meet future emissions or efficiency requirements and could incur additional retrofit costs or penalties under tightening legislation.

To address these risks, the entity includes technical assessments as part of its Climate Change and Vulnerability Assessments and annual asset-level action planning. Identified technical upgrades—such as implementing energy management systems, electrifying heating solutions, or improving insulation—are incorporated into a 5-year maintenance and investment plan.

The fund is impacted by technology primarily through capital investments required for technological development and the costs associated with adopting and deploying new practices and processes. As part of its commitment to sustainability and staying competitive, the fund may need to invest in the development and integration of advanced technologies, such as energy-efficient building systems, renewable energy solutions, and digital tools for monitoring and managing environmental impacts.

These capital investments can be substantial, as upgrading existing infrastructure or implementing new technological systems requires both financial resources and time.

In addition to the upfront capital costs, the fund also faces operational expenses related to the adoption and deployment of new practices and processes. This includes the costs of training staff, retooling operations, or integrating new technologies into existing workflows. For instance, deploying new energy-efficient systems or incorporating smart building technologies may

require modifications to the fund's properties, which can be expensive and time-consuming.

Similarly, adopting sustainable practices, such as waste reduction, water conservation, or green certifications, often entails changes in processes and procedures that incur ongoing costs for compliance, monitoring, and reporting.

While these technological investments may result in higher initial costs, they are essential for meeting sustainability goals, enhancing operational efficiency, and maintaining compliance with increasingly stringent environmental regulations. Over time, these investments may provide long-term cost savings, such as lower energy consumption or reduced environmental penalties, but the short-term impact on the fund's capital expenditure and operational budget remains significant.

Therefore, the fund must carefully assess the financial implications of adopting new technologies and practices to ensure these investments align with its overall financial strategy and sustainability objectives. These planned measures are tracked using the Power BI dashboard, which highlights both current performance and future technical needs over a 5–10 year horizon, see below.

During 2025 we experienced higher costs related to the transition to lower emissions technology and the substitution of existing products and services with lower emissions options. The investment required for upgrading infrastructure, adopting cleaner technologies, and ensuring that operations align with sustainability goals has led to increased initial costs.

Additionally, replacing traditional products and services with more eco-friendly alternatives often involves higher upfront expenses, as these options can be more expensive to produce or procure. However, these investments are crucial for meeting long-term environmental targets and ensuring alignment with regulatory requirements.

Action Plan

The sustainability assessment covers a portfolio of 35 buildings and provides a comprehensive overview of energy performance, certification status, climate risk exposure, and identified improvement measures.

Bicycle parking is available at 27 properties, while 16 properties offer electric vehicle charging, supporting more sustainable tenant mobility.

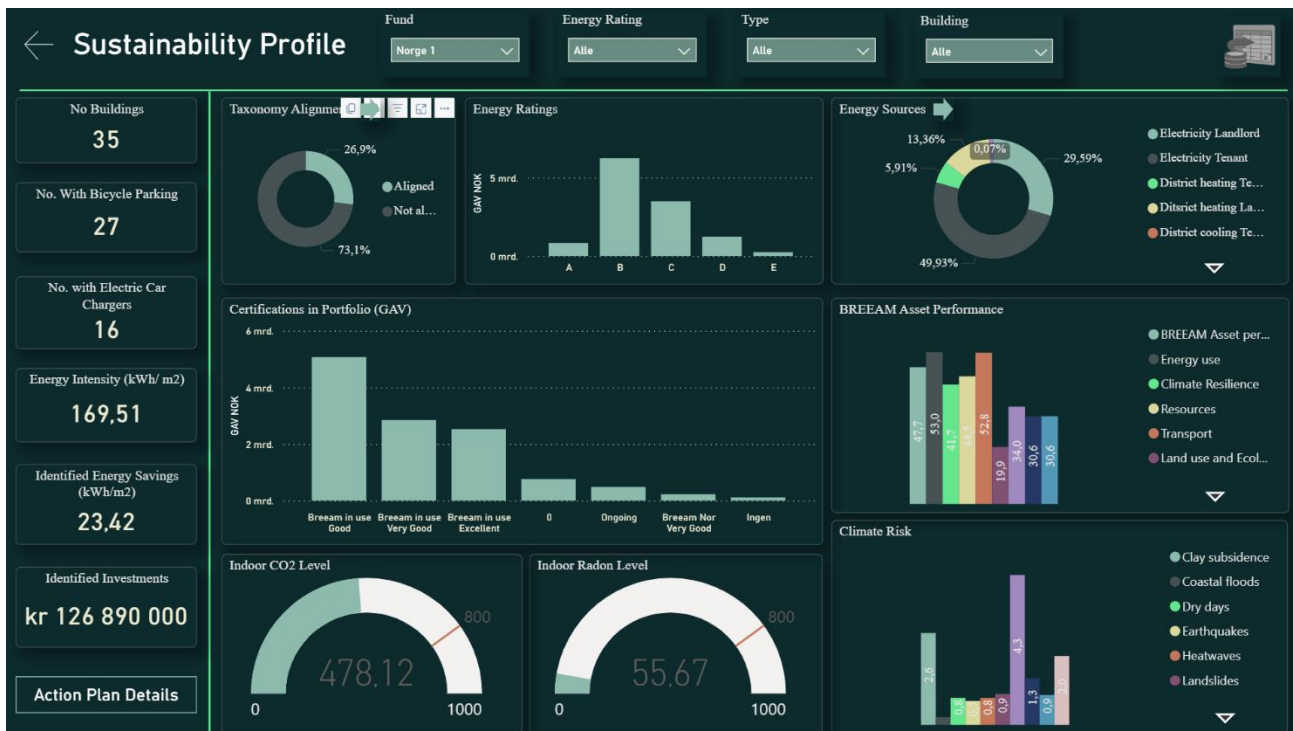
The portfolio reports an average energy intensity of 169.5 kWh/m², with identified potential energy savings of 23.4 kWh/m². Based on technical assessments, a structured action plan has been developed, representing total identified investments of approximately NOK 126.9 million aimed at reducing energy consumption and improving operational efficiency.

Energy ratings are concentrated in the mid-range categories, underscoring the relevance of targeted upgrades to lift overall performance.

The portfolio's energy mix is dominated by district heating and electricity, with limited use of district cooling, reflecting a relatively low reliance on direct fossil fuel sources.

A significant share of the portfolio holds BREEAM In-Use certifications, primarily in the *Good*, *Very Good*, and *Excellent* categories, supporting asset quality and sustainability credentials. Indoor environmental indicators show moderate CO₂ levels and low radon concentrations, indicating generally satisfactory indoor climate conditions.

Climate risk screening highlights exposure across several physical risk categories, including heatwaves, dry periods and flooding, reinforcing the importance of resilience measures and long-term adaptation planning.



The action plan includes a broad set of technical energy efficiency measures across individual properties, such as:

- optimisation and replacement of ventilation systems (including heat recovery),
- improved control systems and operational settings,
- insulation of pipes and technical components,
- energy-efficient upgrades to heating systems,
- integration of renewable energy where relevant.

The planned measures show varying cost efficiency, expressed as investment per saved kWh, and together are expected to deliver material reductions in annual energy consumption across the portfolio.

Individual projects range from smaller optimisation measures to larger, capital-intensive upgrades with significant energy-saving potential.

Collectively, the findings demonstrate a clear, data-driven pathway to improved energy efficiency, reduced emissions, and enhanced asset sustainability.

The combination of existing certifications identified savings potential, and a well-defined investment plan positions the portfolio to strengthen ESG performance over time while supporting regulatory alignment, climate resilience, and long-term value creation.

Property	Planned action	Estimated investment	Investment (Kr/kWh)	Energy savings (kWh)	Energy savings (kWh/m2)
Pilestredet 19-21	Tiltakspakke 1 (beholder dagens energimerke D): Mengeregulering av varmeanlegget, isolere rør og komponenter på varmeanlegget, nye driftstider på vent.anlegget	kr 131 000	kr 1,82	71 882	12,00
Fugleåsen 6 Elektroskandia	Tiltakspakke 1 (beholder dagens merke på B): automatisk stengning av lagerporter, isolere rør og komponenter på varmeanlegget, balansere luftmengder på 36Diverse tiltak, beskrivelse på forespørsel fra Teknisk.Diverse tiltak, beskrivelse på forespørsel fra Teknisk.Diverse tiltak, beskrivelse på forespørsel fra Teknisk1, redusere luftmengder på 36Diverse tiltak, beskrivelse på forespørsel fra Teknisk.Diverse tiltak, beskrivelse på forespørsel fra Teknisk.Diverse tiltak, beskrivelse på forespørsel fra Teknisk1, automatisk styring av snøsmelteanlegg	kr 277 000	kr 2,22	124 562	7,00
Mosenteret Damgården	Tiltakspakke 1 (beholder dagens B): Isolere rør og komponenter på varmeanlegget, nye driftstider på vent. anlegg 36Diverse tiltak, beskrivelse på forespørsel fra Teknisk.Diverse tiltak, beskrivelse på forespørsel fra Teknisk2 og 3Diverse tiltak, beskrivelse på forespørsel fra Teknisk3, lysstyring med ur og tilstedeværelse i parkeringgarasje	kr 240 000	kr 3,43	69 988	7,00
Rolf Wickstrømsvei 15	Diverse tiltak, beskrivelse på forespørsel fra Teknisk	kr 1 620 000	kr 3,60	450 000	47,00
Vollsveien 2 A og B	Diverse tiltak, beskrivelse på forespørsel fra Teknisk	kr 3 014 900	kr 4,97	606 976	51,00
Mosenteret Torvgården	Tiltakspakke 1 (beholder dagens gule C): Nye driftstider på vent.anlegg 36Diverse tiltak, beskrivelse på forespørsel fra Teknisk.Diverse tiltak, beskrivelse på forespørsel fra Teknisk1 og 36Diverse tiltak, beskrivelse på forespørsel fra Teknisk.Diverse tiltak, beskrivelse på forespørsel fra Teknisk3, sonestyring av panelovner	kr 186 000	kr 4,97	37 412	16,00
Tollbugata 1A	Tiltakspakke 1 (oppnår grønn D): Isolering av rør og komp., kjølegjenvinning til varmeanlegg (alt. 1), optimalisering i SD anlegg	kr 510 000	kr 5,04	101 120	11,00
Tollbugata 1A	Tiltakspakke 2 (oppnår grønn C): kjølegjenvinning til varmeanlegget (alt. 2).	kr 1 550 000	kr 6,74	230 000	26,00
Vollsveien 2 A og B	Anbefalt tiltakspakke: Takvifter i Atrium, isolering av komponenter i varmesentral, bytte ut AV-vifter med EC-vifter i ventilasjonsaggregatene, nye driftstider for ventilasjonsaggregatene, rens av batterier og varmegjenvinnere for ventilasjonsaggregatene, supplering av automatikk og verdier i SD-anlegget	kr 2 200 000	kr 7,53	292 186	25,00
Kanalveien 105	Diverse tiltak, beskrivelse på forespørsel fra Teknisk	kr 3 254 700	kr 7,77	418 986	35,00
Vulkan 19	Tiltakspakke Anbefalt, eos, optimalisering, styring Varmeluftsport, DX, SD forbedring, snøsmelt	kr 1 071 000	kr 8,42	127 233	30,00
Bolerveien 63	Diverse tiltak, beskrivelse på forespørsel fra Teknisk	kr 8 535 100	kr 9,06	942 516	48,00
Bolerveien 61 AS	Diverse tiltak, beskrivelse på forespørsel fra Teknisk	kr 6 209 500	kr 9,67	641 864	53,00
Mosenteret Damgården	Tiltakspakke 2: (oppnår gul A): termografering og måling av lekkasjetall, nytt ventilasjonsaggregat 36Diverse tiltak, beskrivelse på forespørsel fra Teknisk.Diverse tiltak, beskrivelse på forespørsel fra Teknisk2, solcellleanlegg	kr 1 786 000	kr 14,19	125 863	13,00
Totalt		kr 126 890 000			

Dashboard showing energy efficiency progress (transition plan)

Energy Dashboard

The emissions overview presents the development of location-based greenhouse gas emissions (Scope 1, 2 and selected Scope 3) across the portfolio, benchmarked against a 1.5°C decarbonisation pathway.

Total emissions show a clear downward trend from 2020 to 2025, with a particularly strong reduction in recent years, indicating effective implementation of energy efficiency measures and a gradual transition away from fossil energy sources.

Reductions are primarily driven by lower electricity-related emissions, reflecting improvements in energy efficiency, increased use of renewable electricity, and optimisation of landlord- and tenant-controlled consumption.

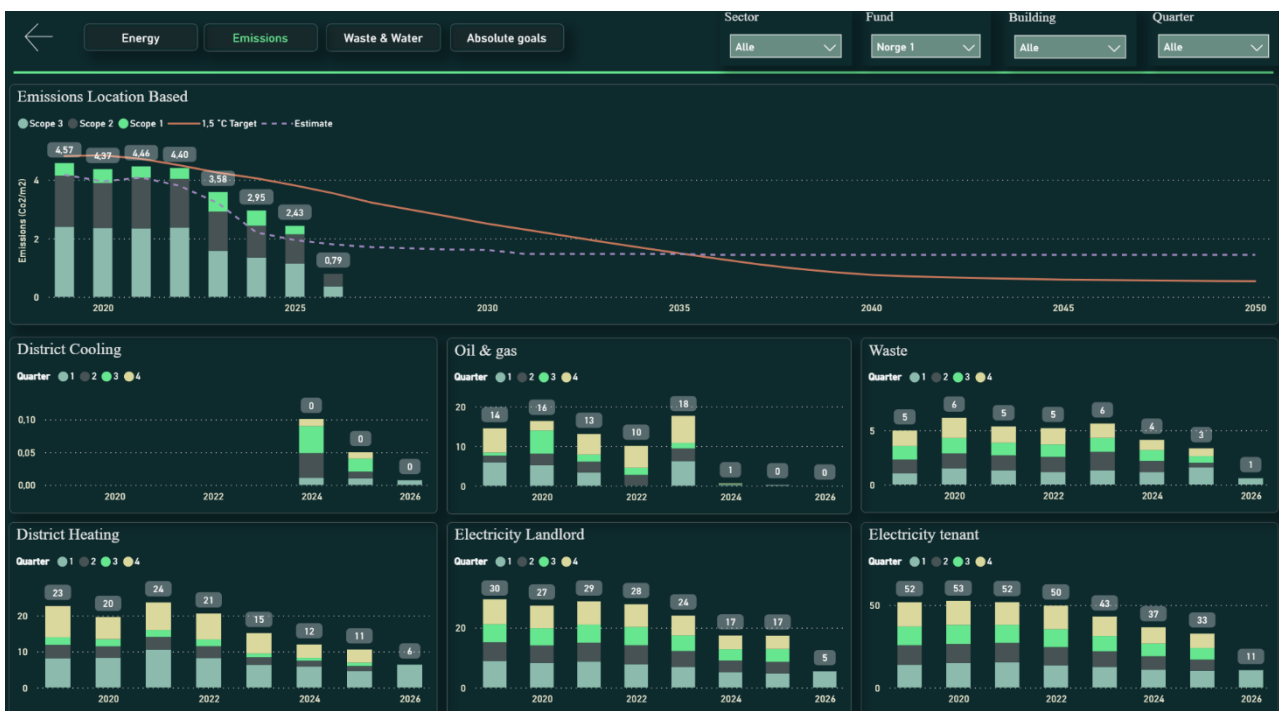
Direct emissions from oil and gas have been significantly reduced over time and are approaching negligible levels toward the most recent reporting periods.

Energy consumption by source highlights continued reliance on district heating and electricity, while fossil fuel use has declined materially.

Waste-related emissions remain relatively stable at low levels and do not represent a significant driver of the portfolio's overall emissions profile.

The projected emissions pathway indicates that continued reductions will be required to remain aligned with long-term climate targets.

Overall, the data demonstrates substantial progress in emissions reduction to date, underlining the positive impact of operational improvements and energy transition efforts, while reinforcing the importance of sustained action to meet future decarbonisation objectives.



Year-to-date performance

The environmental performance dashboard provides a year-to-date overview of the fund's real estate assets, covering energy consumption, renewable energy use, emissions, waste, and water.

The portfolio has produced approximately 744,000 kWh of renewable energy on-site and procured around 14.1 GWh of renewable electricity, of which a portion has been exported to the grid. Through the use of procured renewable energy, the portfolio has avoided approximately 7,560 tonnes of CO₂ emissions, contributing materially to the reduction of its operational carbon footprint.

Total energy consumption (whole building) shows a declining trend toward the most recent reporting period, with a notable reduction in 2026.

A similar downward trend is observed for landlord-controlled energy consumption, indicating improved operational efficiency and the positive impact of energy optimisation measures across the portfolio.

Scope 1 and 2 emissions have decreased significantly over time, reflecting reduced fossil fuel use, improved energy efficiency, and the transition toward renewable electricity. Scope 3 emissions remain higher and more variable,

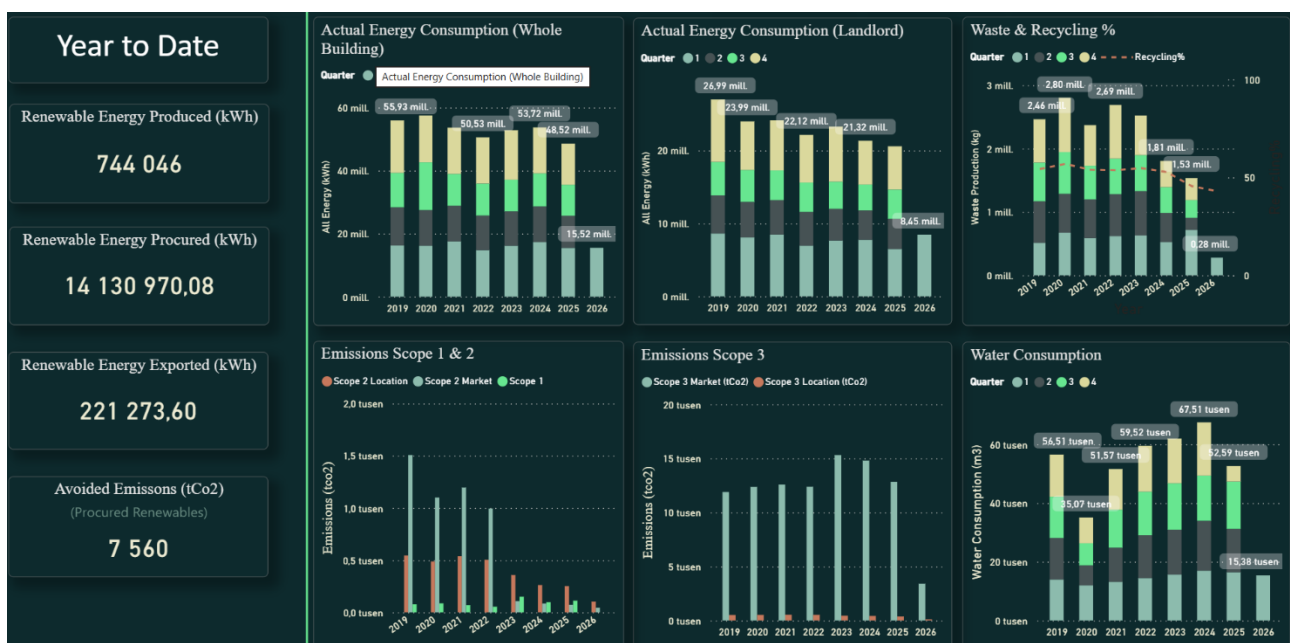
driven largely by indirect sources outside direct operational control, but show signs of moderation in recent periods.

Waste and recycling performance indicates stable waste volumes alongside a recycling rate that remains above the long-term target trajectory, demonstrating consistent waste management practices.

Water consumption has increased over several years, peaking in recent periods before declining markedly in the latest year, highlighting both improved monitoring and the potential impact of targeted efficiency measures.

Overall, the year-to-date data demonstrates tangible progress in reducing operational energy use and emissions across the fund's real estate assets, supported by increased reliance on renewable energy.

At the same time, water consumption and Scope 3 emissions remain key focus areas for continued improvement, reinforcing the portfolio's commitment to long-term environmental performance and value creation.



Water and waste production and recycling rate

The waste and water overview presents the development of waste intensity, recycling performance, and water consumption across the fund's real estate assets over time.

Waste production intensity shows a declining trend from earlier peak levels, with a marked reduction in the most recent reporting periods.

Following higher waste intensity in the years 2019–2023, levels decreased significantly in 2024 and 2025, indicating improved waste management practices and the effect of operational and tenant-related measures.

Preliminary figures for 2026 suggest substantially lower waste intensity, reflecting both reduced activity and continued efficiency improvements.

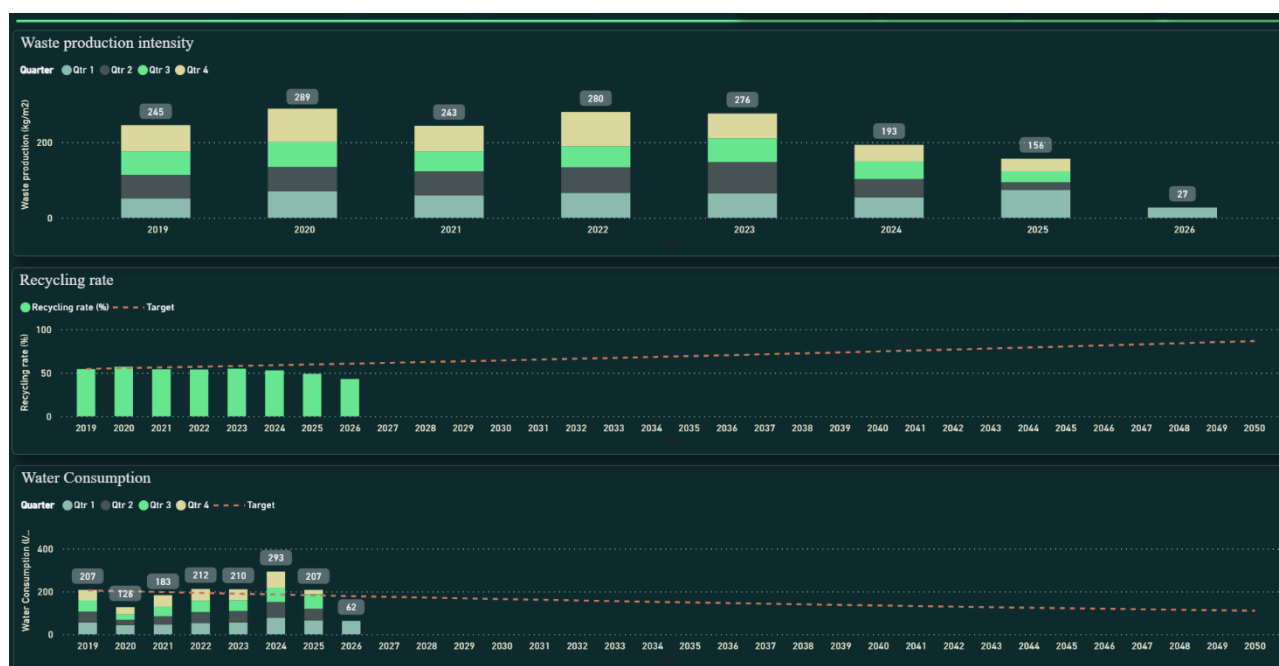
The recycling rate has remained relatively stable over recent years, consistently around the mid-range level, while remaining below the long-term target trajectory.

The forward-looking target indicates a gradual increase over time, underlining recycling as an ongoing focus area through improved sorting, tenant engagement, and waste stream optimisation.

Water consumption has fluctuated year to year, peaking in 2024 following an upward trend from earlier periods. Consumption declined materially in the latest reporting year, suggesting the initial impact of improved monitoring, leakage control, and targeted water efficiency measures.

Despite the recent reduction, water use remains above the long-term target path, highlighting further potential for operational improvements.

Overall, the data indicates progress in reducing waste intensity and early signs of improved water efficiency, while recycling performance and absolute water consumption remain priority areas for continued focus in line with the fund's environmental objectives.



Market Risk

Market risk is a critical focus in the entity's transition risk assessment, such as abrupt and unexpected shifts in energy costs, changes in consumer preferences, and evolving investor expectations can significantly impact the financial performance of real estate assets.

The entity acknowledges that there is an increasing market preference for sustainable and energy-efficient buildings, driven by both regulatory pressures and stakeholder demands. Assets that do not meet evolving ESG standards may experience reduced tenant demand, longer vacancy periods, and diminished rental income potential.

Moreover, the shift in consumer preferences towards more sustainable options and the growing integration of ESG metrics in investment decisions can affect capital allocation, asset liquidity, and long-term profitability. The entity also faces challenges from fluctuating energy prices and reduced demand for certain goods and services as consumers prioritize sustainability.

To manage these market risks, the entity conducts scenario analyses and market trend assessments to understand how different climate and policy pathways might impact demand for its properties. The insights gained from this work guide the prioritization of sustainability investments and upgrades, ensuring the long-term competitiveness and resilience of its real estate assets.

During 2025, the Fund experienced an increase in ESG-related questions from its valuers. This indicates higher awareness related to ESG specific topics and may affect the value of the properties. Higher energy prices also affected owners' costs and impacted the property values.

Reputational Risks

Reputational risks are carefully monitored through a combination of active stakeholder engagement and comprehensive Environmental, Social, and Governance (ESG) reporting. By maintaining open and transparent communication with investors, tenants, regulatory bodies, and the broader community, organizations can address concerns proactively and demonstrate accountability. ESG reporting serves as a structured mechanism for disclosing performance metrics and sustainability efforts, reinforcing a commitment to responsible

practices. Failure to perform adequately in these areas, or a perceived lack of transparency, can lead to erosion of stakeholder trust, which in turn may result in reduced investor confidence, tenant dissatisfaction, and negative media attention. Such reputational damage can ultimately diminish the attractiveness and perceived value of a property, thereby adversely affecting long-term financial performance and market competitiveness.

The transition risk identification process is a critical first step in risk management of the fund, aiming to uncover potential events or conditions that could negatively impact one or more of the above-described risks. It begins by establishing the context—defining the internal and external environment, objectives, and relevant stakeholders.

Engaging with these stakeholders is essential, as their insights help identify a broad range of risks across operational, financial, environmental, reputational, legal, and strategic areas. A variety of tools and techniques are used to support this process, including brainstorming sessions, interviews, checklists, historical data analysis, SWOT or PESTLE analyses, and risk workshops.

All identified risks are then documented in a risk register, which typically includes a description of each risk, its potential impact, affected areas, and any preliminary assessment of its likelihood. The register is reviewed and validated regularly to ensure it remains accurate and up to date, especially as new risks emerge, or organizational circumstances change.

This structured approach ensures that risks are recognized early and form the basis for effective assessment and mitigation. Please also see the funds Risk Report for Q4 2025 where additional risks are described and addressed.



Kongens gate 2, Trondheim

Risk Report

In addition to the risks mentioned above, the fund prepares a Risk Report that is updated quarterly.

In this report, which is prepared by the Risk and Compliance department, a wide range of other relevant risks are continuously assessed.

The most relevant include (not exhaustive):

- Geographical exposure
- Sector exposure
- Largest tenant risk
- Liquidity risk
- Credit risk
- Increase in maintenance cost/ Capex cost/ OPEX/ Interest levels
- Decline in gross income
- Loan to Value
- Transition Risk
- Governance & Fund Structure risk
- Legal & tax risk

Risk Management Systems in Fokus Fund Management Norway AS

Risk Management function

Fokus Fund Management Norway AS ("Fokus") is committed to building and continuously improving a sound and effective system of internal control and a risk management framework that is embedded within its operations; this is the first line of defense. The Risk Management function has been delegated to Fokus Nordic Fund Management DK AS ("FHM-N"). The companies are collectively referred to as Fokus Nordic.

The Risk Management function, as the second line of defense, exists to support management in the identification and mitigation of risks and provides independent monitoring of the business. The Risk Management function has the overall responsibility for risk management for all AIFs under FHM-N's management. The team is headed by Fokus Nordic's Head of Risk and Compliance, who reports to the Chief Executive Officer and the Board of Directors. The Risk Management function achieves its objective through embedding the risk management framework throughout the organization.

FHM-N's governance structure is supported by three committees that bring together subject matter experts from different functions to assist the Board of Directors and the AIFs to fulfil their roles and responsibilities. The Risk Management function is represented on the Risk Committee (RC), the Investment Committee (IC), and the Valuation Committee (VC).

Fokus Nordics's risk management systems

Fokus Nordic manages alternative investment funds (AIFs), which invest in real estate properties. Derivatives are only used for hedging purposes and to the extent permitted by AIF.

Fokus Nordics's risk management systems are comprised of:

- Fokus Nordic's permanent and independent Risk Management function
- Fokus Nordic's risk management policy and underlying procedures; and
- arrangements, processes, and techniques related to risk measurement and management employed by Fokus Nordic.

The risk management systems allow the Risk Management function to identify, assess and understand the inherent risks of the AIFs and FHM-N, to understand potential changes in the risk profile of the fund and to focus and adapt their level of analysis to the most significant risks.

The operational risk and control self-assessment (ICCA)

allows the Risk Management function to assess whether the internal controls mitigating those risks are sufficient and effective. The yearly review of the risk management systems allows the Risk Management function to confirm whether the processes are operating as described in the procedures and whether they are still fit for purpose.

Description of the process of identifying, assessing, and managing risks

Market risk is a form of risk that impacts an AIF's investments (investment risk), which is primarily identified, assessed, and managed through Fokus Nordic's portfolio management processes. The Risk Management function is provided with strategic business plans and observes how they are challenged by the IC. The function also raises any concerns where it identifies issues that have not been raised by the members of the IC. The information collected helps the Risk Management function to have a holistic view of the idiosyncratic risks of the property portfolios. The market risk is further monitored through the focus of loan to value ratios and the level of leverage by both the gross and commitment approach. The market risk linked to concentration risk is mitigated through investment restrictions set according to the basic principle of diversification. The Risk Management function uses other techniques such as scenario analysis, concentration analysis, tenant, lease, and debt risk indicators, to complement techniques deployed.

Sustainability risk Sustainability risks refer to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment, as sustainability risks have been defined in article 2(2) of the Sustainable Finance Disclosure Regulation (SFDR). Applying sustainability criteria in the investment process may result in the exclusion of properties in which the fund might otherwise invest. This may have a positive or negative impact on performance and may mean that the fund's performance profile differs to that of comparable funds in the market with a similar investment strategy but without applying sustainability criteria.

Sustainability risks can directly or indirectly have a large positive or negative impact on the fund's financial result and value, and consequently, affect how the value of an investment develops. Since the fund's assets are to be managed with the investor's best interests at heart, the AIFM considers relevant sustainability risks that could have a significant negative impact on the financial return of an investment and continuously evaluates these risks.

Liquidity risk FHM-N has liquidity risk management systems in place applicable to the AIFs and relative to the size, scope and complexity of the AIFs. Liquidity risk is monitored on both the asset and liability sides.

To monitor asset liquidity risk, FHM-N employs several methods specific to the underlying assets. To measure the level of liquidity in real estate, the approach is to reference the actual holdings of the AIF against market conditions. The IC regularly reviews and monitors the level of asset pricing, in addition to the approval of pricing methodology and for use as a pricing asset. FHM-N has implemented a Valuation Policy which details the operational responsibilities for the pricing asset. If there is a change or a need to be updated by the Fund documentation. It also includes the use of independent valuers to value the value of each of the individual assets of the portfolio. On that basis, the investor determines, beyond this, investor determines the main drivers of liquidity within an investment and the associated risks which contain certain key provisions, risks, and risks which provide protection to the AIF and its primary investors, in situations where liquidity might become a concern. The absence of these liquidity management provisions (and, and both are monitored by the IC). In addition, the Risk Management function, if applicable, performs periodic analysis in respect of the shareholder concentration and transactional behavior. Another source of liquidity risk is debt. The Risk Management function performs periodic analysis of debt in relation to certain conditions. Any concerns would be related to the relevant Committee and Board, if material.

Credit and counterparty risk Credit and counterparty risk levels may from time to time be assessed as part of the loan risk. **Legal risk** All key contractual arrangements entered by the AIFs are reviewed by the internal team and, where required, by external legal counsel. If these contracts refer to litigation arrangements, which apply to the AIFs, there is an ongoing internal audit on litigation issues between the parties. Frequency of law and legal fees, a clear attribution of rights and responsibilities of each party and when applicable, the key performance indicators to measure performance. Any litigation issues are also handled by the internal legal team, which would provide updates to the Risk Management function on any existing litigation, scope of the litigation and the extent of any impact to the AIFs. **Tax risk** The internal finance team is supported by external tax consultants to advise on tax structuring, transactions, and tax reporting. **Operational risk** The operational risk and control self-assessment (ICCA) ensures that the operational risk team and their contribution to the overall risk profile are accurately measured based on sound and reliable

data and that the risk measurement arrangements, processes, and techniques are adequately documented. The IC (Director, measurement, management, and monitoring of operational risk within FHM-N) are achieved through.

Breach and incident handling Log, in which any operational failures, compliance issues, first response log, and damage assessment will be recorded. The results include professional liability damage. The process of recording, investigation and mitigation of breaches and incidents aims to ensure that they are not repeated.

Compliance issue log The compliance log provides a clear defined method for identifying, prioritizing, resolving, escalating, and reporting compliance findings and of any ongoing unresolved matters (including FHM-N and the AIFs from a risk regulatory perspective). Issues, and process objectives which are agreed by Senior Management to complete. **Risk and Control Self Assessment (ICCA)** The ICCA process is an early risk and self-control assessment tool and managed periodically. The ICCA also provides a systematic and holistic means of identifying risks and control gaps. The ICCA impact, location or process objectives which are agreed by Senior Management to complete.

Measuring risk Where appropriate FHM-N applies the following measures to the AIFs:

Leverage and debt related measures assess the effect of gearing on AIF's expected performance by allowing the AIF to gain greater exposure to underlying investment opportunities (gains and losses). The higher the leverage, the greater the risk (potential loss). The measurement also designed to capture limitations on the capacity of financing the AIF's assets due to restrictions or banking covenants which come into force with debt and the risk of not being able to refinance debt upon maturity. Other secondary risks measured relate to whether the cost of gearing is too high and whether the duration of the gearing is appropriate.

Stress test and scenario analysis Captures how much the current portfolio might or how lower market conditions occur.

Concentrations by grouping the portfolio through various dimensions (country, sector, issue, asset, etc.) to identify where concentration risks exist.

Asset net income leakage Captures revenue risk arising from portfolio characteristics (type of assets or charges).

If the fund invests in real estate, the following risks are identified and controlled:

Alignment of ownership Liquidity terms are reviewed to ensure that the fund will be able to meet its obligations. All AIFs are subject to the same liquidity terms. All AIFs are subject to the same liquidity terms. All AIFs are subject to the same liquidity terms. All AIFs are subject to the same liquidity terms.

Asset monitoring process Monitoring the asset value and the underlying assets. The asset value is monitored on a regular basis. The asset value is monitored on a regular basis. The asset value is monitored on a regular basis.

Equation and reporting FHM-N reports monthly to the relevant reporting parties. FHM-N reports monthly to the relevant reporting parties. FHM-N reports monthly to the relevant reporting parties.

Other The fund is subject to the same risks as all other funds. The fund is subject to the same risks as all other funds. The fund is subject to the same risks as all other funds.

Physical Risk identification and impact assessment

Physical climate risks—such as extreme weather events, flooding, heatwaves, and rising sea levels—are integrated into our overall risk management framework to protect asset value and ensure portfolio resilience.

These risks are treated as a core component of our fund risk approach and are considered alongside financial, operational, reputational and regulatory risks during both investment and asset management processes.

We systematically identify and assess physical risks through geospatial mapping, climate risk modelling, and third-party hazard data at both the asset and portfolio level.

During due diligence, we evaluate location-specific exposures and historical vulnerability to acute events (e.g. storms, flooding) and chronic stressors (e.g. temperature rise, water scarcity).

These insights inform acquisition decisions, insurance coverage, business continuity planning, and capital improvement strategies.

At the portfolio management level, physical risk assessments are regularly updated and integrated into property risk registers, influencing asset planning, maintenance schedules, and ESG reporting. Risk findings are reported to senior management and incorporated into internal controls, ensuring physical climate risks are monitored, escalated, and addressed within the broader governance and risk oversight structure.

Each year, the fund updates its comprehensive property-level analysis to identify any new risks. If a risk is identified, it is addressed through the property's technical management and followed up in the quarterly deviation meetings. Such events may impact the fund both financially and reputationally.

Therefore, it is essential to maintain a structured and professional approach to property operations to ensure that potential risks are identified early. In 2025, no physical risks requiring extraordinary measures with financial impact on the fund have been identified.

Diversity, Equality, and Inclusion (DEI)/ Human capital

The fund's board consists of two women (40%) and three men (60%). The board members have an average tenure of 3 years, with the longest-serving member having been on the board for 6 years (the chair).

- Board members under 30 years: 0%
- Board members between 30 and 50 years: 20%
- Board members over 50 years: 80%

The fund strives for a diversified composition of board members in terms of gender, age, experience, and expertise. All board members receive the same remuneration, regardless of gender or age. The chairman receives a somewhat higher fee than the other board members due to the greater workload. The fees are determined/ overlooked by the General meeting.

The manager's organization consists of 16 women and 15 men as of December 31, 2024 (52% women, 48% men), with an average age of 46.42 years, distributed as follows:

The manager's organization consists of 13 women and 14 men as of December 31, 2025 (48% women, 52% men), with an average age of 48.16 years, distributed as follows:

- Employees under 30 years: 9.68%
- Employees between 30 and 50 years: 41.94%
- Employees over 50 years: 48.39%

The organization only employs full-time staff (no hired personnel on an hourly or monthly basis). The organization monitors and ensures that all employees, regardless of gender, earn the same when qualifications and functions are equal.

Equal pay is a principle confirmed in the current policies and is monitored by the HR department in collaboration with the company's safety representative.

These metrics can also be found in our annual Fokus Nordic CSR report.

[Sustainability – Fokus Nordic](#)

Community

In addition to the general sustainability goals and the fund-specific environmental objectives outlined in Annex II (SFDR) and other fund documentation, the manager also plays an important role in contributing to social sustainability goals. The manager is responsible for ensuring that the organization takes its social responsibility seriously.

Throughout 2025, the manager has provided financial support to the Norwegian Trekking Association (DNT) (NOK 200,000). By supporting this organization, the aim is to help ensure that everyone in society has access to enjoyable outdoor experiences and hiking opportunities.

Furthermore, the organization also supports the Hospital Clowns (Sykehusklovnene), whose mission is to bring joy to children suffering from serious illnesses.

All employees are granted two paid volunteer days each calendar year. If these days have not been used by December, everyone is encouraged to support the Salvation Army's Christmas initiatives (such as fundraising or kettle duty).

Providing employees with this opportunity fosters increased motivation and engagement, which benefits both the organization and the individuals being helped.



About Fokus Nordic

Fokus Nordic is one of the leading real estate managers in the Nordics, providing professional advisory services within investment, asset and fund management to both Nordic and international investors. We manage approximately 9 billion EUR in assets across Core, Core-Plus and Value-add strategies, supported by more than 160 specialists across Denmark, Finland, Norway and Sweden.

With extensive real estate expertise, local market presence and scale, we deliver end-to-end solutions that optimise investment processes and maximise long-term value for our clients.

We integrate sustainability into our core activities, and we adhere to the six principles for responsible investments as a signatory of the United Nations Principles for Responsible Investment.

For further information please visit fokusnordic.com

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