



Sustainability report 2022

Exilion Asemahotellit Ky

Exilion Real Estate I Ky

VASTUULLISUUSRAPORTTI 2022

Founded in 2007, Exilion Real Estate I Ky owns a total of three properties consisting of office, business and hotel premises in central Helsinki and Ruoholahti. The main focus of Exilion Asemahotellit Ky's investments, which was founded in 2017, is in large hotel properties located in popular meeting places. The station hotels include the hotel Scandic Grand Central Helsinki, built in the administration building of Helsinki's main railway station, and Pasila's Original Sokos Hotel Tripla.

This is the sustainability report of Exilion Real Estate I Ky and Exilion Asemahotellit Ky, which outlines the companies' most important sustainability themes and goals for the coming years. In addition, the report describes the sustainability work carried out in 2022. Exilion Real Estate I Ky and Exilion Asemahotellit Ky's sustainability work is based on the sustainability policy of the management company, Exilion Management Oy.

The policy outlines eight principles that guide all activities, from partnership agreements to fair treatment of personnel. The principles comply with the UN Global Compact and meet the owners' expectations of responsible investment activities.

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MEGATRENDS THAT AFFECT OUR OPERATIONS THE MOST



Sustainability is more than the laws and regulations require. It is anticipating the megatrends, meeting the expectations of stakeholders and thereby creating new ways of operations. The main idea is to identify the effects of operations on people, society and the environment throughout the company's value chain.

Among the global megatrends affecting society, we have identified those that particularly affect the operations of Exilion Real Estate I Ky and Exilion Asemahotellit Ky. We have evaluated the challenges brought by these trends and considered how we could turn the challenges into opportunities. Identifying megatrends is one essential part when creating the companies' sustainability program.

The importance of the circular economy

With the global warming, extreme weather conditions are becoming more common. This challenges the real estate stock in a new way

The availability of resources becomes more and more uncertain, and sustainable utilization of resources becomes the norm. The circular economy is becoming a necessity for operators in the real estate industry and it also affects construction projects.

Expectations for the purpose of use of real estate are changing

As remote and hybrid work increases, the pressure to change the purpose of use of commercial and office properties increases. As the concept of well-being expands, safety, health and well-being, such as good indoor air, are emphasized in the use of real estate. As technology develops, real estate conditions can also be monitored up-to-date

The expansion of corporate responsibility requires foresight

As the expectations of stakeholders grow and corporate responsibility expands, property owners are also expected to proactively work to improve the sustainability of the property stock. Traditional business models are being renewed and value chains must be developed as a whole to be more sustainable. The positive impact of companies on society, people and the environment will also be emphasized in the responsibility work.

EXPECTATIONS OF STAKEHOLDERS



One of the cornerstones of sustainability work is to identify the expectations of the most important stakeholders and respond to them. In the fall of 2022, we used a survey to find out the expectations of the most important stakeholders. As for Exilion Asemahotellit Ky, a total of 16 people answered the survey and the company's sustainability work was rated 85 on a scale of 1-100. For Exilion Real Estate I Ky, a total of 22 people answered the survey and the sustainability work received a grade of 89 on a scale of 1-100. Our stakeholders are therefore very satisfied with the work. Through the survey, we also received suggestions for developing our operations, and we have listed the most important expectations of our stakeholders in the attached image.

CONSUMERS

The properties we own are visited daily by consumers and customers who appreciate easy accessibility, cleanliness, comfort and safety. Property users are also increasingly expecting services that support their well-being.

TENANTS

Our tenants represent several different industries, such as the trade sector, the hotel and restaurant sector, as well as the banking and investment sector. Tenants expect from us good indoor air conditions in properties, listening to tenants and understanding their needs, and good communication. In addition, the cleanliness and comfort of the properties are considered important, as well as, taking environmental aspects into account and supporting tenants in their sustainability work.

MUNICIPALITIES AND AUTHORITIES

Our goal is to be socially responsible both as an employer and as a developer of cities and municipalities. We create added value socially by being a significant real estate tax payer. Representatives of municipalities and authorities expect good communication from us, compliance with instructions and laws, and open and ethical business throughout the value chain.

OWNERS

Elo is the partner of Exilion Real Estate I Ky. In addition to Elo, Exilion Asemahotellit Ky's partners are the State Pension Fund and Pension Insurance Corporation Veritas. Owners expect a stable and productive investment from us, where risks are managed through responsible operations. The owners attach importance to professional and consistent activities that correspond to their values.

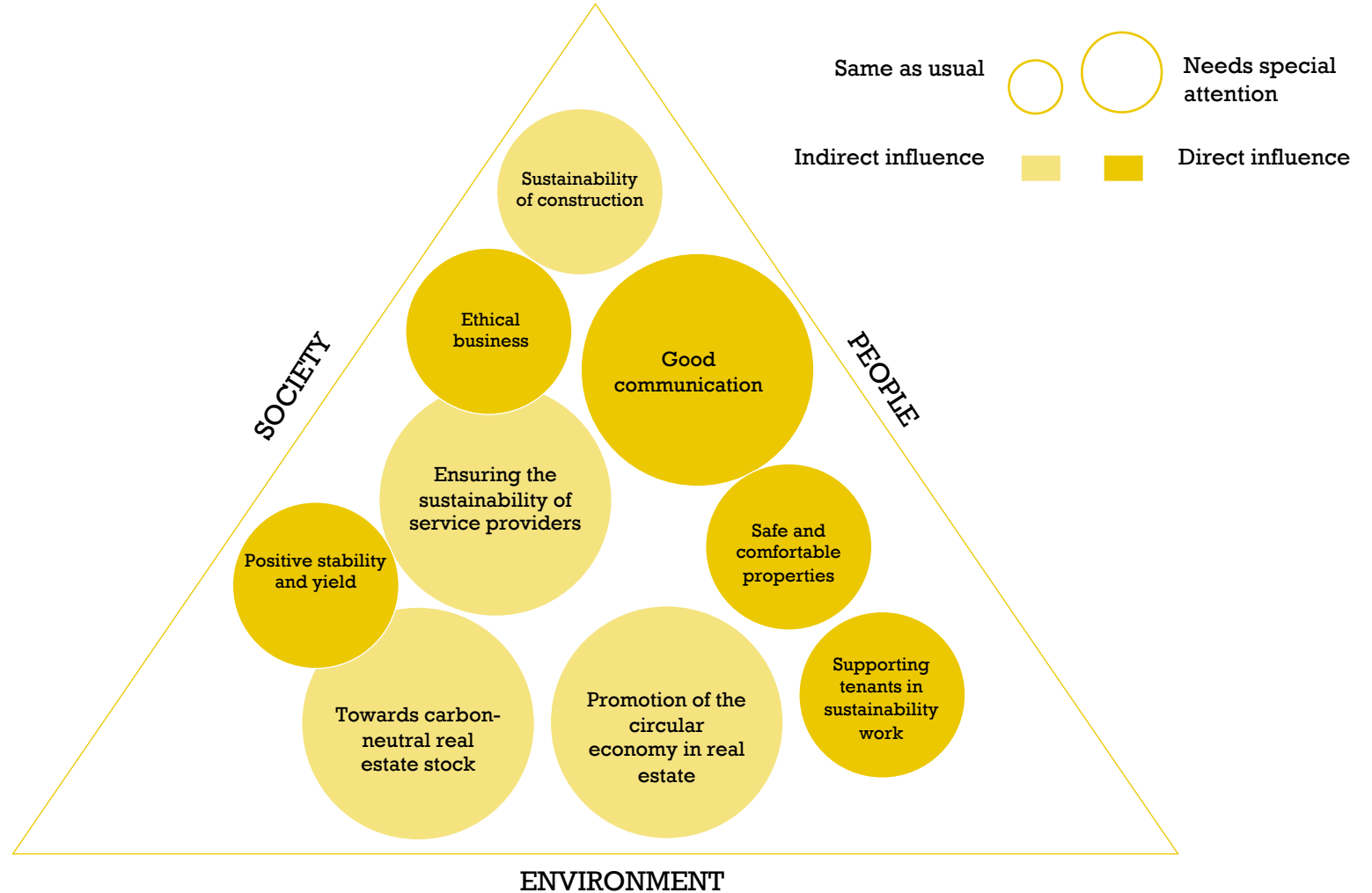
COLLABORATORS

Collaborators expect fair rules, reliability and good communication. Together, they emphasize listening to tenants and understanding their needs, as well as responsibility throughout the supply chain.

ESSENTIAL SUSTAINABILITY ASPECTS

As part of the update of the sustainability program, we have identified the most significant sustainability aspects for us in the future through megatrends and stakeholder expectations. We have identified a total of 9 essential perspectives which our responsibility work is built. These perspectives have been defined throughout our value chain in compliance with the due diligence. In the future, our purpose is to identify our effects with the principle of double essentiality. In addition to the negative footprint, we also have a handprint, i.e. a positive impact on people, the environment and society.

All identified perspectives are important to us, and their continuous development is at the core of our responsibility work. However, in order to promote responsibility work, we have identified, through the expectations of stakeholders, the areas to which we must pay special attention in the coming years. We have also assessed which perspectives we can directly influence and which we only have indirect opportunities to influence. This is illustrated in the adjacent picture.



SUSTAINABILITY THEMES

The following sustainability themes have been assigned jointly to Exilion Real Estate I Ky and Exilion Asemahotellit Ky. These themes bring together the guidelines of the companies' sustainability work for the coming years. In addition, we are committed to supporting the 17 UN Sustainable Development Goals. We promote particularly these goals: 7 – affordable and clean energy, 8 – decent work and economic growth, 9 – sustainable industry, innovation and infrastructure, 11 – sustainable cities and communities, 12 – responsible consumption and production 13 – climate action.

HIGH-QUALITY PROPERTIES AND LISTENING TO TENANTS

We want to offer **safe, comfortable and well-being-supporting properties** that meet the changing expectations of users. A key role here is **good communication** with the tenants. In addition, we want to increase the positive impact on society, people and the environment by **supporting our tenants in their responsibility work.**



TOWARDS CARBON-NEUTRAL REAL ESTATE STOCK

We want to respond to the challenges brought by climate change, and the goal is a **carbon-neutral property stock in terms of energy use.** We want to minimize our emissions throughout the procurement chain, so we will also ensure the **sustainability of construction.** In addition, we want to pioneer the circular economy in our properties,



SOCIAL IMPACTS TOGETHER WITH FINANCIAL PROFIT

With our business, we aim **for positive stability and income**, which we direct through Finnish pension funds for the benefit of society. We ensure **the ethics of our business.** We employ numerous partners throughout our supply chain and we want to ensure their sustainable operation as well.



SUSTAINABILITY ROADMAP



LISTENING TO TENANTS

We want to offer safe, comfortable and well-being-supporting properties that meet the changing expectations of users. Exilion Asemahotellit Ky's properties and Exilion Real Estate I Ky's Kluuvikatu 8 are capital leases that are managed by the tenants themselves. Exilion only has an indirect directing influence on the operation of the properties.

We take care of good indoor conditions

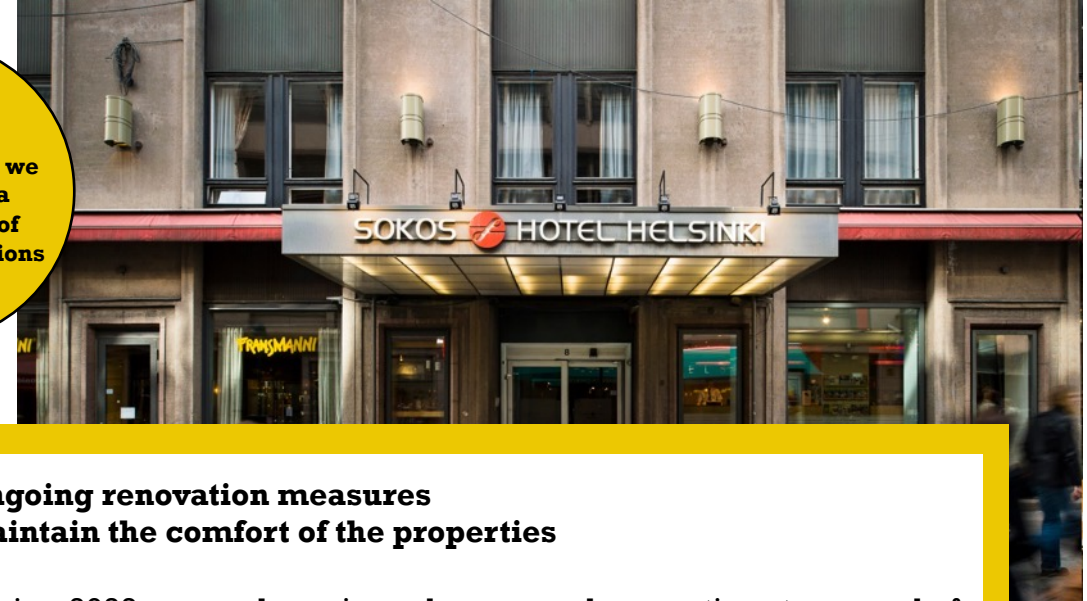
During 2022, measurements of indoor air conditions were started in the Koy Itämerentori and Koy Eliel commercial building properties. With the help of measurements, the indoor air conditions of the properties can be monitored in real time, such as temperature, carbon dioxide, relative humidity and total volatile organic compounds (TVOC).

The measurements ensure that the indoor air conditions of the properties are at a good level, and in addition, possible deviations can be reacted to more quickly. According to the measurement results, the indoor air of both properties is at a good level, as they have reached the S2 level requirements. The tenants are responsible for monitoring the indoor air conditions of capital lease properties.

100 %
of the properties we maintain has a measurement of indoor air conditions

Koy Kluuvikatu 8
extensive renovation project was completed in early spring 2022

The Koy Itämerentori
property was renovated and the gym was expanded in 2022



Ongoing renovation measures maintain the comfort of the properties

During 2022, we made various changes and renovations to several of our properties. The extensive renovation of the property at KOy Kluuvikatu 8 was completed in early spring, and the Solo Sokos Hotel Helsinki located in the building opened to customers in the spring of 2022. At the same time, the premises of the Itämerentori property were renovated and the property's gym was significantly expanded. In addition, charging and service stations for bicycles were purchased. Several planning projects were also underway during the year, such as the conversion work of Eliel's building in connection with the social rooms and cycle storage in the basement.

LISTENING TO TENANTS

Communication with tenants is particularly important for us. We are available for our tenants and take care of regular communication.

Continuous dialogue with tenants

We regularly organize cooperation meetings with the tenants of Exilion Real Estate I Ky. These meetings include current issues and news. In addition, we started monthly tenant meetings with our largest tenant, PwC located at Itämerentori. We have also monitored the satisfaction of Itämerentori's tenants through an annual satisfaction survey. Our goal is to expand the survey to other properties in the coming years.

In capital rental properties, we monitor the satisfaction of the tenants through cooperation meetings organized at least once a year. In these meetings, current issues are discussed and the maintenance principles of the property by the special features areas and the measures and practices required reviewed. This ensures that the tenant maintains the property properly.



Our goal is to prepare a plan to support tenants' responsibility work

A better working environment through active communication

We asked PwC, Koy Itämerentori's largest tenant, how the communication with us has worked. PwC's facility manager Outi Mattila answered our questions.

"Active communication enables the development of the real estate and PwC's working environment. One example is the sharing of information on the conditions of the premises to the personnel (Worksense) and the promotion of sustainability themes."

Outi also highlighted a few points regarding the property's maintenance and renovation needs, as their importance increases with the property's age.

"Considering the age of the property, it is good that we have found a channel for regular meetings and exchange of ideas. The property has maintenance and renovation needs that affect the activities of all parties, and in these meetings everyone's thoughts on the issues can be discussed and heard. At the same time, the understanding of how different functions affect different parties increases. Getting to know each other makes cooperation smoother, and new ideas also arise through discussions."

LISTENING TO TENANTS

All properties we own are environmentally certified. This means a certificate of environmentally responsible operations certified by an independent party. The certificate can be applied for both a construction project and an existing property.



Koy Eliel's commercial building has BREEAM In-Use Very Good (part 1&2) certificate

Koy Itämerentori has BREEAM In-Use Very Good (part 1&2) certificate



Solo Sokos Hotel has LEED Platinum certificate



Pasila Asemahotelli has LEED Platinum certificate

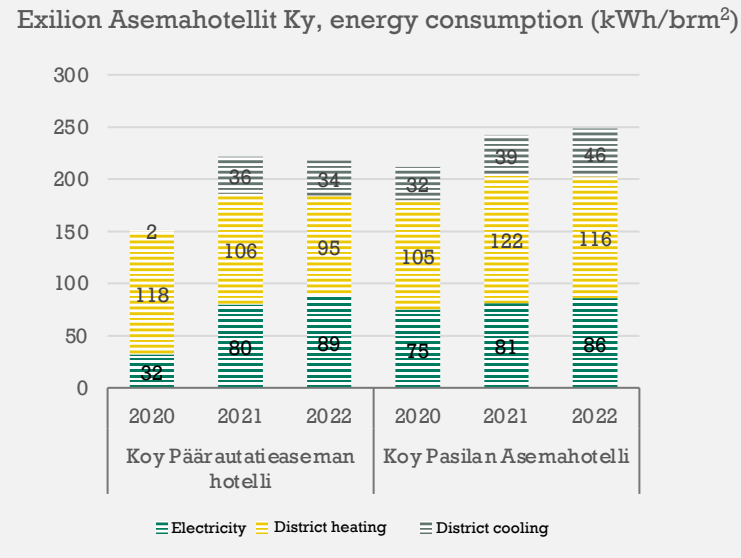
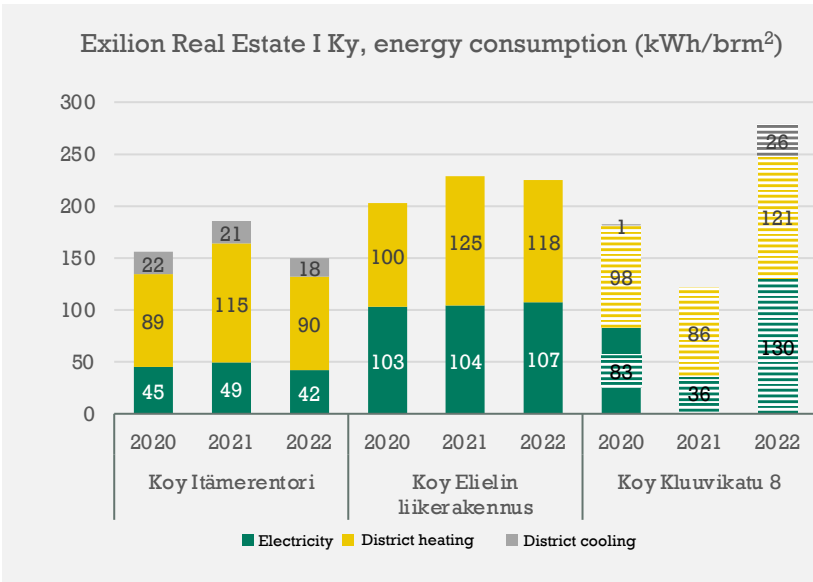
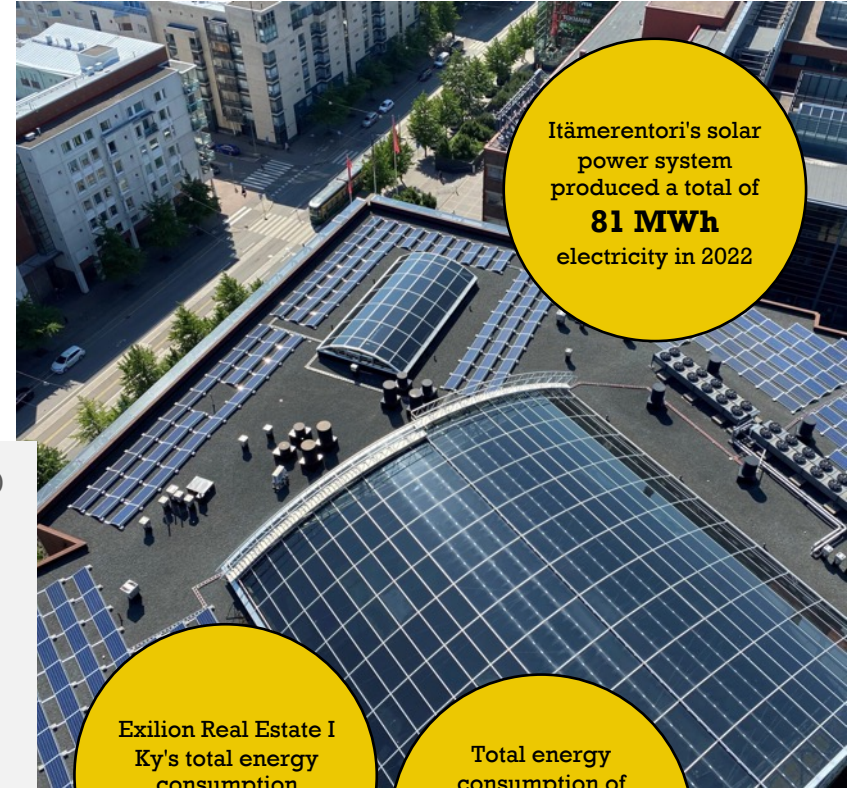


The hotel in the main railway station has LEED Platinum certificate

TOWARDS CARBON-NEUTRAL REAL ESTATE

We want to respond to the challenges brought by climate change, and our goal is to ensure a carbon-neutral property stock in terms of energy use. We monitor the energy and water consumption of our properties and the amount of waste produced every year. As a responsible property owner, we also monitor the consumption of our capital rental properties, although their maintenance is the responsibility of the tenants. For the properties under our management, i.e. Koy Itämerentori and

Koy Eliel commercial building, energy consumption has decreased by 14% from the previous year. The average energy consumption in our office buildings is 187 kWh/brm², when the average rate in the buildings with this age is 250 kWh/brm². We have also investigated the possibility of geothermal heat for these locations. According to the investigations made, geothermal heat is not possible due to the location and lack of space. Consumptions on capital rental properties have risen after hotel operations returned to a normal level after the corona years.



Exilion Real Estate I Ky's total energy consumption **-12%** from 2021*

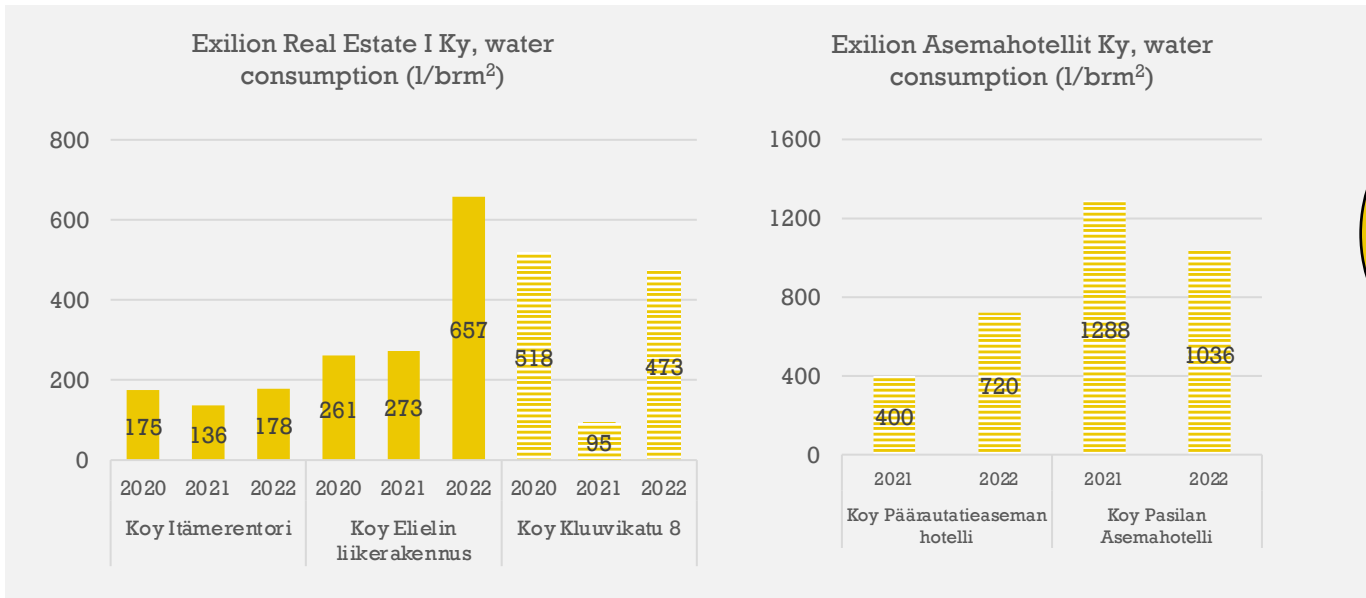
Total energy consumption of capital rental properties **+14%** from 2021

*Koy Kluuvikatu 8, which is a capital lease, is not taken into account.

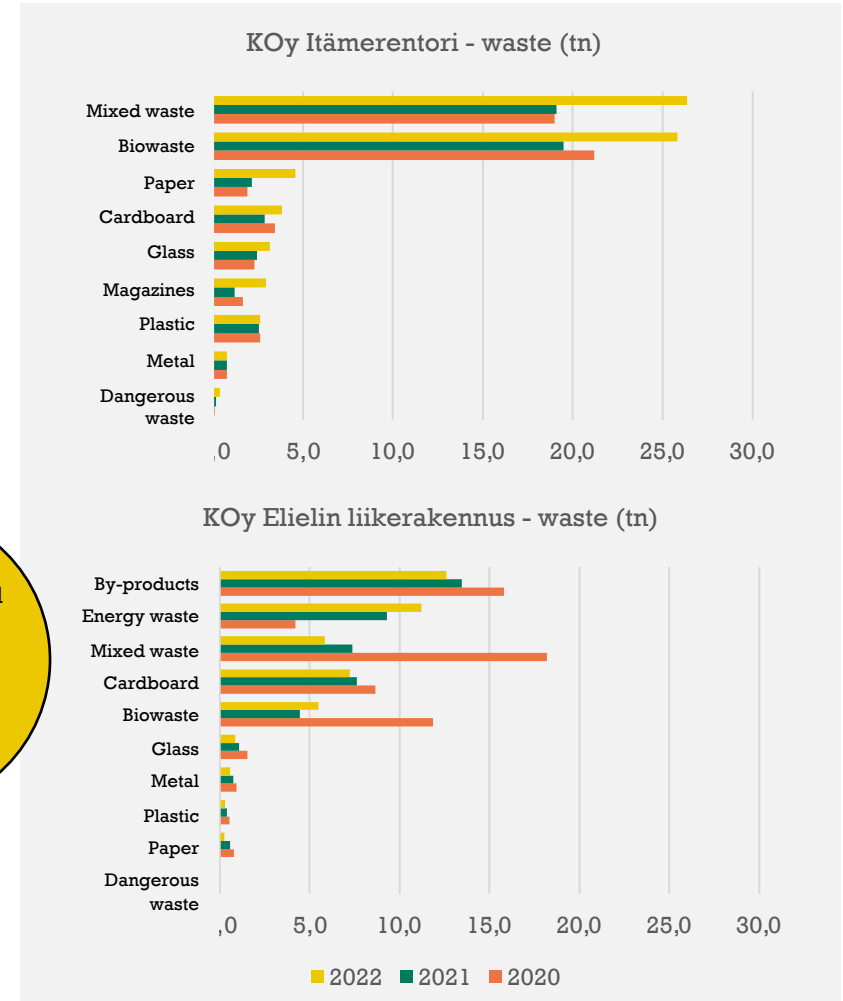
TOWARDS CARBON-NEUTRAL REAL ESTATE

In addition to energy consumption, we also monitor the water consumption of properties and the amount of waste generated in them every year. Fluctuations in water consumption in the Kluuvikatu property are due to the ongoing renovation project in 2021. There have also been large fluctuations in the water consumption of Asemahotelli compared to the previous year. Regarding the commercial building in Koy Eliel, the water consumption increased to the

same level as before pandemic (2019: 923 l/brm²). We monitor the amount of waste generated in the properties we manage as well as the waste material usage rate. At Koy Itämerentori, the amount of waste increased slightly from the previous year (70 tons with waste material use rate 62%), while it decreased at Koy Eliel's commercial building (44 tons with waste material use rate 69%).



The waste material use rate was **65 %** in properties we maintain in 2022



By-products means biowaste from grocery stores and restaurants.

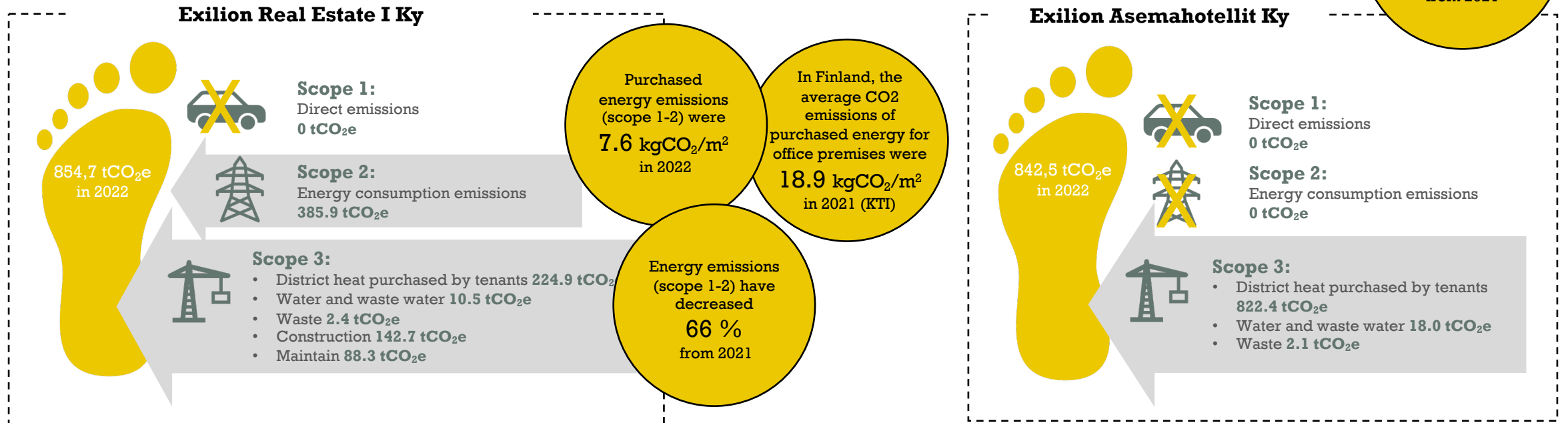
TOWARDS CARBON-NEUTRAL REAL ESTATE

We have been calculating the emissions of our property portfolio for several years. In 2022, in the properties of Exilion Real Estate I Ky, we switched to renewable district heating in addition to renewable electricity for the Koy Itämerentori and Koy Eliel commercial buildings. Thus, from Exilion's point of view, the real estate business will be carbon neutral in terms of energy use in accordance with the GHG

Protocol already in 2022. Since the maintenance of capital rental properties and thus also the purchase of energy is the responsibility of the tenants, the emissions of these properties are calculated from Exilion's point of view to other indirect i.e. scope 3 emissions. Our goal is to encourage our tenants to act more sustainably in order to reduce these emissions.

In capital lease properties, the tenants are responsible for the purchase of energy, in which case their emissions are counted in the scope 3 category

Purchased energy emissions (scope 3) have decreased **16 %** from 2021



SOCIAL IMPACTS TOGETHER WITH FINANCIAL PROFIT

With our business, we aim for positive stability and income, which we direct through Finnish pension funds for the benefit of society. We ensure the ethics of our business and systematic risk management. We employ numerous partners throughout our supply chain, so we want to ensure their sustainable operation as well.

Risk management plan

An important part of Exilion's responsibility work is the identification and management of operational risks. Identifying risks produces information to support decision-making and increases awareness of opportunities and threats.

We have identified the climate risks and opportunities affecting our operations, utilizing TCFD's guidelines where applicable. The identified climate risks are summarized in the attached picture. Our goal is to draw up a risk policy for Exilion's real estate business during 2024 and to carry out risk assessments for the properties we maintain.

Physical risks



The rise in temperature may overheat properties, which causes challenges for indoor conditions. Real estate technology must be up-to-date and respond to new, rapidly changing conditions.



Extreme weather events are increasing, which challenges the durability of the exterior surface of buildings and increases the possibilities for water leaks.



The risk of flooding increases in coastal areas with rising water levels and more frequent storms. The need for stormwater management will become even more crucial in the long term.

Transition risks



Changes in legislation and stricter requirements force sustainable operations more and more quickly. Reputational risk can arise if expectations are not met effectively.

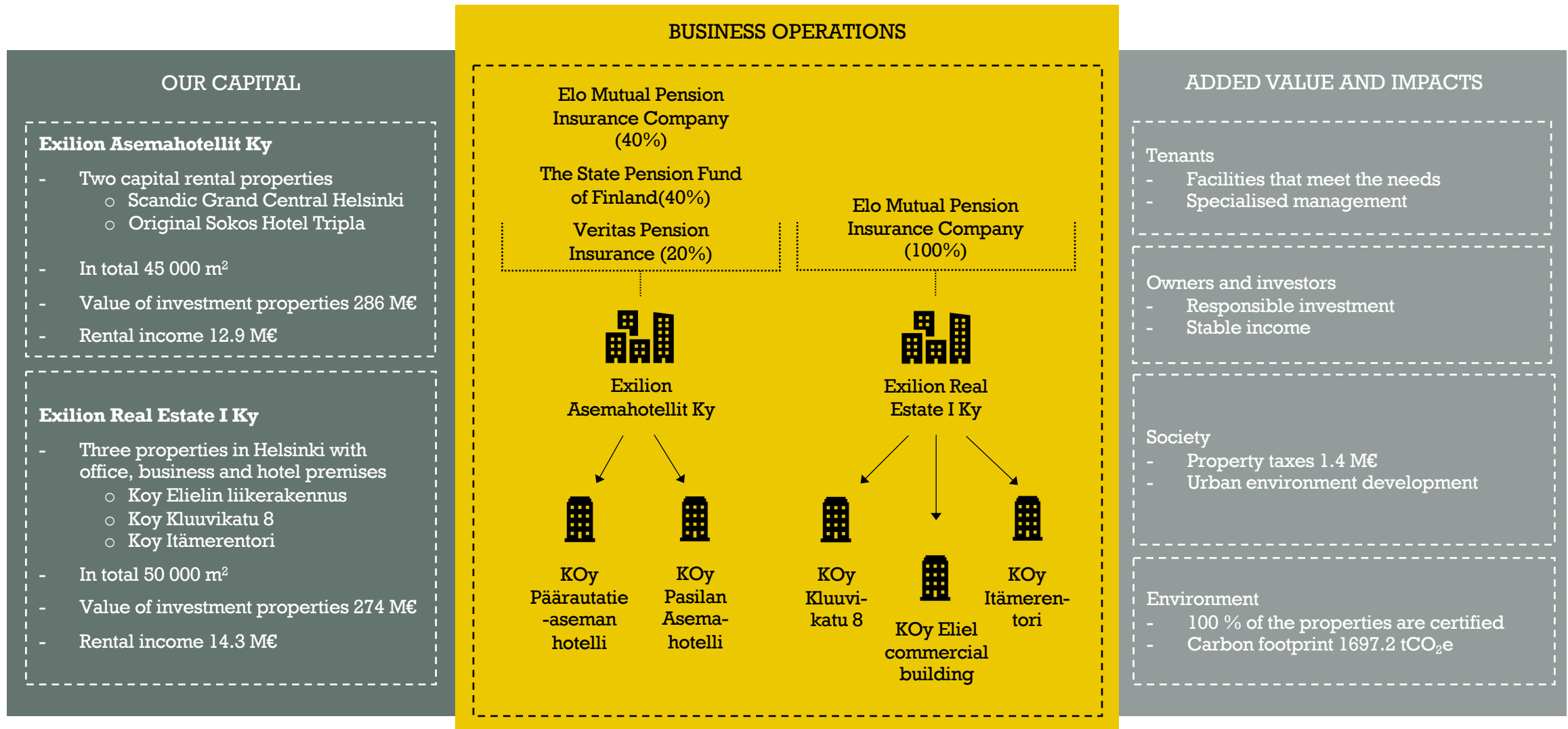
Responsibility throughout the supply chain

We employ numerous partners throughout our supply chain, so we want to ensure their responsible operation as well. As an investment and asset management company, we want to use a lot of partners in our operations.

In order to ensure responsible operations throughout the supply chain, our goal is that all partners commit to the responsibility policy that guides the company's operations. We have also drawn up a procurement policy for the year 2023. This policy guides procurements in more detail and helps to ensure their responsibility.

Our goal is to complement the procurement policy with responsibility criteria and add it to all new contracts during 2024.

SOCIAL IMPACTS TOGETHER WITH FINANCIAL PROFIT




An aerial photograph of a modern office complex in Helsinki, Finland, during the golden hour of sunset. The buildings are illuminated from within, and the sky is a clear, deep blue. The foreground shows a multi-level highway and railway tracks. The text 'Exilion Management Oy' is overlaid in large white letters across the center of the image.

Exilion Management Oy

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