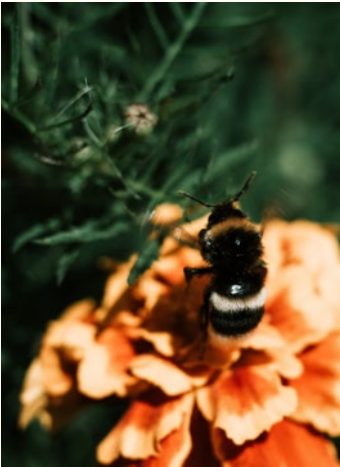


**SUSTAINABILITY
REPORT 2022**



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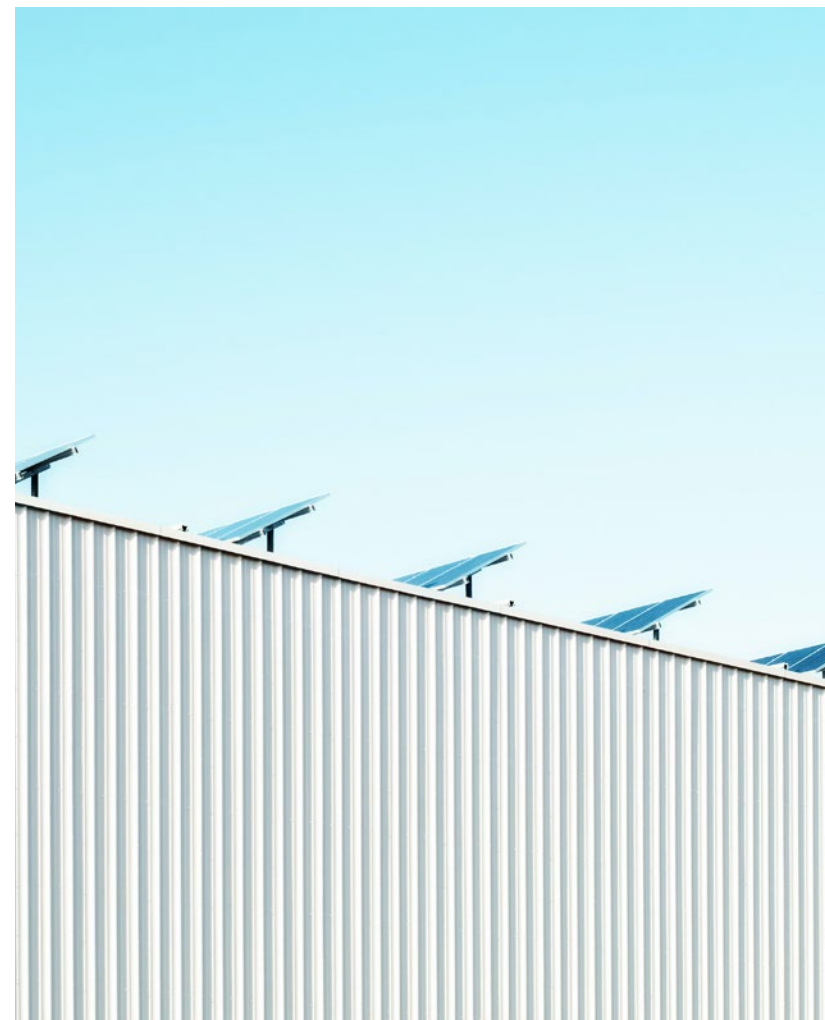
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We continuously develop our operations and explore new ways to promote sustainable development in our real estate investments.

FOREWORD



In today's rapidly changing world, ESG considerations have become crucial in assessing the long-term viability and value of real estate. Our relentless pursuit of sustainability not only aligns with our brown-to-green strategy, but also acknowledges the growing expectations of our stakeholders, including investors, tenants, and the broader community. Through this report, we aim to transparently demonstrate the progress we have made, the challenges we have overcome, and the innovative solutions we have implemented to create a positive impact on the environment, nurture social well-being, and maintain the highest standards of governance. Let us embark on this journey towards a more sustainable and resilient future together.

Leo Suokannas, Director, Colony

THE YEAR IN A NUTSHELL

100%

OF PROPERTIES
ENVIRONMENTALLY
CERTIFIED

815 tCO₂

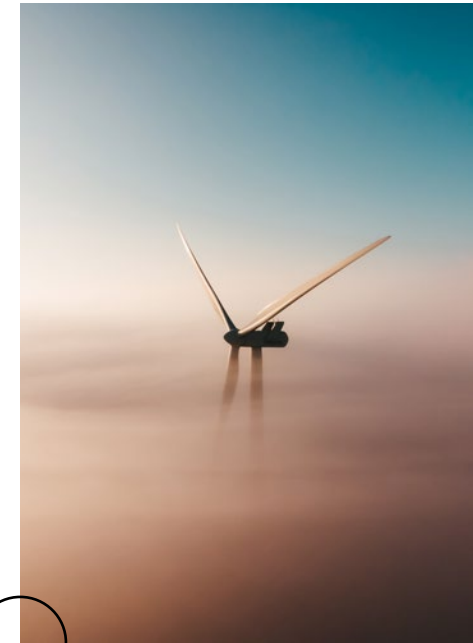
CARBON FOOTPRINT OF ENERGY
CONSUMPTION (SCOPE 1 & 2)

68%

WASTE RECYCLING RATE

58%

OF USED ENERGY IS
RENEWABLE



COLONY FINLAND OY

Colony is a real estate investment and development company operating in the Helsinki metropolitan area, offering modern, energy-efficient, full service office facilities that support hybrid work. We strive to make the workplace truly enjoyable and, that combining work and free time is easy.

Sustainability is at the core of our operations. We engage in impact investing, which means that in addition to financial benefits, we aim for both positive social and environmental impacts and implement a brown-to-green strategy in real estate development.

The company's operations cover the entire value chain of real estate development, which includes the acquisition, development, rental, and management of properties. We have a strong cooperation network, and use external partners in areas such as technical maintenance, rental, and marketing of properties.

We are committed to the UN Sustainable Development Principles and the UN Global Compact initiative through our Swedish owner Altaal. In 2022, Altaal partnered with Finnish Avant Capital Partners to accelerate the growth of its office portfolio in Helsinki. Leo Suokannas joined Avant's asset management team to take responsibility for developing the properties in the Colony office portfolio.

We started our real estate investment operations in 2021 when we acquired our first properties. During 2022, we have increased our property portfolio from three to five properties.

KEY FIGURES OF 2022

4

Number of sites*

39

Number of leases, pcs

126 091

Area of sites, m²

75

Utilization rate, %



OUR PROPERTIES ARE:

- **Colony Airport** (KOy Vantaan Tietotie 9) – an energy-efficient office equipped with amenities by the runway
- **Colony Leppävaara** (KOy Espoon Andante) – one of HMA's top 3 most energy-efficient office buildings
- **Colony Pitäjänmäki** (KOy Pitäjänmäen Karvaamokuja 2) – newly renovated, innovative office building
- **Colony Tapiola** (KOy FMO Tapiola) – when finished, the tallest wooden office building in Europe.

In addition, we have one joint ownership property, Colony Vallila (KOy Vallilan toimisto). Information of this property is not included in this report.

*The information includes our 100% owned properties

SUSTAINABILITY IS AT THE CORE OF OUR OPERATIONS



SUSTAINABILITY STRATEGY

We continuously develop our operations and explore new ways to promote sustainable development in our real estate investments.

We want to comprehensively ensure that different areas of sustainability are taken into account in our operations. We offer environmentally friendly, energy-efficient facilities that support wellbeing, and aim to make the world a better place together with our tenants. Sustainability is at the core of our operations, it's not just a nice addition. Based on these needs, we created strategic sustainability targets for 2025 during 2022.

The creation of a sustainability strategy began by identifying sustainability themes, i.e., the issues that have a significant positive or negative impact on the operation of properties. Sustainability themes were compiled to chart the current situation of sustainability management and what we want to aim for in the future. Based on the sustainability themes, our strategic sustainability targets were created.

The sustainability programme is a concrete action programme to ensure that the targets of the sustainability strategy are achieved. The sustainability programme is implemented in cooperation with the technical managers of the properties, and the progress of the sustainability work is reported annually in a public sustainability report.

STRATEGIC SUSTAINABILITY TARGETS FOR 2025

ENVIRONMENTAL

100% of assets have environmental certificates by 2025, at least level Very Good (BREEAM) or Gold (LEED)

Carbon neutral energy by 2030 (Scope 1 & 2)

Waste recycling rate 60%

Energy efficiency: energy performance value max 122 kWh/m²/a

Promoting sustainable transport

SOCIAL

Mapping of the current level of tenant satisfaction NPS and setting target level

Tenants' overall satisfaction score above 4

Increasing sustainability communication

GOVERNANCE

Annual sustainability reporting

Documenting principles for sustainable investments

100% taxonomy aligned properties

SUSTAINABLE OPERATIONS MEAN CONTINUOUS DEVELOPMENT



BIODIVERSITY CAN BE SUPPORTED IN THE BUILT ENVIRONMENT, FOR EXAMPLE, THROUGH YARD DESIGN.

We are committed to sustainable development and responsible real estate investment. Next, we present examples of sustainability measures implemented in 2022 and what sustainability means to us in practice.

ENVIRONMENTAL RESPONSIBILITY

THE FIRST CAR-SHARING VEHICLE

All our sites are located in central office areas and are a short walk from public rail stations. The accessibility of Colony Tapiola was improved by the opening of the Western Metro extension in December 2022, and next year Colony Leppävaara and Pitäjänmäki will benefit from the opening of Jokeri light rail. However, driving is still an important part of many people's everyday lives, and situations may arise during the workday in which you need a car. We want to promote sustainable mobility and reduce carbon dioxide emissions from traffic by offering our customers a shared electric car. A shared car reduces the environmental impact of traffic, offers our customers an easy and sustainable mobility option, and promotes the circular economy. In Pitäjänmäki, we introduced the first shared electric car, the Tesla Model 3, which was coloured in accordance with our brand image. After a successful pilot trial, we will expand the range of car sharing to our other locations as well.

CARBON NEUTRAL WASTE MANAGEMENT

We want to reduce emissions in our entire property operations, which is why we have signed an agreement with Lassila & Tikanoja on carbon neutral waste management. This means that the carbon footprint caused by waste management is measured and the emissions caused are compensated. Compensation is targeted at Gold Standard certified afforestation projects, in which trees absorb carbon dioxide from the atmosphere, increasing carbon sinks.

SUPPORTING BIODIVERSITY

Biodiversity can be supported in the built environment, for example, through yard design. Good planning ensures that the plot has a diverse selection of trees, shrubs and flora, and supports nesting and feeding sites for pollinators and other organisms. Colony Tapiola is located on a forested plot, and forest floor has been used as turf when planting the yard of the site. The Colony Pitäjänmäki site has beehives whose task is to promote pollination in nearby green areas. In the future, we will conduct a pilot study on increasing biodiversity at one of our sites and utilise the results in the development of all sites.

BUILDING TECHNOLOGY RENEWAL AND GROUND SOURCE HEAT ANALYSIS

In addition to energy efficiency, we want to promote renewable energy production at our properties. At Colony Pitäjänmäki, the entire building automation will be renewed, and at the same time we are investigating the possibility of changing the heating method from district heating to ground source heating. Newer and more efficient building technology can help save energy and reduce operating costs. The renewal of building technology enables, for example, more accurate monitoring and control of energy consumption.

ADDING LED LIGHTING

The use of LED lighting is more environmentally friendly than traditional lighting, as it consumes less energy and the lifecycle of LED lights is longer. We have already installed LED lighting at several of our sites, and we will continue this work to all our sites.

SOLAR ENERGY PRODUCTION AT SITES

During 2022, we added solar power plants to the roofs of all our buildings. The commissioning of solar power plants will increase the amount of renewable electricity available on the market and reduce the need to purchase electricity for the building. In 2022, our solar panels produced 32,300 kWh of electricity.

SOCIAL RESPONSIBILITY

OFFICE EXPERIENCE

The ways of working have permanently changed and diversified. We listen carefully to the wishes of our tenants and develop our premises accordingly. We offer workplaces that people really want to come to every day. Our sites are equipped with comprehensive services, such as restaurants, gyms, barbecue terraces, golf simulators and magnificent sauna facilities. We offer hotel-quality breakfast, digital art, game rooms and laundry services. Providing a first-class tenant experience is very important to us.

LOUNGE WORKING SPACES

We offer lounges that support hybrid working in all our premises. Each location has a separate Lounge area reserved for tenants of other offices. The areas are furnished with trendy workstations and phone booths. In addition, the cafés are equipped with electrical outlets and comfortable furnishings, enabling versatile work and a sense of community. From an environmental point of view, shared spaces increase space efficiency and reduce energy consumption, because the most sustainable energy consumption is what remains unused.

SUPPORTING A HEALTHY LIFESTYLE

In close cooperation with our restaurant operators, we have introduced healthier food options to our restaurants. One restaurant is piloting the Well package, which includes a healthy breakfast, lunch and snack. In addition, we encourage the users of our properties to exercise. We are renovating the social facilities and bicycle parking facilities at our sites to better enable cycling to work. We are also building four new gyms at our premises and have started cooperation with an operator that organises group exercise classes and provides PT services.

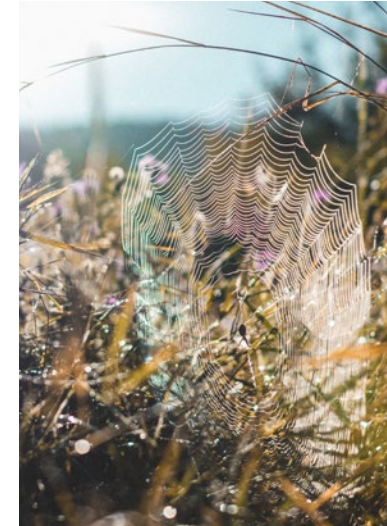
GOOD GOVERNANCE

GREEN LEASES

When making new leases, we always include green lease terms. Under these conditions, we can, for example, require cooperation in ESG assessments and environmental certifications, recycling, favouring renewable energy sources, and open communication and sharing of energy consumption data on both sides. We also do not allow renovations that have a negative impact on the environment.

DEVELOPMENT OF TENANT COMMUNICATION

Tenant communication is an important part of property management, and we have invested heavily in it. We have introduced the Falcony tenant portal, facility reservation systems, and info screens that make it easy for our tenants to get information about the property and its services. We have also updated our website and created an Instagram account where you can find information about our properties and that allows for better interaction with our tenants. In the future, we will increase sustainability communications and organise sustainability-related campaigns for our tenants.



WE DO NOT ALLOW
RENOVATIONS THAT HAVE
A NEGATIVE IMPACT ON
THE ENVIRONMENT.

SUSTAINABILITY IN FIGURES

ENVIRONMENTAL CERTIFICATES AS ONE OF THE INDICATORS OF PROPERTY SUSTAINABILITY

Environmental certificates measure the sustainability of a property and enable comparisons between properties also internationally.

With certificates, we are able to show our stakeholders that sustainable development has been taken into account comprehensively in our properties. However, these are only one indicator of sustainability, which alone do not say everything about the level of sustainability. International certificates also do not take into account all the special characteristics of the Nordic countries in their assessments, which is why other indicators have been defined in our sustainability programme as well. We also strive for certifications above average industry standards and aim to raise the rating of lower levels.

LEED certification is the world's most widely used environmental certification system with four different classifications: Certified, Silver, Gold, and Platinum. Another environmental certification system we use is BREEAM, which has five categories: Pass, Good, Very Good, Excellent, and Outstanding. Properties acquired are certified within a year in accordance with our sustainability programme, and we aim for level LEED Gold or BREEAM Very Good. 100% of our properties are environmentally certified. Colony Tapiola and Pitäjänmäki were developed significantly during 2022, and higher certification levels will be sought for them in 2023. Two sites have a certificate for the construction phase and two for the maintenance phase. In addition, Colony Leppävaara has been awarded the WWF Green Office certificate, which is proof of everyday work to help the environment.



100% OF OUR PROPERTIES ARE ENVIRONMENTALLY CERTIFIED.

COLONY LEPPÄVAARA

LEED v4 Building Design and Construction: Core and shell -certificate

Gold level

Year of issue 2019

COLONY AIRPORT

LEED v3 Building Design and Construction -certificate

Platinum level

Year of issue 2014

COLONY PITÄJÄNMÄKI

Breem in Use: 2015 -certificate

Good level

Year of issue 2022

COLONY TAPIOLA

Breem in Use: 2015 -certificate

Very Good level

Year of issue 2022

OUR ENERGY-EFFICIENT PREMISES UTILISE RENEWABLE ENERGY

We want to be involved in creating a sustainable future, so all our premises are energy-efficient and ecological. The energy consumption of our properties in 2022 totalled 10,327 MWh, of which 58% was produced with renewable energy.

Renewable energy was produced with ground source heating systems in two properties and with solar panels on the roofs of two properties. In addition to the ground source heat produced, we utilise renewable district heating in one property and are exploring the possibility of increasing ground source heat production. During 2023, solar panels will be commissioned in the rest of our properties, allowing all our tenants to utilise renewable electricity produced on site.

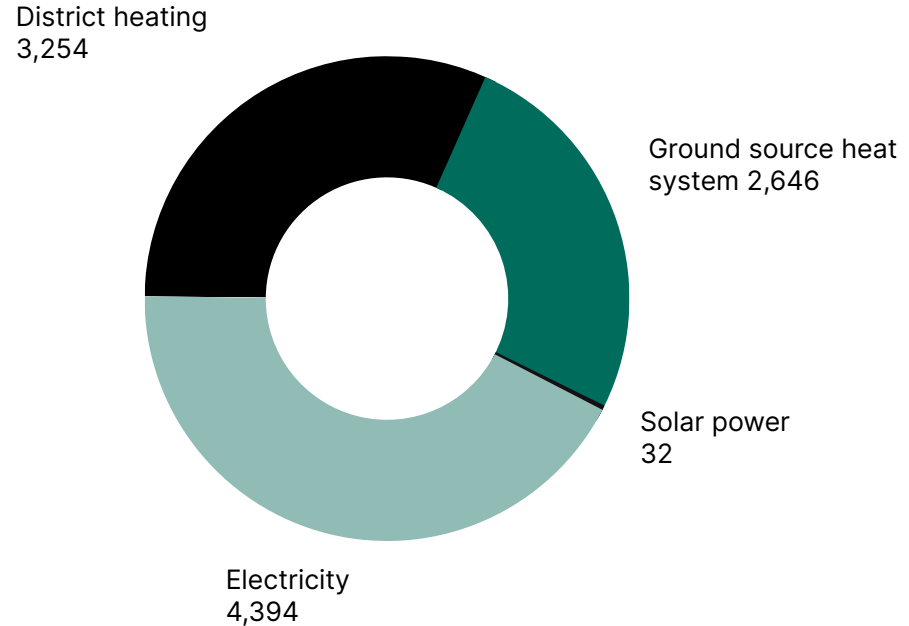
The energy class is the clearest measure of energy efficiency, and there are energy classes from A to G. 50% of our sites are in the best energy class A. In accordance with our sustainability goals, by 2025, the energy efficiency of all our properties must be at least in energy class C and the energy figure must be a maximum of 122 kWh/m²/year.

As part of our commitment to energy efficiency, we systematically monitor our energy consumption and implement energy efficiency measures at all our buildings. We have implemented the energy monitoring system Enerkey and the Fiksuvesi water monitoring system at all our premises. With the help of monitoring systems, we can follow our energy and water consumption in real time and identify potential savings opportunities and deviations. We can also set concrete sub-goals for the coming years and follow up on them.

In 2022, the water consumption of our properties was 4,313 m³ and the specific consumption was 29 l/m³, which is approximately 52% lower than the Motiva benchmark value for office buildings (55 l/m³). When purchasing new water equipment and fixtures, preference is given to water-saving equipment which can cut water consumption in half. Saving water is important because it also saves energy.

50% OF OUR SITES ARE IN THE BEST ENERGY CLASS A

ENERGY CONSUMPTION (MWh)

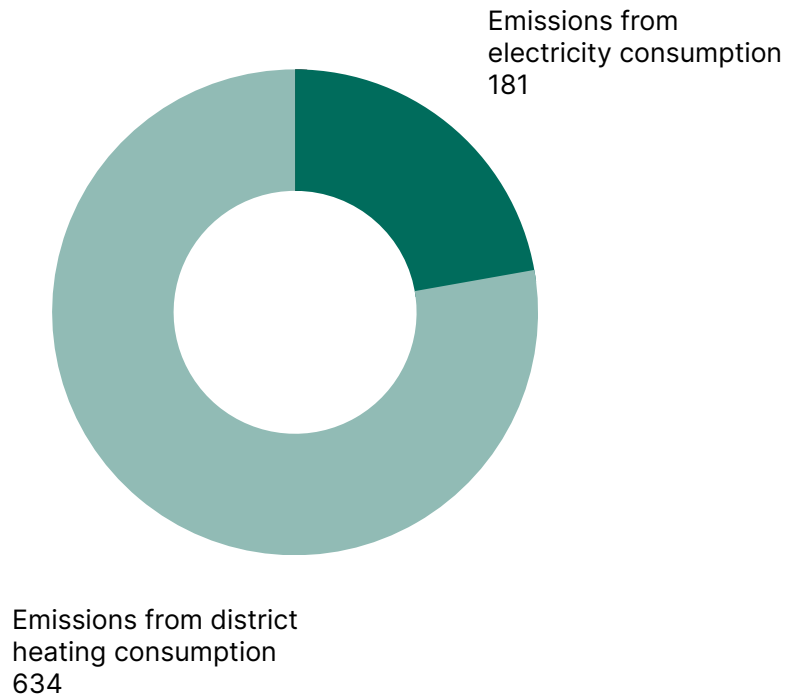


SITE	ENERGY CLASS	ENERGY FIGURE (kWh/m ² /year)	TAXONOMY TOP 15% LIMIT VALUE (kWh/m ² /year)
Colony Airport	A2018	78	122
Colony Leppävaara	A2018	60	122
Colony Pitäjänmäki	D2013	200	122
Colony Tapiola	C2018	136	122

ALMOST 60% OF USED ENERGY IS RENEWABLE

Energy consumption emissions in 2022 totalled 815 tCO₂. The specific emissions were 19 kgCO₂/m³ (emissions from properties owned for the whole year). Renewable energy accounts for 11% of the purchased district heating and 68% of electricity. Ground source heating systems produced a total of 2,646 MWh of energy, and solar panels produced slightly over 32 MWh. In accordance with our sustainability strategy, we aim to achieve carbon neutrality in energy consumption by 2030 at the latest, meaning the energy we produce (Scope 1) or purchase (Scope 2) in our properties does not cause carbon emissions. In addition, we strive to continuously increase on-site renewable energy production. We monitor emissions and the amount of renewable energy annually. In energy procurement, we favour non-combustion-based renewable energy production methods.

EMISSIONS FROM ENERGY CONSUMPTION (CO₂ TONNES)



WE AIM TO ACHIEVE
CARBON NEUTRALITY IN
ENERGY CONSUMPTION
BY 2030

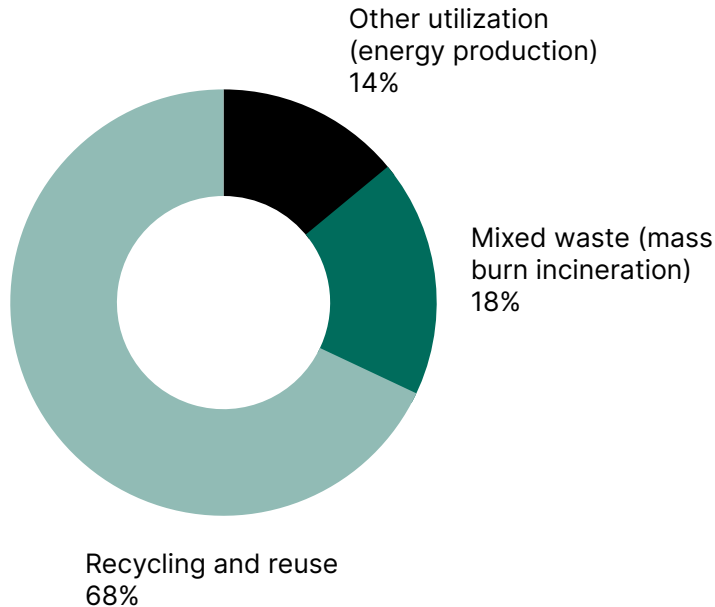
CAREFUL SORTING OF WASTE TO REACH THE RECYCLING RATE TARGET

Careful sorting of waste saves natural resources and extends the lifecycle of materials by improving the possibilities of utilising waste as a raw material.

In 2022, 68% of all waste generated in our properties was recycled. This means that we have reached our goal of achieving a recycling rate of at least 60% by 2025! Only 18% of waste ended up in waste-to-energy plants for incineration and 14% for other recovery, such as the production of energy-based fuel. The good recycling rate is due to the low amount of mixed waste, while most of the waste has been recyclable.

A total of 135.4 tonnes of waste was generated, most of which was biowaste (57 tonnes). The specific amount of waste was 1.1 kg/bm². In addition to sorting, it's important to reduce the amount of waste, which we aim to promote, for example, through tenant communication and green lease terms.

WASTE RECOVERY



OUR RECYCLING RATE WAS ALMOST 70%, WHICH EXCEEDS GREATLY OUR 60% TARGET FOR 2025



Sustainability is one of our core values and we are committed to improve our performance continuously. In the future, we will continue to implement development measures in accordance with our sustainability programme.

In terms of environmental responsibility, we will develop an action plan to develop our sites so that the energy figures of all our sites meet the top 15% of the EU taxonomy. In addition, we will promote both the production and procurement of renewable energy at our sites and will raise the level of our environmental certificates. In the future, we will also focus on ensuring biodiversity in our properties by conducting a pilot study at one site and later utilizing the results at the development of all sites.

In terms of social responsibility, we will further develop our tenant communication and encourage the users of the premises to act sustainably in various ways. We enable spaces that encourage an active lifestyle and encourage the use of sustainable modes of transport. We will also monitor the level of tenant satisfaction through surveys and develop it based on the results obtained.

In terms of good governance, our development activities include participating in the Global Real Estate Sustainability Benchmark (GRESB) peer review and joining sustainability initiatives that support our operations. In addition, we will develop our Know Your Client (KYC) process.