

The background image shows a modern restaurant interior. It features large windows that offer a view of a city skyline with a prominent red brick chimney. The interior is furnished with wooden tables, purple upholstered chairs, and a long purple leather sofa. Several copper-colored pendant lights hang from the ceiling. The floor is made of light-colored wood. The overall atmosphere is bright and contemporary.

SPONDA

Sustainability Review 2018

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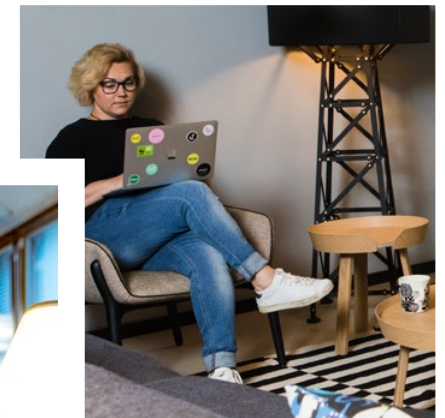
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YEAR 2018



“Co-operation was essential in all of our sustainability achievements and the steps we took in 2018.”

Kai Aejmelaeus
President and CEO

Sponda in brief

SPONDA PLC is the leading property investment company in Finland. We are a forerunner in property investment, an experienced business partner and a responsible developer of properties and urban environments. We own, lease and develop office and retail properties and shopping centres in the largest cities in Finland. We develop operating environments that promote the success of our customers.

Sponda is owned by Blackstone, one of the most reputable investment companies in the world. Its extensive global experience in property investments makes us uniquely positioned to lead our industry forward. Sponda business units are Office Properties, Shopping Centres, Property Development, Portfolio Management and Coworking Spaces (31 December 2018).



3.9

ENHANCING
THE CUSTOMER
EXPERIENCE
(1–5)

125

EMPLOYEES

2.03%

SICK LEAVE, % OF
WORKING HOURS

New CEO

Kai Aejmelaesus was
appointed as President and
CEO of Sponda.



53%

OFFICE PREMISES

40%

SHOPPING CENTRES

1.2 million m²

LEASABLE AREA

84 M€

PROPERTY DEVELOPMENT
INVESTMENTS

3.8 bn€

TOTAL VALUE OF PROPERTIES

Opening of the Ratina shopping centre

Sponda's new shopping centre Ratina opened its doors in Tampere in April. Ratina is the largest property development project in Sponda's entire history.



48%

WASTE RECYCLING
RATE

45.0

kg CO₂/gross m²
CARBON FOOTPRINT

200.5

kWh/gross m²
ENERGY CONSUMPTION

34%

ENVIRONMENTAL
CERTIFICATION RATE

New certifications

Sponda's properties were awarded five new environmental certificates and the level of two certificates was successfully raised.

Highlights in 2018



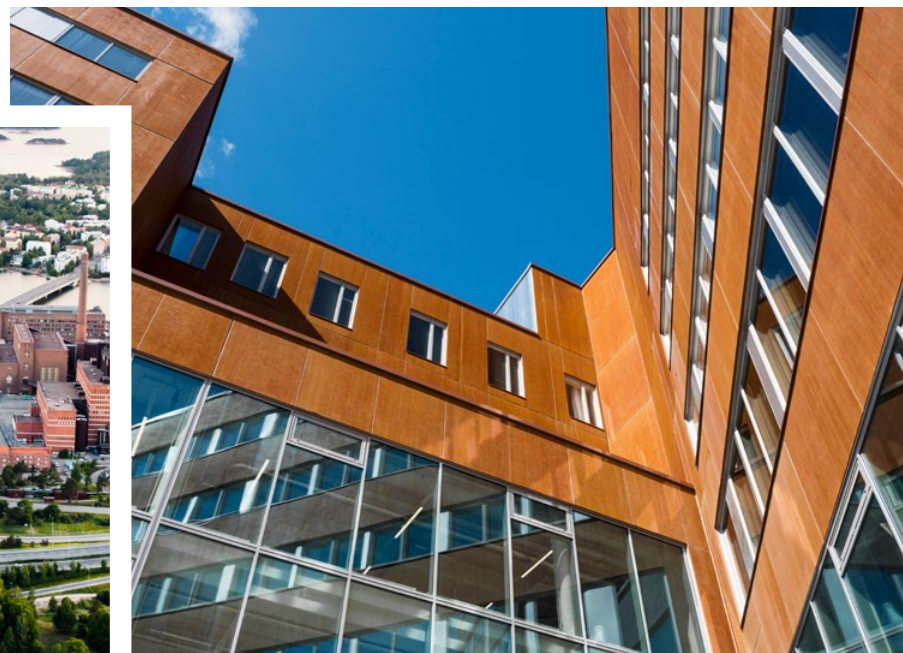
NEW PROPERTIES IN TOP LOCATIONS

Our property portfolio grew with two new properties in 2018, with the Ratina shopping centre in Tampere and the office and retail property at the Tikkurila railway station, Väreitehtaankatu 8, opening for business. Ratina is Sponda's biggest shopping centre and also the largest property development project in the company's history. Both properties are centrally located in transport hubs and based on low energy consumption solutions.



AGAIN ONE OF THE MOST RESPONSIBLE OPERATORS IN THE FIELD

Sponda ranked number one in Finland and number two in the Nordic countries within its peer group in the Global Real Estate Sustainability Benchmark (GRESB) 2018 survey. Sponda also ranked among the best in all of Europe. GRESB is a global comparative study of sustainability that measures the performance of property companies in various areas of sustainability. We received a full five-star assessment and, for the sixth year running, we were also awarded a Green Star for our sustainability efforts.



STRONG YEAR IN TERMS OF CERTIFICATIONS

Sponda's properties were awarded five new environmental certificates during 2018, and the level of two certificates was successfully raised. As the most significant certifications, the Väreitehtaankatu 8 office and retail space building was awarded the LEED® Gold certificate and the Ruoholahden Tähti office property was the first office building in Finland to be awarded the BREEAM® In-Use Excellent certification. In addition, the Forum shopping centre improved its BREEAM® In-Use certification rating to Very Good.





“Our achievements reflect our long-term commitment to sustainability.”

Chief Executive's review

2018 will be remembered as the year Sponda completed its largest development project, started the renewal of information systems and continued to work in the area of sustainability. Sponda's environmental partnership programme, R&D co-operation and modern information systems that enhance these activities support the company's role in sustainable development.

The advantageous economic climate in Finland and the high level of activity in the property market created favourable conditions for business in the past year. The property market's total transaction volume reached approximately EUR 9 billion and the demand for office and retail space remained strong throughout our portfolio.

Sponda's total revenue and net operating income both decreased slightly in 2018. As in previous years, Sponda made significant investments in property development, totalling EUR 84 million. The fair value of Sponda's investment properties amounted to approximately EUR 3.8 billion at the end of 2018.

SUSTAINABILITY ACHIEVEMENTS

From the perspective of sustainability, 2018 was a successful year for Sponda. We are moving towards our energy efficiency programme target for 2020, which is to reduce energy consumption by 20%, using the period 2001–2005 as the baseline. We also improved the material efficiency of our properties. The key factors in increasing our recycling rate included the environmental coordinator activities introduced at shopping centres in 2017 as well as active co-operation with customers and other stakeholders.

Sponda's efforts in sustainability were once again recognised when the GRESB scores for the property sector were announced in September 2018. We were ranked first in Finland and second in the Nordic region in our peer group and also among the leading companies in Europe as a whole.

Sponda was awarded five new environmental certificates during the year. Our newly developed property on Värитеhtaankatu received LEED Gold certification and Ruoholahden Tähti became the first office building in Finland to be awarded BREEAM In-Use Excellent certification. The Forum shopping centre also improved its BREEAM rating by two grades.

LONG-TERM COMMITMENT TO SUSTAINABILITY

Our achievements reflect our long-term commitment to sustainability. Sustainability is considered throughout the property life cycle and Sponda's management and personnel are highly committed to the company's sustainability efforts and targets. Nevertheless, our excellent results cannot be taken for granted. We strive to continuously develop our operating models and find even more effective approaches and technologies to improve sustainability.

Launching the renewal of Sponda's ICT systems was the most significant step taken in technological development during the year. Modern information systems will provide strong support for our work in the area of sustainability going forward.

Seeking environmental certification remains a significant priority for Sponda. Certificates provide stakeholders, customers and end users with reliable information on the extent to which sustainability has been integrated into our operations and processes.

SPONDA COMPLETED THE LARGEST DEVELOPMENT PROJECT IN COMPANY HISTORY

The biggest milestone of the year was the April 2018 completion of the largest development project in Sponda's entire history: the Ratina shopping centre in Tampere. Built according to BREEAM environmental certificate standards and with a strong emphasis on sustainable values, the shopping centre has created approximately 1,000 new jobs and attracts some 600,000 monthly visitors, in line with the company's targets.

Ratina was developed using a new community-based concept. Instead of being a traditional shopping centre, it is a hub of services and entertainment that changes the cityscape of Tampere and creates new urban culture.

Another significant new property development project completed in 2018 was the office and retail property on Värитеhtaankatu in Vantaa's Tikkurila district. The LEED Gold certified property is an example of sustainable life cycle construction in a location that provides the property's users with eco-friendly transport connections and a wide range of services.

We also started two significant new property development projects in 2018. Ratina Offices, an office and retail property to be built in Tampere, and the renovation of our property on Arkadiankatu in Helsinki are both scheduled to be completed in spring 2020.

SUSTAINABILITY IS EMERGING AS A COMPETITIVE ADVANTAGE

According to customer surveys conducted by Sponda during the year, sustainability has taken on an increasingly significant role in our customers' business. Our customer organisations choose energy-efficient properties and a responsible business premises partner to support their sustainability targets and create networks with other companies that operate sustainably. Through their impact on employee well-being and motivation, busi-

ness premises are also emerging as a new competitive factor between companies.

A growing number of customers are also looking for assistance in establishing an environmentally friendly corporate culture. We have created an environmental partnership programme in response to this need. The aim of the programme is to expand the lessor-tenant relationship into a genuine partnership that helps the customer company evolve into a comprehensively sustainable operator and communicate its environmental efficiency.

"The biggest milestone of the year was the April 2018 completion of the largest development project in Sponda's entire history: the Ratina shopping centre in Tampere."

ON A MISSION TO TAKE THE ENTIRE INDUSTRY FORWARD

As a leading operator in our industry, we want to contribute to the development of corporate responsibility. During the year, we engaged in close co-operation with various associations and, as in previous years, invested in R&D and the management of risks related to responsibility.

Our MOW coworking concept facilitates the adoption of innovative business premises solutions and allows our customers to react quickly to changes in how people and organisations work. During the year under review, the MOW offering was complemented by meeting rooms and event spaces that are open to everyone and instantly bookable around the clock.

MOW expanded to Tampere at the end of the year with the opening of the latest hub, MOW Supernova. The new hub's Grand Opening was celebrated in February 2019.

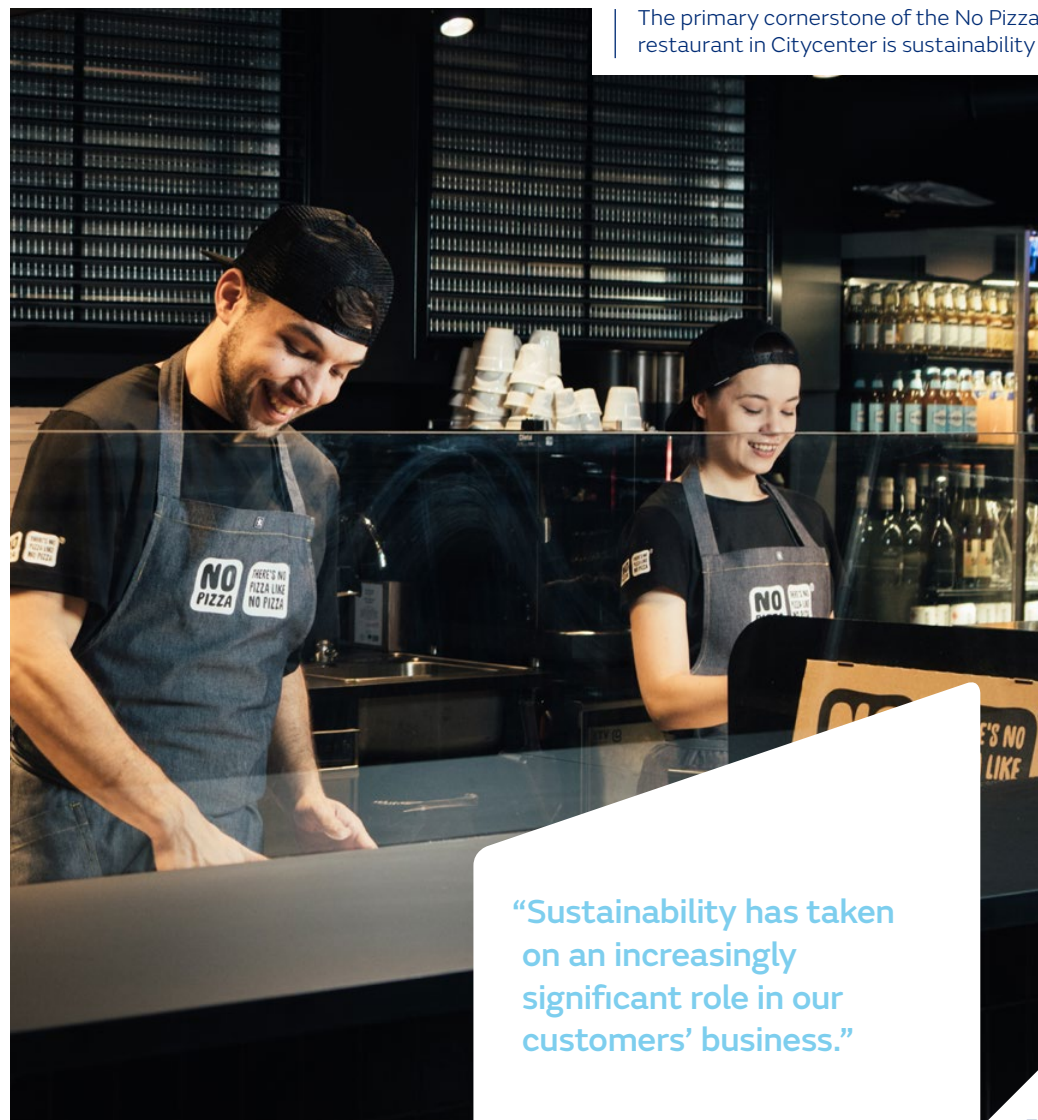
BUILDING AN EVEN STRONGER POSITION AS AN INDUSTRY LEADER

Employees are the foundation of successful and sustainable businesses. 2018 was an active year for the company, and I want to take this opportunity to thank all of our employees for making our accomplishments possible and helping us drive the company forward. Going forward, we will focus even more on providing comfortable and productive working environment for our employees.

Co-operation was essential in all of our sustainability achievements and the steps we took during the year. In addition to our employees, I wish to thank our customers and stakeholders for their role in what we have achieved. We could not have done it without you. In 2019, we will maintain a strong focus on our core business—the development and leasing of retail and office properties and working environments—and the continual development of our sustainability work.

Kai Aeimelaesus,
President and CEO

The primary cornerstone of the No Pizza restaurant in Citycenter is sustainability



“Sustainability has taken on an increasingly significant role in our customers’ business.”

How we create value

With our operations, we want to create value for our customers, personnel, society and various communities on which our operations have direct or indirect effects. At the same time, we are environmentally responsible.

By developing properties into unique and comfortable working environments, we facilitate the success of our customers. With our energy-efficient properties, our customers will also achieve concrete savings in their energy consumption. In addition to reducing energy consumption, the reduction of carbon dioxide emissions and water consumption and optimum efficiency in waste recycling are at the core of our environmental responsibility.

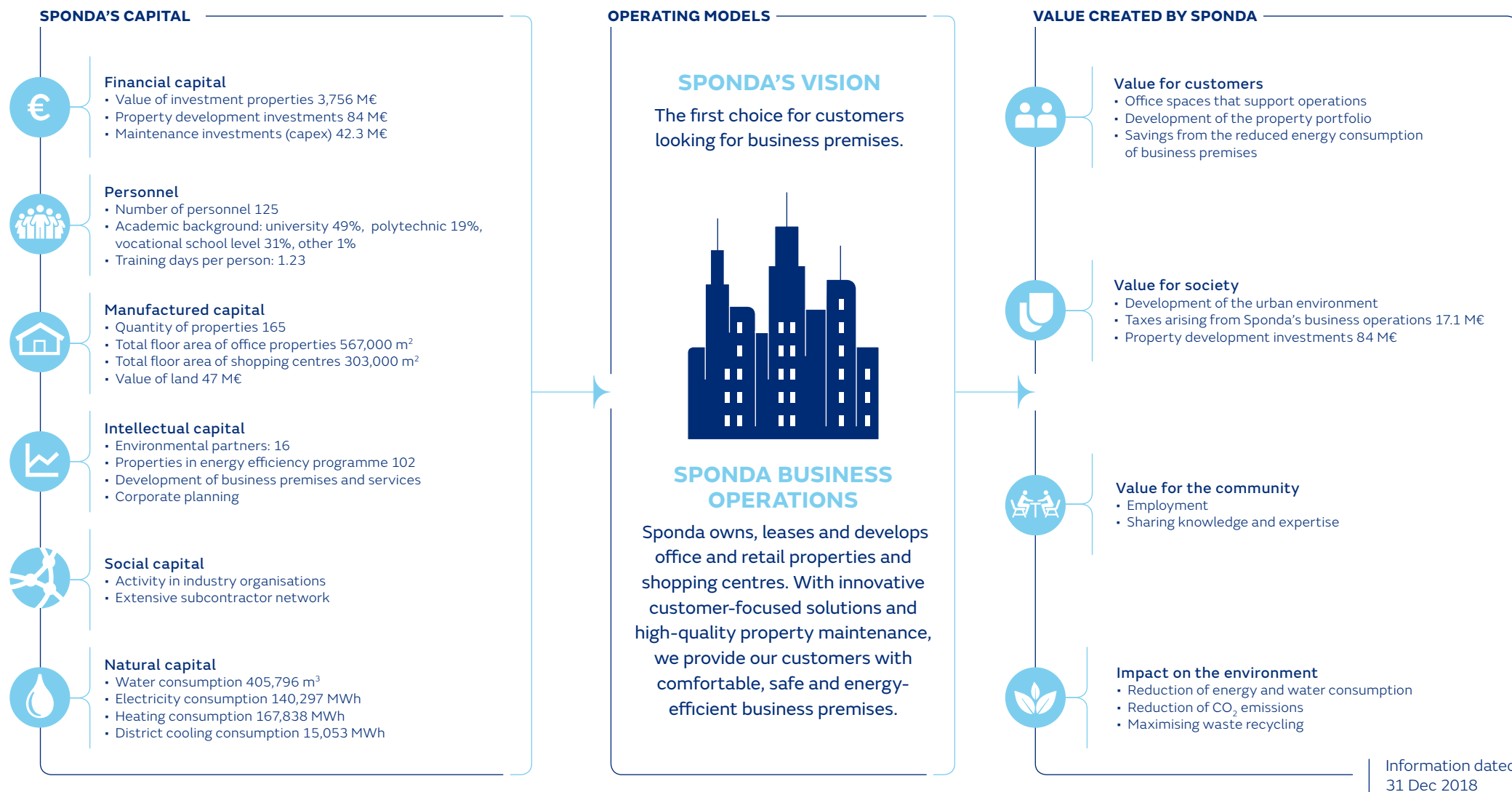
We make significant investments in the development of our properties each year, while creating value for our partners and society in general. We also engaged in developing comfortable urban environments in co-operation with various stakeholders.

Responsibility plays an important role from the point of view of value experienced by our personnel. Engaging and recruiting professionally skilled employees is key to the success of our business operations. We want our employees to feel that they can be part of our responsibility. Therefore, we invest in creating a positive and responsible atmosphere at work through good management and support the professional development of our employees through high-quality training.



Responsibility is an integral part of Sponda's strategy and day-to-day operations. Our customers, partners and other stakeholders play key roles in the implementation of our corporate responsibility.

Sponda's value creation model



Responsibility at Sponda

Responsibility is an integral and inseparable part of our strategy, day-to-day work and business expertise. Active co-operation with our stakeholders to achieve sustainable development is at the core of our responsibility. We listen to our customers, partners and organisations so that we can lay the foundation and preconditions for strong co-operation and thereby a dynamic customer-driven approach.

WE LISTEN

WE LISTEN TO OUR STAKEHOLDERS

Our responsibility efforts are guided by our vision of being the most trusted and profitable operator in the property sector and the most responsible implementer of sustainable development. The emergence of trust is based on listening to our stakeholders and goal-oriented activities appreciated by our stakeholders.

We have defined six responsibility priorities with the help of our stakeholders, and we have set both long- and short-term objectives for each one. We will report on the progress of the objectives annually in our responsibility review. The targets are presented on pages 22–45.

WE BUILD

WE ARE BUILDING OUR OPERATIONS WITH THE HELP OF RESPONSIBILITY PRINCIPLES

We build the foundation and preconditions for co-operation between stakeholders by e.g. committing to the values of communities important to us and ethical conduct. Our responsibility efforts are based on our strategy as well as our values, Code of Conduct and the UN Global Compact responsibility principles. In 2018, we extended the Code of Conduct to cover Sponda's entire supply chain by preparing a separate Supplier Code of Conduct.

WE STRENGTHEN

WE ARE INVESTING IN THE FUTURE BY STRENGTHENING CO-OPERATION

Listening to our stakeholders and building preconditions for co-operation with diverse operators will strengthen our operations also in the future and push the industry forward sustainably. We are engaged in continuous co-operation in property-sector organisations and networks to promote best practices and responsible conduct in the industry. Managing properties in co-operation promotes sustainable development in society as a whole, as buildings account for a significant proportion of the world's energy consumption and carbon dioxide emissions. Therefore, it is important for all parties to

commit to the responsible development of properties together – it is an investment in a sustainable future.

Sponda has properties in all stages of the life cycle. Whether new development or renovation, our objective is to create healthy and safe working environments in co-operation with our stakeholders. People feel good in flexible and comfortable buildings that retain their value.

MANAGING RESPONSIBILITY



“We require all members of our supply chain to observe transparency and the principles of sustainable development in their operations.”

Pirkko Airaksinen
Sustainability Manager

General operating principles guiding responsibility

Responsibility is one of the cornerstones of our strategy and an integral part of our day-to-day work. We have defined six responsibility priorities significant to our operations, the management of which is decentralised and the related responsibilities are assigned to the appropriate roles at the Executive Board level as well as the operational level. Sponda's responsibility and its development are led by the Sustainability Manager, who is a member of the Innovations and Sustainability unit established in 2018.

Sponda's President and CEO and the Executive Board are in charge of the management of responsibility and the achievement of targets. Sponda's Executive Board discusses responsibility-related issues and progress towards goals quarterly. The sustainability steering group, comprised of representatives of the Executive Board and the management, convenes regularly 4–6 times a year. Where necessary, responsibility matters also discussed by the Board of Directors.

Our goal-oriented responsibility work is guided by six responsibility priorities, and we have set both long- and near-term objectives for each one of them. Our responsibility priorities are:

- Energy and environmental efficiency
- Property locations
- Enhancing the customer experience
- Investing in employees
- Transparent and ethical operations
- Taking the industry forward

Additional information about the priorities and their objectives is presented on pages 22–45 of the review.

Our responsibility efforts also assist us in risk management. The assessment of potential environmental risks is an integral aspect of Sponda's ongoing risk management process. The Executive Board also evaluates the climate change-related risks and opportunities related to our operations as part of the company's decision-making.

In addition to the priorities, our operations are guided by internal and external commitments. The most significant of them is the Code of Conduct, which lays the foundation for the company's responsibility efforts, the management of responsibility and stakeholder relations. The guideline covers Sponda's responsibility principles, including good governance, responsibilities and expectations in terms of key stakeholders, transparent business

Our responsibility priorities



operations, anti-bribery and anti-corruption practices, environmental responsibility and responsibility as an employer. The Code of Conduct has been approved by Sponda's Board of Directors and it is complemented by internal policies, operational guidelines and commitments.

The extended Supplier Code of Conduct adopted in 2018 is the foundation for all new and renegotiated subcontracting agreements. The Supply Chain Code of Conduct highlights responsibilities related to areas such as transparency, environmental responsibility, labour, human rights and safety. In addition to requiring compliance with the Code of Conduct among Sponda's personnel, we require all members of our supply chain to observe transparency and the principles of sustainable development in their operations. We will adopt a digital whistleblowing channel in 2019, through which any misconduct and suspicious activities can be reported anonymously.

Our operations are also guided by being a Climate Partner of the City of Helsinki, commitment to the property sector's energy efficiency agreement TETS, and

the WWF Green Office targets for the head office and MOWs.

Our objective for 2019 is to update the materiality analysis of responsibility. The responsibility priorities will be re-defined and long-term responsibility targets will be set based on the materiality analysis.

Responsibility is one of the cornerstones of our strategy and an integral part of our day-to-day work.

SPONDABILITY

We use the term Spondability to describe our holistic approach to responsibility and sustainability. It covers all areas of responsibility: social, economic and environmental, and it is at the core of Sponda's day-to-day operations. Over the years, Spondability has developed into Sponda's permanent value and mindset that inspires and makes work meaningful.

OUR RESPONSIBILITY TO OUR STAKEHOLDERS

As a significant operator, we are responsible to many different stakeholders: customers, investors, business partners and society. We promote responsible operating practices in the property sector in co-operation with our stakeholders, aiming for active and open dialogue based on reliability and integrity. We regularly report to our stakeholders on our actions and achievements related to responsibility, and we continuously work to develop this reporting.

OUR RESPONSIBILITY AS AN EMPLOYER

Social responsibility at Sponda primarily concerns responsibility for employees and their well-being at work. Our goal is the fair and non-discriminatory treatment of employees, from recruitment to termination.

OUR RESPONSIBILITY FOR THE ENVIRONMENT

As a responsible property owner, we take environmental perspectives into account in all of our operations. Together with our customers, we are committed to reducing energy consumption, carbon dioxide emissions and water consumption, and increasing the waste recycling rate, at our properties.

We want to be the first choice of customers, skilled employees and investors, which is why sustainability is an integral aspect of our strategy.

Responding to trends and changes

We actively develop our operations in the long term to respond to megatrends with impacts on society and our line of business. At the same time, we are laying down the foundation for growth and new competitive advantages. Urbanisation, climate change and digital transformation are the megatrends with the biggest impact on the property sector.

URBANISATION

The population is increasingly concentrated in cities and around urban centres. Urbanisation increases the need for business premises and retail services in growth centres and places with good transport access. Our customers increasingly appreciate retail and business premises being located in city centres. The demand for premises will continue to grow, especially in Helsinki's central business district.

In order to respond to this change, we will focus our property ownership on prime locations in Helsinki and Tampere, in the immediate vicinity of rail routes and other transport hubs. Properties being centrally located with good public transport links also encourages our customers to choose environmentally friendly options for getting around.

CLIMATE CHANGE

Climate change has extensive global impacts. Energy efficiency requirements and upward pressure on energy costs are growing in our line of business.

Reducing emissions and increasing the use of renewable energy sources play a vital role in mitigating climate change. With our Energy Efficiency scheme, we aim to reduce our environmental impacts among the forerunners of the property sector. The property sector is important to mitigating climate change, as buildings account for a significant proportion of the world's energy consumption and carbon dioxide emissions. Energy efficiency has been one of our strategic priorities since 2009.

Properties are also exposed to extreme weather phenomena, for which we are preparing in co-operation with the main-



tenance network. In addition, climate change-related risks are managed with environmental certifications and Sponda's design guidelines for new and renovated properties.

DIGITALISATION, E-COMMERCE AND TRANSFORMATION OF WORKING LIFE

The development of technology and the digital transformation have extensive impacts on the society and our customers' operations. As a forerunner in our sector, we aim to find the best possible solutions to our customers' changing needs. The most significant step taken in technological development during the year was starting the renewal of Sponda's ICT systems. Modern information systems will provide strong support for our work in the area of sustainability going forward.

Digitalisation expands the offering of digital services in the property sector, providing cost-savings in terms of premises and personnel. At the same time, customers' expectations of properties are also increasing.

In retail, the digital transformation and e-commerce have challenged traditional shopping centres and companies to revamp their operations. Shopping centres are increasingly becoming venues for experiences, where people come to spend time and enjoy themselves. In Ratina, for example, there is a particular focus on families with children; there are lots of facilities, services and activities for children. The Forum and Ratina mobile apps, brainstormed based on wishes expressed by customers, help customers get to know the shopping centre's shops and services, upcoming events and the latest customer benefits. The smart application makes it easier to navigate around the shopping centres and gives users access to special offers. For retailers, the app is an effective communications channel.

Work has become increasingly independent of time and place through the digital transformation, which creates new demands on office environments. However, people's need for a sense of community has not disappeared. On the other hand, companies of different sizes increasingly need flexible premises adapting to their changing needs.

As working remotely becomes increasingly common, there is a growing need for office spaces that support communality; we have been among the first to respond to this need with our proprietary MOW coworking concept. In addition to an inspirational working environment and community, MOW offers extensive services that support office work. The same facilities can be shared by freelancers and the development teams of major corporations, and workspaces can be easily booked from MOW's website. Sponda's newest MOW hub opened in the new Ratina shopping centre in Tampere in autumn 2018. The MOW hubs' compliance with WWF Green Office standards and BREEAM® environmental certification are signs of sustainability.

As working remotely becomes increasingly common, there is a growing need for office spaces that support communality; we have been among the first to respond to this need with our MOW coworking concept.

We listen to our stakeholders

We co-operate with numerous stakeholders and aim to fulfil their expectations by engaging in active stakeholder dialogue. The key principles for our work with stakeholders are reliability, integrity and transparency. Our most significant stakeholders are customers, personnel, subcontractors, media and society.

CUSTOMERS – Our customers operate in the Helsinki metropolitan area as well as the Tampere and Oulu regions. Our diverse customer base represents various industries including retail, the public sector and the banking and investment sector. Our goal is to create and maintain long-term customer relationships and provide our customers with flexible and energy-efficient premises that best match their needs. We systematically collect feedback on the conditions of our premises and our services from our feedback and develop our operations based on it. We also actively guide our customers towards operations that conserve energy and the environment.

PERSONNEL – Motivated, skilled and committed employees are our key success factor. We invest in the job satisfaction of our employees and an open and equal atmosphere. We also aim to offer Sponda employees good development and training opportunities.

SUBCONTRACTORS – We work in close co-operation with an extensive network of subcontractors, and emphasise fluency and transparency in our purchasing and quality processes. We promote responsible ways of working by requiring our subcontractors to operate responsibly and take the environment into consideration. In 2018, we prepared a separate Supplier Code of Conduct for our entire supply chain. We aim at reliable long-term partnerships in our contracts.

MEDIA – The cornerstones of our media relations are activity, trustworthiness and timeliness. Our media relations are managed by serving representatives of media promptly and by actively communicating about our responsibility efforts, for example. We continuously develop our methods for communicating our operations.

SOCIETY – Our corporate and environmental responsibility efforts are strongly tied to society from the points of view of employment and urban development, for example. We work continuously to promote the energy efficiency of business premises and closely monitor legislative developments. We develop the property sector in co-operation with various organisations in the sector, such as the Finnish Association of Building Owners and Construction Clients (RAKLI), Finnish Business & Society (FIBS) and Green Building Council Finland (GBC Finland).

OTHER STAKEHOLDERS – Our other important stakeholders include educational institutions and various research and development organisations. We provide study and thesis opportunities to students in the field and take part in research and development efforts through various joint projects with educational institutions.

We asked four representatives of our stakeholders about their views of co-operation with us and e.g. how responsibility is visible in the co-operation and practical work.

Read more pp. 17–20

Q&A: PERSONNEL



“Our employees are strongly involved in the development of future ways of working.”

Sampo Ahlsten
Property Development Manager
Sponda Plc

Sponda's most important stakeholders naturally include our employees. The well-being and good working conditions of employees play a key role so that Sponda can also serve its customers in the best way possible. Property Development Manager Sampo Ahlsten from the Property Development unit finds it important that employees are also listened to in diverse ways.

How does Sponda listen to its employees in practice?

Our management tends to invite employees to talks, say, when thinking about day-to-day practical work. The heads of the units also discuss the events in their areas in monthly Townhall events for the personnel, which provides employees an opportunity to take part in the discussion.

What kinds of channels are used for listening to the employees?

In addition to the monthly information and discussion events, we actively use our intranet. Naturally, we have annual performance appraisals, and job satisfaction surveys are also regularly arranged. I personally feel that it is easy to talk to anyone here – at any time. The employees are strongly involved in the development of future ways of working as well.

How does Sponda support the job satisfaction of its employees?

Sponda supports its employees in various ways. Among other things, we offer a company bicycle as well as culture and sports vouchers. In addition, the joint museum card for the Ateneum national art museum provides an opportunity to nurture one's imagination and appetite for art.

Similarly to many other Sponda employees, I too am a keen cyclist and sports enthusiast. Supported by the employer, and together with my co-workers, I have experienced e.g. the Pirkan pyöräily cycling event and the Tough Viking race, the biggest obstacle course competition in the Nordic countries. In addition, we have diverse recreational and theme days.

It is also important that you can schedule your work flexibly based on your own schedules. Remote work is also possible at Sponda.

Q&A: COLLIERS INTERNATIONAL FINLAND



“Our co-operation has developed astonishingly, as has the entire real estate and construction sector and, in particular, the consideration of responsibility-related matters.”

Tarja Turkulainen
Manager, Sustainability & Energy
Efficiency Services
Colliers International Finland

Colliers International Finland, a provider of real estate services and investment management, is responsible for maintenance services and the management of property maintenance and other property services in most Sponda properties in Helsinki and Tampere. The co-operation with Sponda goes back several years, all the way to 2005, says Tarja Turkulainen, Manager, Sustainability & Energy Efficiency Services at Colliers International Finland.

How has the co-operation developed over the years?

Our co-operation has developed astonishingly, as has the entire real estate and construction sector and, in particular, the consideration of responsibility-related matters. We began with consumption monitoring and energy reviews. Now, energy efficiency is taken into consideration as part of all activities carried out in the property, whether it concerns service providers, users of the properties or alteration and renovation work. The energy efficiency scheme was established in 2010 as a tool for the systematic improvement of energy efficiency scheme, and after piloting, it has been expanded to cover almost all properties. Currently, the co-operation has deepened into a partnership, continuous dialogue and joint development of operations.

What kinds of results have been achieved through the co-operation?

Both our and the tenants' interest in and understanding of environmental affairs has increased over the slightly over 10 years enormously. With systematic work,

we have achieved significant savings through small individual actions, such as by changing the operating models. We reached the goals set for the energy efficiency scheme several years early, and in 2018, we reached the calculated energy efficiency targets already in June. Now, we are contemplating objectives spanning as far as 2030. The climate perspective has become increasingly emphasised, so it is also important to look into the future for years and years to come.

How does Sponda listen to you?

In my own work, I feel that our proposals are listened to very well, and there is talk between Colliers and Sponda at many different levels. At the level of the properties, there is co-operation between our maintenance managers and Sponda's account managers. Those responsible for maintenance as a whole both at us and Sponda are also engaged in close dialogue. Sponda's operational management also actively monitors environmental affairs as part of the responsible maintenance of properties. Regular monthly meetings are in fact only the tip of the iceberg, as the communication is daily in practice. Responsibility is present in all of these forums.

Q&A: CITY OF HELSINKI



“Helsinki aims to be carbon neutral by 2035, and to reach that, energy efficiency must be enhanced further. The power of the example set by major property owners is significantly bigger than that of restrictions and bans.”

Mira Jarkko
Climate Partners Coordinator
City of Helsinki

The City of Helsinki aims to be carbon neutral by 2035. In order to reach the goals, co-operation is required on an extensive front, says Mira Jarkko, Environmental Expert at City of Helsinki.

What kind of practical co-operation are the City of Helsinki and Sponda engaged in?

Sponda has been a Climate Partner of the City of Helsinki since 2012, and the company's goals in the climate partnership naturally go hand in hand with the city. A large property owner such as Sponda plays a significant role from the point of view of the entire city's goals, as more than one-half of Helsinki's emissions are generated by the heating of properties, while more than one-half of properties are privately owned.

How significant is a player like Sponda with regard to the city's environmental objectives?

Helsinki aims to be carbon neutral by 2035, and to reach that, energy efficiency must be enhanced further. The power of the example of major property owners is significantly bigger than that of restrictions and bans. A property owner is also significant in tenants paying attention to their own energy consumption, as much as over one-half of Helsinki's emissions are caused by heating and 16% by electric-

ity consumption. Sponda is an important influencer of attitudes in this respect and makes consumption visible to its own customers.

How are the responsibility goals of Helsinki and Sponda aligned?

Sponda is committed to cutting the comparable energy consumption of its properties in Finland by 20 per cent by 2020 compared to the 2001–2005 average. This contributes to the city's objective of being carbon neutral in 2035. Reducing the amount of waste is also important, because it also decreases the quantities of raw materials consumed. Sponda has improved the recycling rate of shopping centres, for example, significantly in recent years.

Q&A: GREEN BUILDING COUNCIL FINLAND



“Simple solutions to enhance energy efficiency, for example, have already been implemented, so the need for co-operation is increased further when even more challenging issues need to be solved.”

Mikko Nousiainen
Managing Director
Green Building Council Finland

One of Sponda's significant social partners is Green Building Council Finland, which in accordance with its strategy aims at a sustainable built-up environment that is carbon neutral, operates applying the principles of the circular economy and facilitates a sustainable high-quality life for people.

What kind of an impact has Sponda had on the operations of GBC Finland?

Green Building Council Finland was established in 2010. Sponda was active already in the planning phase, and it is also one of the founding members of the organisation in Finland.

As a forerunner of responsibility and a large player, Sponda has also played a significant role in pointing the way for other players in the property sector as well.

How is the co-operation going?

Sponda has been an active member of Green Building Council Finland. We have a total of six committees through which the operations are run. Sponda currently heads the Environmental Certifications task group, which is natural, as certifications are also important to Sponda's operations and Sponda's customers. In addition, Sponda has played a significant role in establishing the Real Estate Management task group. Sponda has also participated in the task group's work as its member.

Why is GBC Finland needed?

The property sector and the world have changed very much over the eight years since GBC Finland was established, and the discussion of the responsibility of the sector has significantly increased. Simple solutions to enhance energy efficiency have already been implemented, so the need for co-operation is increased further when even more challenging issues need to be solved. Co-operation makes it possible to inform and learn about new innovations. In its own operations, Sponda has experience in utilising cold river water in cooling properties, for example.

OUR RESPONSIBILITY PRIORITIES

Essential responsibility themes defined in co-operation with our stakeholders guide our responsibility efforts and their development.

Responsibility is based on co-operation

Holistic responsibility is only born out of co-operation, so customers and other partners play key roles in Sponda achieving its responsibility objectives. Essential responsibility themes defined in co-operation with our stakeholders also guide our responsibility efforts and their development.

We have defined the following responsibility themes as being the most significant to our operations: professional competence of personnel, the energy efficiency of properties, customer health and safety, the comfort of indoor environments, providing a working environment that supports the customer's operations, and Sponda's ethical business principles. The themes have been selected based on a materiality analysis of Sponda's value chain produced in co-operation with our key stakeholders in 2014. The analysis is based on industry and background analyses, key stakeholder perspectives and an assessment of business impacts.

Our six responsibility priorities derived from the material responsibility themes are:

- transparent and ethical operations
- enhancing the customer experience
- investing in employees
- energy and environmental efficiency
- property locations
- taking the industry forward

Transparent and ethical operations is a theme that spans Sponda's holistic responsibility, laying down the foundation for the other responsibility priorities at the same time. Customers and personnel are among our most significant stakeholders, so ensuring a high-quality customer experience and seeing to the well-being of the personnel play key roles in the development of our operations. Minimising the negative environmental impacts of operations and properties located in central locations are also essential areas of our responsibility, as they contribute to reducing the in-use environmental load of the properties. We are also actively involved in the development of the property sector in co-operation with other industry influencers.

Both long- and short-term objectives have been set for the responsibility priorities, and we monitor their realisation regularly in our sustainability steering group and Executive Board meetings.

Forum shopping centre took part in the Joulupuu charity campaign again in 2018



Ensuring a high-quality customer experience and seeing to the well-being of the personnel play key roles in the development of our operations.

Our responsibility priorities





Citycenter shopping centre,
Helsinki

Transparent and ethical operations

Transparent and ethical operations is one of Sponda's six responsibility priorities, supported by unambiguous operational guidelines and policies, reporting and corporate governance. Well-implemented operating models help us to work transparently and sustainably, support our work in a changing world and help us to keep up with the accelerating rate of change in the operating environment.

Responsibility reporting plays a major role in communicating about the transparency and openness of our operations. In the Responsibility Review, we report the key events and highlights of the year, as well as areas for development. We report comprehensively according to the Core guidelines of the GRI framework and continuously develop our reporting. Our Responsibility Review also covers the requirements of the UN Communication on Progress (COP) reporting.

EXTERNAL RECOGNITION STRENGTHENS TRANSPARENCY

In 2018, we again achieved excellent results in the annual GRESB survey, ranking number one in Finland and number two in the Nordic countries within our

peers. We received a full score in the Management, Policy & Disclosure sections. We received a full five-star assessment and, for the sixth year running, we were also awarded a Green Star for our sustainability efforts.

International environmental certifications are an increasingly important external indicator of responsibility, with BREEAM® and LEED® certifications being at the core of property development. We are applying for LEED® or BREEAM® environmental certification for all new buildings and major renovation projects, and aim to raise the level of existing certifications. In addition, we seek BREEAM in-Use® certifications for the properties. In all, Sponda now has 21 certified properties.

WE INSTILL RESPONSIBILITY AMONG OUR STAKEHOLDERS

Sponda's operations and responsibility are guided by the company's strategy, values and Code of Conduct as well as the principles of the UN Global Compact. We continuously develop our responsible operating methods. All Sponda employees have completed Code of Conduct training in 2015. New employees receive Code of Conduct training as part of their orientation programme.

In accordance with our objective, we adopted the new Supplier Code of Conduct in 2018, and it is an important part of all new contracts and partnerships. During 2019, we will adopt a public and anonymous whistleblowing channel, intended to encourage Sponda's employees and partners to report any misconduct observed in

the company's operations. Sponda already provides an anonymous feedback channel for employees to report suspected misconduct via the company intranet or e-mail. No reports were received via the channel in 2018.

As the significance of transparency in business operations increases, the supply chain's role in companies' responsibility efforts grows in importance. Sponda is a significant purchaser that works in close co-operation with an extensive network of subcontractors. In 2018, purchases from suppliers represented 44.3 per cent of Sponda's total revenue, while property development investments accounted for 32.4 per cent.

The objectives and results of our responsibility priorities in 2018

Transparent and ethical operations



Long-term objective	Objective for the year	Status	RESULTS IN 2018
Maintaining an excellent level in international sustainability assessments.	The result of the GRESB sustainability assessments will remain at an excellent level.		We received a full five-star GRESB rating and were awarded a Green Star for our sustainability.
Operating in accordance with ethical principles.	New Supplier Code of Conduct principles implemented and incorporated into new and renewed agreements.		The Supplier Code of Conduct was approved and is now incorporated into new and renewed agreements.
Measuring customer satisfaction regarding the quality of the indoor environment at Sponda's properties.	Indoor environment satisfaction surveys conducted at two Sponda-owned properties at a minimum.		Two extensive indoor environment satisfaction surveys were conducted.
Monitoring the operating model, control and monitoring of property maintenance services.	–		The level of maintenance services was improved further.
Improvement in tenant satisfaction regarding property services.	–		Customer feedback remained on a par with the good level achieved in the previous year.
Conducting maintenance and energy reviews at properties.	–		Regular maintenance and energy reviews were conducted at properties.



BREEAM (Building Research Establishment Environmental Assessment Method) is an international environmental rating system for assessing the environmental impacts of buildings. The BREEAM® In-Use certification system is intended for the certification of buildings in use.

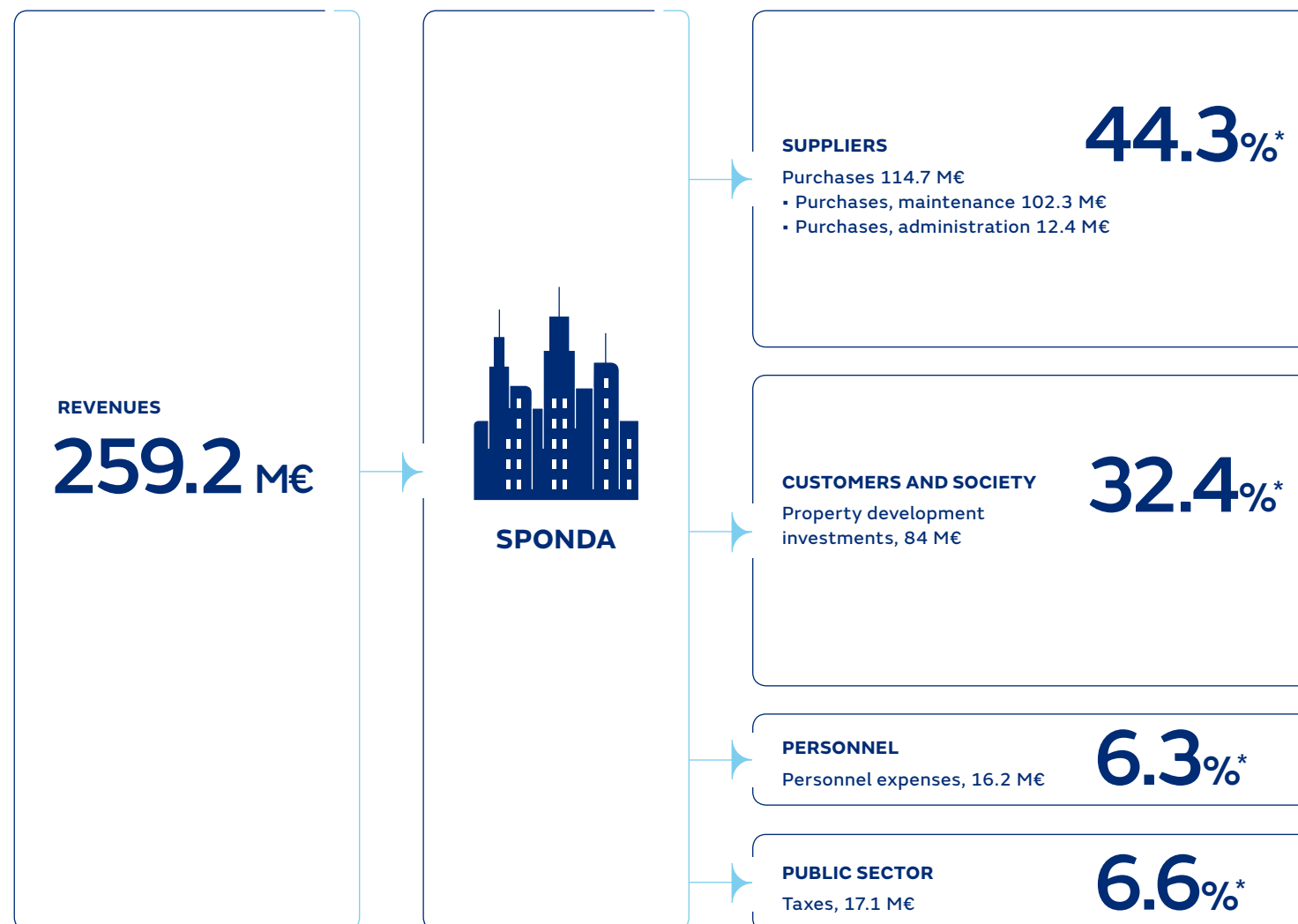


LEED® Certification (Leadership in Energy and Environmental Design) is one of the best-known international green building certification systems. It aims to reduce the environmental impact of construction and use of buildings as well as the development of healthier working environments. The LEED® environmental classification is awarded by the U.S. Green Building Council (USGBC).

Cash flows between stakeholders in 2018

CUSTOMERS' OPINIONS DO MATTER

In addition to customer feedback and continuous reporting data, the quality of property services is actively monitored by means of property audits, indoor environment satisfaction questionnaires and service experience surveys. Property audits are conducted in all properties twice a year, in the spring and autumn. In 2018, we conducted three annual service experience surveys, in addition to which we used three surveys in on-going production for e.g. new and former customers. Their results will guide our plans for 2019. Sponda will continue to arrange and systematically develop property audits and service production training.



| * Of total revenue.

Enhancing the customer experience

Working environments and property services that support the customer's operations, comfort of the indoor environment, customer's safety and health and supporting the customer's responsibility goals are all key areas in terms of enhancing the customer experience.

FEEDBACK IS A PREREQUISITE FOR A GOOD CUSTOMER EXPERIENCE

Both the continuous development of services in our properties and functional communications and feedback channels between Sponda and customers support the emergence of a good customer experience. Feedback from customers on the property, its maintenance and services and the activities of the lessor is analysed carefully, and an action list is prepared together with the customer experience manager, account manager and head of maintenance services for both actions to be taken at the property and communication with the customer. This ensures that feedback received from customers is taken into consideration as well as possible in practical operations and the customer is also kept informed of this.

WE ADAPT OUR SERVICE PATH TO MEET THE CUSTOMER'S EXPECTATIONS

We continuously assess our operating process and service path. Key encounters during the property customer relationship, starting from the conclusion of the lease, are essential to us: what kinds of expectations customers have at different stages of the lease and how they can best be addressed.

In 2019, one of the key items in terms of customer experience will particularly be related to the rental operations of office properties and enhancing the customer relationship-related customer experience through diverse measures. Our aim is to allow the customer to focus on their own business while we handle all property-related services in co-operation with our property management partners.

The objectives and results of our responsibility priorities in 2018

Enhancing the customer experience



Long-term objective	Objective for the year	Status	RESULTS IN 2018
We will continue to improve the quantity and quality of our customer communications.	We will continue to focus on active and high-quality customer communications in all of our operations.		We deployed a new CRM system to improve the quality of customer communications.
We will continue to improve our customers' overall satisfaction with their co-operation with the lessor.	Overall satisfaction with co-operation with the lessor will improve compared to the previous year.		Our customers' overall satisfaction with co-operation with the lessor remained at a good level, at 3.88 (1–5).
We will improve our Net Promoter Score (NPS) further.	Customers' NPS will improve compared to 2018.		NPS declined slightly, but customer satisfaction remained on a par with the previous year.

OBJECTIVES FOR 2019:

- Effort is made to enhance customer communications by reinforcing the customer work resources and developing the customer experience related to leasing and customer relationship management in particular.
- The long-term objective is for our customers' overall satisfaction with the lessor co-operation to exceed 4.0 (on a scale of 1–5).



Minna Kröger
Director, Corporate Responsibility
Elisa Plc



Ari Saarinen
CRE Management Manager
Elisa Plc

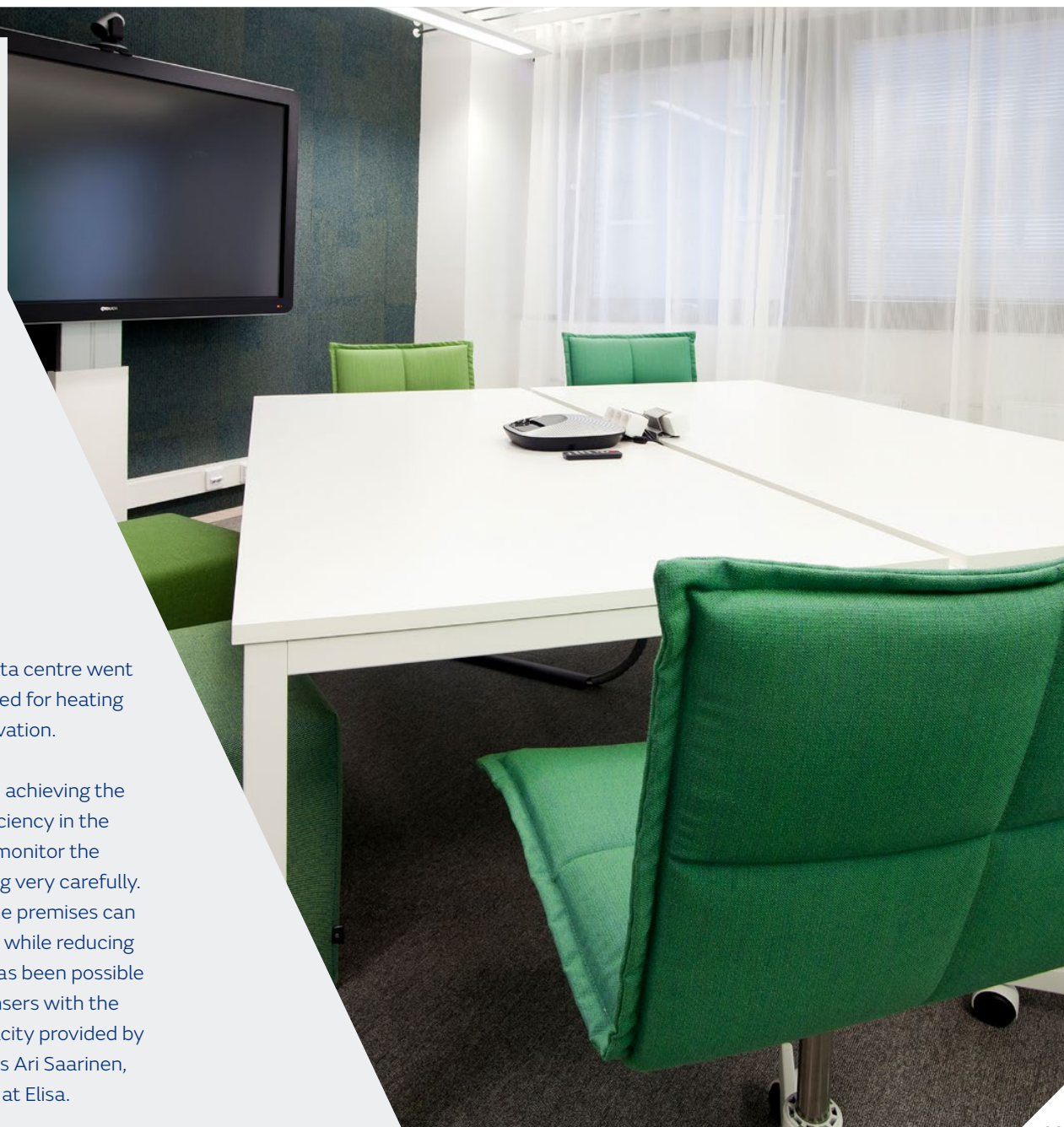
ENERGY EFFICIENCY IS A SHARED GOAL

The telecom company Elisa and Sponda have a long history. An environmental partnership was concluded between Sponda and Elisa already in 2011. Its aim has been to enhance both energy efficiency and recycling in co-operation.

Elisa's main location in Tampere is in a Sponda-owned property on Näsilinnankatu. Energy efficiency and climate change are important responsibility priorities for both Sponda and Elisa, and a major energy investment was made in the property in summer 2017 by Sponda. Previously, the

heat generated by Elisa's data centre went to waste, but it has been used for heating the premises after the renovation.

"We want to help Sponda in achieving the highest possible energy efficiency in the property and continuously monitor the conditions inside the building very carefully. Following the renovation, the premises can be heated using waste heat while reducing environmental noise, as it has been possible to reduce the use of condensers with the more effective cooling capacity provided by heat pump technology," says Ari Saarinen, CRE Management Manager at Elisa.



Minna Kröger, Director, Corporate Responsibility at Elisa, notes that also other responsibility-related factors, such as the well-being of employees, are important in the choice of premises besides energy. At Elisa, the way of working is flexible, and the employees have also been listened to in the choice and development of premises so that they will optimally support working. Elisa has a multispace office, and remote working is supported whenever it is possible. When the office calls, the location in the city centre allows easy commuting by public transport.

“The well-being of employees and employer image go hand in hand. Employees can equally influence our environmental footprint, so our aim is that the environmental footprint from commuting is as small as possible,” Kröger says.

The technical systems of the current property have been enhanced gradually. For example, lighting currently works completely without switches using motion detectors, and lights are on only where there are people. The company has also migrated to emission-free electricity at the level of the entire group.

Both Kröger and Saarinen praise the co-operation with Sponda as exceptional, with the communication being close and regular.

Quarterly meetings review diverse condition analyses and consider how, in co-operation, the results could be enhanced further. The employees also have a say in working conditions four times a year. The close co-operation has continuously provided better results in terms of both energy efficiency and indoor climate, for example.

The co-operation will continue in the future as well; Elisa is about to move to Sponda's new Ratina office building under construction, located a stone's throw from the current premises. Elisa did not want to leave the city centre, as many of the employees live nearby. The new office will be built next to the Sponda-owned Ratina shopping centre, and the aim is to harness IoT both in the maintenance of the property and for Elisa's own use.

Sponda's new Ratina office building has over 13,000 square metres of leasable floor area, and it will be the most modern office and retail space entity in Tampere. Approximately one thousand people will work in the property in the future. With new technology, the utilisation rate of the premises, such as meeting rooms, can be monitored more closely in the Ratina office building so that their cleaning, for example, can be optimised based on use. The indoor air conditions will also be monitored closely. LEED Gold certification will be sought for



Sponda's new Ratina Offices will be completed in 2020

the Ratina office building. Customers have been closely involved in the design of the new property, and so has Elisa.

“We do not want to heat waste space, and it is naturally easier to design new premises to be optimal – also in terms of floor area – when starting from scratch, ensuring that there is enough space and it's nice to work in,” Kröger says.

Guidance is also digital in the new premises. “Elisa's internal route guide already works in some of our sites, and it will also be deployed in the new location. The app

displays the vacant meeting rooms and their location straight away. The same app can be used for booking the room or checking the lunch menus of nearby restaurants, for example,” Saarinen adds.

The Ratina office building will be completed in 2020, when Elisa will also move into the new premises. Until then, fine-tuning the energy efficiency of the current premises to be even better will be continued in close co-operation.

Investing in employees

Skilled and motivated personnel are a key resource for Sponda. We invest in our professionals by placing a high priority on occupational well-being and a positive work atmosphere as well as by developing our management practices and managerial work. Sponda's employees are a community of top specialists, and their well-being is of paramount importance to us.

Sponda aims to systematically maintain the high professional skill of its employees. We offer in-house training programmes for our personnel as well as opportunities to participate in training outside the company. We also encourage our employees to take initiative in developing their work and expertise. Customer orientation guides all of our development of professional skills: feedback is taken into consideration in planning training.

We see to coping at work by actively monitoring the working capacity and job satisfaction of our personnel. The equal and non-discriminatory treatment of employees and ensuring occupational safety are also core themes of our human resource strategy, and we monitor these aspects regularly. Fair and non-discriminatory treatment applies to the entire employment relationship, from recruitment to termination.

As a significant investment in physical occupational safety, we organised occupa-

tional safety card training for the employees of the Property Development and Maintenance units in 2018.

WE ENCOURAGE OUR PERSONNEL TO ENGAGE IN SPORTS AND SUPPORT THEIR COPING

We invest heavily in the occupational well-being of our personnel and provide diverse support to help our employees cope with the demands of work. In day-to-day work, the immediate supervisor plays an important role in maintaining job satisfaction. Opportunities for motivating tasks, good leadership, an encouraging atmosphere and development opportunities are emphasised in an expert organisation.

We also engage in close co-operation with our occupational health partners and provide comprehensive occupational health care services. Together with occupational health professionals, we invest in activities to maintain health and prevent disease. The investments in occupational health-

The objectives and results of our responsibility priorities in 2018

Investing in employees



Long-term objective	Objective for the year	Status	RESULTS IN 2018
We develop skills and practices for sharing knowledge and expertise as well as our culture of interaction and feedback.	–	→	Changes in the company's structure and organisation offered a wealth of opportunities for sharing knowledge and expertise as well as interaction and the development of a strong feedback culture.
Investing in good leadership by utilising evaluations of managerial work and coaching.	–	→	A total of 135 training days, with middle management training days representing 37% of this total.
We promote occupational wellbeing and individual responsibility for maintaining a positive work atmosphere.	–	→	The use of the mobile virtual coach was continued and focus was placed on organising common events.
We invest in providing development and training opportunities for our personnel.	–	→	A total of 135 training days and performance and development reviews covered 90% of employees. The company's growth created several entirely new jobs.

care have proved to be profitable, as the rate of sickness absence has remained at a low level at Sponda. We also continued to invest in comprehensive occupational well-being and motivation in 2018 by providing recreational benefits to support sports and cultural activities.

Sponda encourages its employees to cycle to and from work and supports it with company bicycles. Thanks to this, many Sponda employees commute by bicycle, ecologically and healthily.

We support the motivation and engagement of our personnel also by way of rewards. We use an incentive scheme that covers the entire personnel, and in 2018,

it was based on the company's common goals and on personal annual targets set specifically for each employee. The company's environmental goals were one of the indicators in the company-level goals.

One of our key objectives for HR management in 2019 is to support employees on a day-to-day basis through good leadership and management. We will also continue to develop competence management and occupational well-being in 2019.

OBJECTIVES FOR 2019:

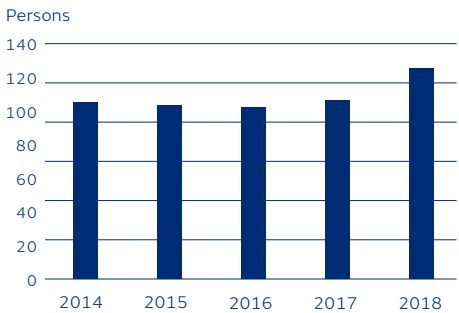
- Developing competence management
- Investing in good leadership
- Developing occupational well-being



Sponday 2018 - annual personnel event

PERSONNEL*

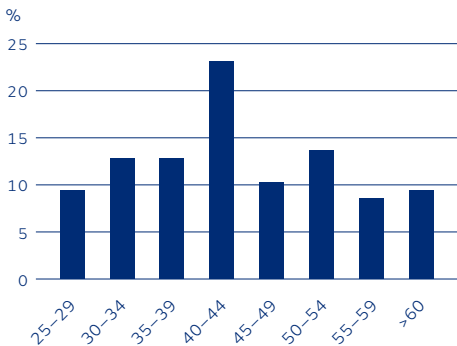
31 Dec 2018



* Sponda Group

AGE RATIO*

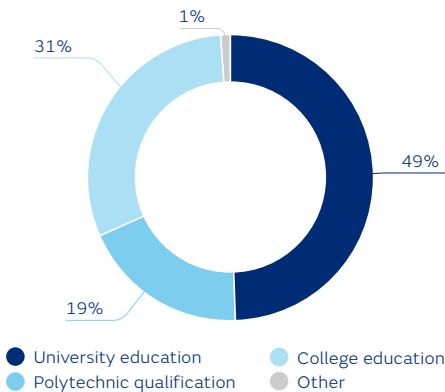
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* Sponda Real Estate Ltd

EDUCATIONAL STRUCTURE*

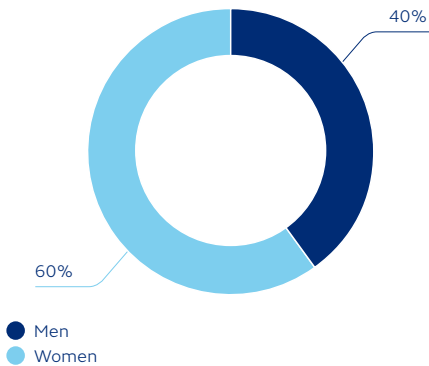
31 Dec 2018



* Sponda Real Estate Ltd

SEX RATIO*

31 Dec 2018



* Sponda Group

Energy and environmental efficiency

Long-term work to enhance energy and environmental efficiency is an important holistic goal for Sponda. Our most concrete indicators are increasing energy efficiency, new certifications and increasing the recycling rate.

We reached many of the key environmental goals set for the Energy and environmental efficiency responsibility priority for 2018. Our CO₂ emissions decreased by 1.9%, Guarantee of Origin certificates and renewable energy sources taken into consideration, and the one per cent energy-savings (TETS) through energy efficiency measures was exceeded and more new environmental certifications were achieved than targeted. We succeeded in improving the sorting of waste considerably but fell little short of the goals: the actual result is 48%, while the goal was set at 49%. Our total energy consumption increased by 1.3% year-on-year. Underlying the figures is the exceptionally warm summer of 2018 compared to the previous year, because of which the cooling of the properties consumed more energy.

FOCUS ON ENERGY EFFICIENCY AND ENHANCING WASTE MANAGEMENT

Enhancing energy efficiency has been one of our strategic priorities since 2009. We also want to contribute to reaching the

Paris Agreement and the EU climate and energy goals through our own operations. We have invested in enhancing energy efficiency by implementing Sponda's own energy efficiency programme and by joining the voluntary business premises energy efficiency action plan, TETS. The energy efficiency agreement covers all of Sponda's wholly-owned properties. Energy efficiency is also an increasingly significant factor in the property-related decisions of our tenants, who are the users of our properties.

The goal of our extensive energy efficiency programme is to enhance energy efficiency by 20% by 2020 when compared to the 2001–2005 average. By the end of 2018, we had enhanced our energy efficiency programme by 16 per cent and we had reached 82 per cent of the goal of our energy efficiency scheme. At the end of 2018, our energy efficiency programme covered 102 properties, which represents 87 per cent of the properties fully owned by Sponda.

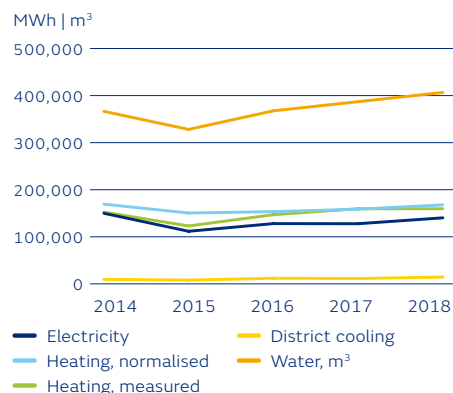
The objectives and results of our responsibility priorities in 2018

Energy and environmental efficiency



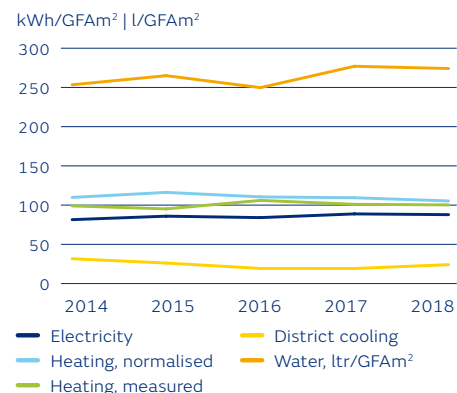
Long-term objective	Objective for the year	Status	RESULTS IN 2018
Energy savings of 20% by 2020, using the average consumption in 2001–2005 as the baseline.	We promote our energy efficiency programme each year.	✓	16 percentage points of the target was achieved.
Total like for like energy consumption of properties will decrease each year.	Total energy consumption of properties to be reduced.	→	Energy consumption increased by 1.3% compared to the previous year.
The CO ₂ emissions arising from total like for like energy consumption will decrease each year.	CO ₂ emissions arising from the like for like energy consumption to be reduced.	✓	Like for like CO ₂ emissions decreased by 1.9%.
Improving energy efficiency in line with the property sector's energy efficiency agreement (TETS) by 7.5% by 2025, using energy consumption in 2015 as the baseline.	Energy efficiency improvement measures produced one per cent in energy savings (2,110 MWh) compared to the total energy consumption in 2015.	✓	The annual target was exceeded.
Seeking environmental certification (LEED®, BREEAM®) for all new property development projects and major renovation projects.	At least two properties will be certified in 2018.	✓	We were awarded five new certificates and the level of two certificates was increased.
Increasing co-operation on environmental responsibility with our customers.	Two new environmental partnerships.	→	No new partners, but co-operation continued.
Increasing the waste recycling rate each year.	Waste recycling rate at 49% by the end of the year.	→	The waste recycling rate increased from 45 % to 48%, but the target was not achieved.

ELECTRICITY, HEATING, WATER AND DISTRICT COOLING CONSUMPTION OF THE PROPERTIES*



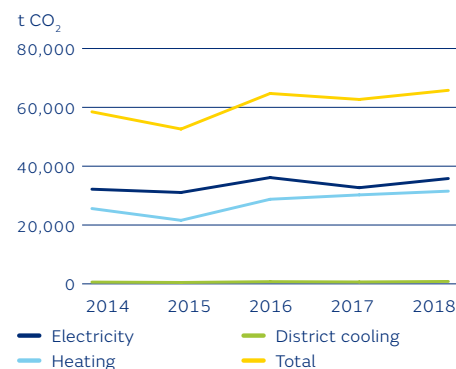
* Sponda's properties in Finland

ELECTRICITY, HEATING, WATER AND DISTRICT COOLING CONSUMPTION INTENSITY OF THE PROPERTIES*



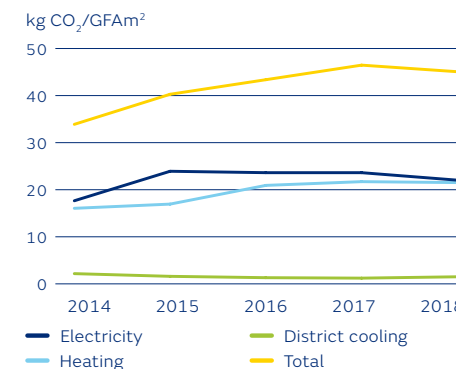
* Sponda's properties in Finland

CARBON FOOTPRINT ARISING FROM THE ENERGY CONSUMPTION OF THE PROPERTIES*



* Sponda's properties in Finland

CARBON DIOXIDE EMISSION INTENSITY FROM ENERGY CONSUMPTION OF THE PROPERTIES*



* Sponda's properties in Finland

Comprehensive energy reviews are regularly conducted at the properties that are included in the programme. Based on these reviews, adjustments are made at the properties in accordance with their use, as well as energy efficiency investments that are profitable from a technical-economic standpoint. A total of 101 energy reviews were conducted in properties in 2018.

Waste sorting and energy efficiency are increasingly emphasised in supporting the responsibility goals of our customers. Tenants are increasingly aware of the environmental impacts of properties and more frequently want additional information

about the environmental certifications of properties. Also, collection containers are requested for an increasing number of materials. We are developing the waste recycling opportunities to be more diverse as part of our environmental responsibility and customer service. In 2019, we are initiating plastic packaging waste recycling in our office properties. Also, the possibility of charging electric vehicles and good access by public transport are taken into consideration in property development projects.

ENVIRONMENTAL CERTIFICATION FOR ALL NEWLY CONSTRUCTED PROPERTIES

Sponda's properties were awarded five new environmental certificates during 2018, and the level of two certificates was successfully raised. As the most significant certifications, the Värehtaankatu 8 office and retail space building was awarded the LEED® Gold certificate and the Ruoholahden Tähti office property was the first office building in Finland to be awarded the BREEAM® In-Use Excellent certification. In addition, the Forum shopping centre improved its BREEAM® In-Use certification rating to Very Good.

At the end of 2018, Sponda had 21 properties certified under the international LEED® and BREEAM® environmental certification systems. The certified properties represent approximately 34 per cent of Sponda's total leased floor space.

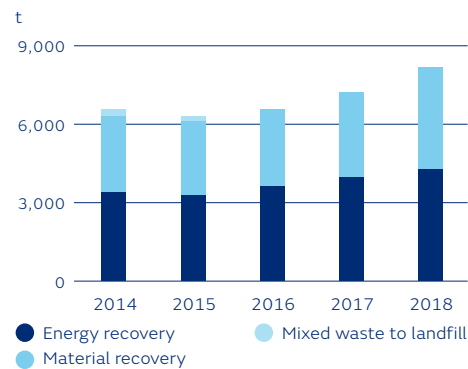
Going forward, our strategic aim is to continue to seek environmental certification for all new construction projects and significant renovation projects. Environmental certification processes were underway at the end of 2018 for Sponda's new property development projects, the new Ratina shopping centre in Tampere and the Ratina office building, and with regard to significant renovation projects, for the

Arkadiankatu 4–6 property in Helsinki. Up-to-date information on our environmentally certified properties is available on our website.

OBJECTIVES FOR 2019

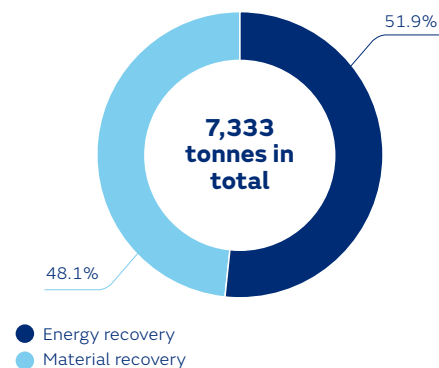
- Comparable total energy consumption (electricity, heating, district cooling) will decrease from the 2018 level.
- The CO₂ emissions caused by the comparable total consumption of energy will decrease from the 2018 level.
- Our energy efficiency measures implemented in 2019 will achieve at least 1% in energy savings relative to the total energy consumption in 2015.
- Seeking environmental certification (LEED® or BREEAM®) for all new property development projects and significant renovation projects, or In-Use certifications will be sought for properties.
- At least two environmental certificates will be obtained in 2018.
- Sponda's overall waste recycling and reuse rate in Finland will be at least 50% by the end of 2019.
- During 2019, we will continue and deepen the co-operation with our environmental partners.

TOTAL WASTE VOLUMES OF THE PROPERTIES*

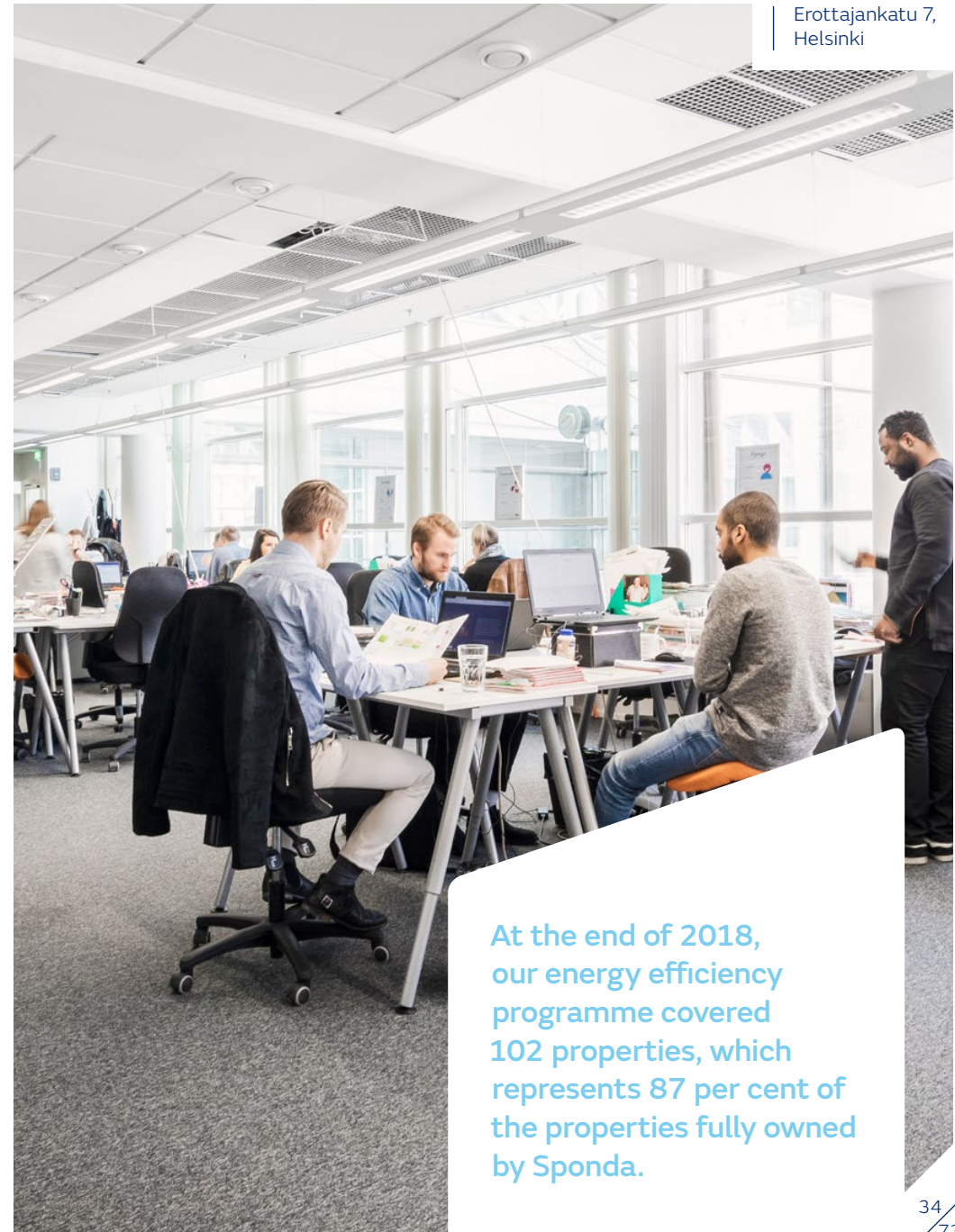


* Sponda's properties in Finland

WASTE RECOVERY RATES OF THE PROPERTIES 2018*



* Sponda's properties, like-for-like, in Finland



Erottajankatu 7, Helsinki

At the end of 2018, our energy efficiency programme covered 102 properties, which represents 87 per cent of the properties fully owned by Sponda.



Visa Kivisaari
Environmental Manager
Lassila & Tikanoja Plc

GOOD CO-OPERATION LIFTED FORUM'S RECYCLING RATE TO NEW HEIGHTS

The finiteness of natural resources and negative environmental impacts from increasing consumption have made material efficiency more significant worldwide. Enhancing material efficiency in properties is in fact an important part of responsibility objectives. A concrete example of this is the Sponda-owned Forum shopping centre in Helsinki, where goal-oriented and successful work to increase the recycling rate

has been conducted in co-operation with Lassila & Tikanoja.

Environmental coordinator activity was launched in Forum in 2018, aiming to steer Forum's tenants and other employees towards more effective recycling. Visa Kivisaari, the environmental coordinator responsible for Forum at Lassila & Tikanoja, emphasises that good co-operation underlies the good results.





“While municipal waste used for energy amounted to 60% of all waste at the beginning of 2018, it only accounted for 1.3% of waste at the end of 2018.”

Visa Kivisaari
Lassila & Tikanoja Plc

“The material recovery rate improved significantly already during the first year of operations, and the employees, shop managers, Forum’s management and Sponda as the owner deserve thanks for that. I am there to help and give advice, and once we have identified the issues with recycling, it has been easy to solve them together with all the personnel of Forum. Feedback has also been received very well.”

The environmental coordinator reviews the waste fractions and required measures to enhance waste management together with each shop and organisation operating in Forum. Particular attention has been paid to recycling plastic waste globally in recent years, and also Forum wants to shoulder this responsibility. Forum began the recycling of film plastic used in clothing packaging and around roller cages during transport in 2018.

Collection started in April, and more than 5,000 kg of plastic was collected for recycling in less than six months. Kivisaari estimates that 2019 will see more than 12,000 kg of plastic being collected. There has also been astonishing development in

the collection of biowaste during the year, Kivisaari praises.

“While 17 tonnes of biowaste was collected in the shopping centre in January 2018, of which packaged biowaste accounted for 15 tonnes and unpackaged for 2 tonnes, the amount had almost doubled by the autumn. The increase in the amount of biowaste is the result of more effective sorting.”

In fact, the material recovery rate has increased considerably in Forum, amounting to more than 60 per cent at the end of the year. At the same time, the amount of mixed waste has decreased considerably. While municipal waste used for energy amounted to 60 per cent of all waste at the end of 2017, it only accounted for 1.3% of waste at the end of 2018. The waste utilization rate in the shopping centre is 100 per cent. The material recovery rate has increased by one-fifth within a year.

The excellent results can also be seen as external recognition granted to the best-known shopping centre in Helsinki. In 2018, Forum was granted the BREEAM® In-Use

Very Good certification. The certification rating improved by two grades compared to 2016.

“Waste management plays a major role in environmental certification, as a shopping centre of this scale generates a lot of waste. With regard to environmental footprint, enhancing recycling, on the other hand, is significant,” Kivisaari sums up.

“The recycling rate improved significantly already during the first year of operations, and the employees, shop managers, Forum’s management and Sponda as the owner deserve thanks for that.”

Visa Kivisaari
Lassila & Tikanoja Plc

Sponda regularly monitors the progress of its environmental objectives and aims to co-operate with its partners to continuously pursue new ways of promoting environmental and energy efficiency. Going forward, sorting training will be adopted at Sponda properties, for example, and it can also be taken online. The new form of training will be introduced in Forum as well. In practice, all parties working or leasing premises in the property have access to an easy and flexible way of learning about the circular economy and recycling online.

“This is one of the new tools with which we are starting to develop operations together with Sponda. Employees and tenants change at steady intervals in shopping centres, and with regular training, we can contribute to ensuring that everyone has access to up-to-date information. Naturally, the aim is to achieve an even better recycling rate in properties and further reducing the amount of municipal waste,” Kivisaari says.



Property locations

Location plays a crucial role in the lifecycle and environmental impacts of a property. Taking the well-being of the environment into consideration is of great importance for us in developing our property portfolio. We are focusing our property portfolio on prime areas and locations with good public transport links which helps reduce the environmental impacts of the properties during their use.

Sponda's investment strategy is sustainable both financially and environmentally. The central location of our properties is a key strategic choice for us: our properties are located in central and growing areas in the Helsinki metropolitan area and Tampere. Location in city centres with good accessibility is ecologically sustainable, offering opportunities for environmentally-friendly commuting and thereby reducing emissions. The demand and rental levels for properties located in the central areas of cities are more stable, which also supports the success of our property portfolio.

In 2018, we continued to implement our strategy by focusing our property portfolio on prime areas. The highlight in 2018 was the opening of Ratina Shopping Centre in Tampere in April. Also, our new office property, Värehtäankatu 8, next to the Tikkurila railway station in Vantaa, was finished and opened. Both properties have been built at top locations in growing city

centres and are easily accessible with public transport.

At the end of 2018, Sponda had 165 leaseable properties with a combined floor area of 1.2 million square metres. The majority of the leaseable space is office premises, with shopping centres accounting for slightly more than one-fifth of the total and logistics properties slightly less than one-fifth. Some 33.4 per cent of the total value of our property portfolio is located in Helsinki central business district.

ACCESSIBILITY IS A CONSIDERATION

Good accessibility is an increasingly important factor in the decisions companies make regarding business premises. It is a way of supporting the mobility of customers and employees, as well as an opportunity to reduce emissions caused by commuting. With good accessibility, we take into consideration the needs of diverse target groups and ensure that our

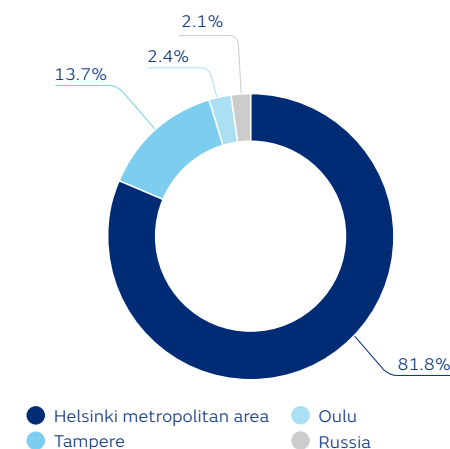
property offers different types of visitors an opportunity to go about their daily errands with ease and take part in experiences that modern shopping centres offer.

In our newest properties, particular attention has been paid to the needs of cyclists and those using electric and hybrid vehicles in the building design. Privileged parking space is offered for low-emission vehicles, as well as charging points for electric vehicles. The Ratina shopping centre in the very heart of Tampere is also a noteworthy example of a location that favours environmentally-friendly access.

Location is one of the criteria applied in the environmental certification of business properties. The BREEAM® and LEED® certification processes take into account not only the energy and water consumption of the building, but also factors such as public transport links, parking facilities for bicycles and low-emission vehicles and green spaces. The BREEAM® In-Use

INVESTMENT PROPERTIES BY LOCATION AND BY FAIR VALUE*

31 Dec 2018



* Excluding Property Development

The objectives and results of our responsibility priorities in 2018

Property locations

Long-term objective	Objective for the year	Status	RESULTS IN 2018
Increasing the share of shopping centres and office properties in Sponda's property portfolio.	–	✓	Implemented in accordance with strategy.
Developing the property portfolio by concentrating ownership on prime areas.	–	✓	33.4% of the property portfolio is located in the Helsinki Central Business District (CBD) area.
Developing the property portfolio by concentrating on locations with public transport links.	–	✓	Implemented in accordance with strategy. Ratina shopping centre and Värstehtäankatu 8 property were opened and are centrally located in transport hubs.

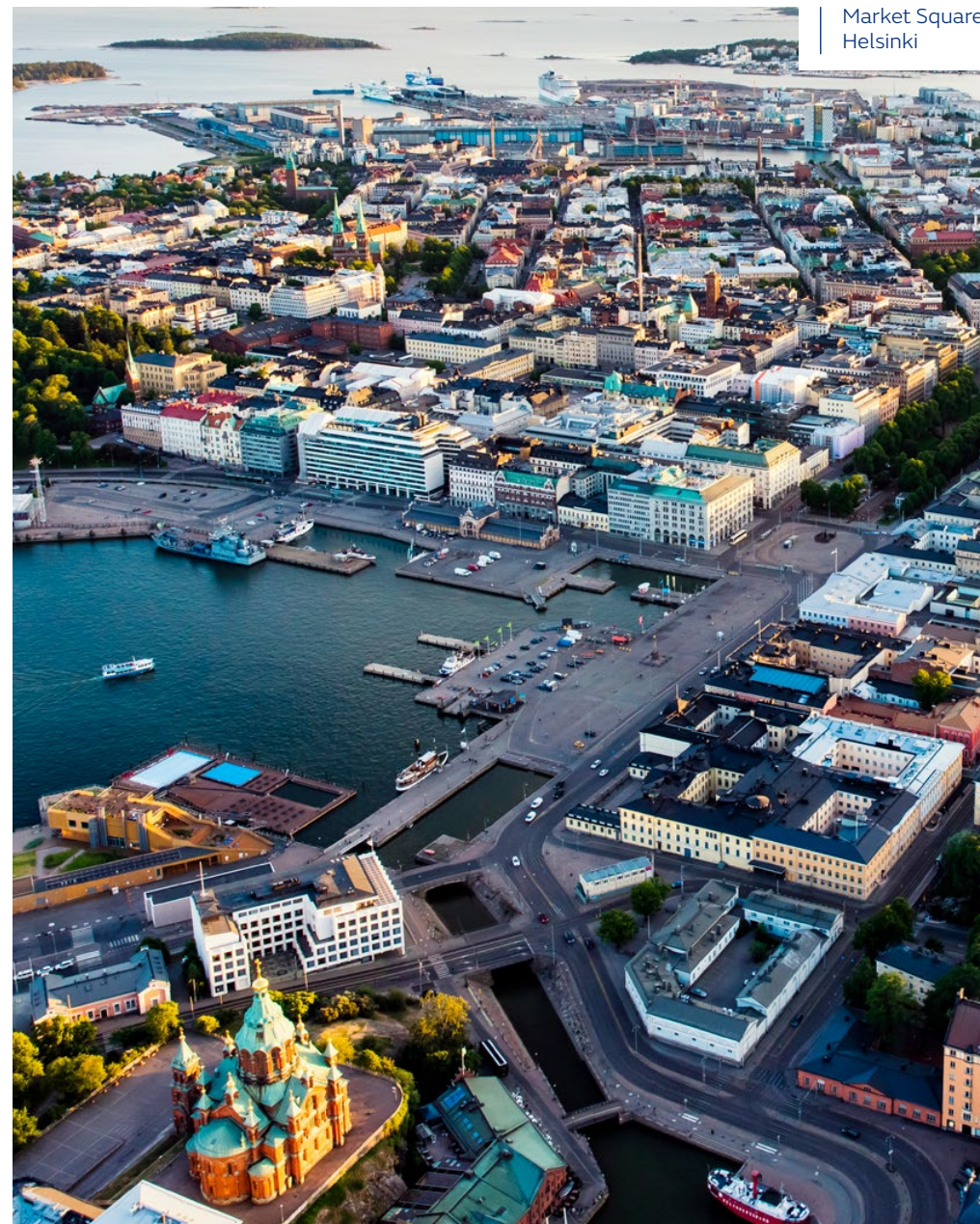
Excellent certification achieved by the Ruoholahden Tähti office property proves our investment in the well-being of the environment when deciding on property investments.

URBAN ENVIRONMENTS ARE BUILT THROUGH CO-OPERATION

As we focus our property portfolio on prime areas in city centres, we participate in building vibrant urban environments in co-operation with many partners. Our climate partnership with the City of Helsinki is a concrete example of our continuous co-operation in making Helsinki carbon neutral by 2035. The heating of properties accounts for more than one-half of Helsinki's emissions, so we can directly contrib-

ute to reaching the objective through our own efforts and by influencing attitudes.

Active co-operation with Green Building Council Finland, on the other hand, strengthens our ability to discuss and experiment with innovations to resolve increasingly challenging environmental issues in the future. GBC Finland aims at e.g. sustainable built-up environment in accordance with the principles of the circular economy and facilitating sustainable high-quality life for people, which is aligned with Sponda's strategic objectives.



Market Square,
Helsinki



Mervi Ahola
Shopping Centre Manager
Sponda Plc

TAMPERE'S LARGEST SHOPPING CENTRE RATINA BRINGS CITIZENS TOGETHER

The historical study factory chimneys in the centre of Tampere got a new neighbour on the opposite shore when the Ratina shopping centre opened next to the Tammerkoski rapids in April 2018. For the residents of Tampere, the centre is located optimally, as Ratina is easily accessible by bus, foot and bicycle.

The planning of Ratina started together with the City of Tampere already a decade ago. The city has been growing at a

rapid rate in recent years, and that is the reason why homes, a new tram line and retail space are all constructed actively in Tampere.

There has also been demand for a new shopping centre in the city. Ratina has introduced a lot of new things to Tampere, as the shopping centre offers up to 40 new brands not previously found in the city. In addition, Ratina offers jobs for about a thousand people.





providing an opportunity to discuss the experiences during the first year as well as wishes for the future.

There have been encounters in Ratina from day one both in the new cafeterias and restaurants of the shopping centre and the numerous events already during the first year. Among other events, a major recruitment event previously held in the Tampere Exhibition and Sports Centre was organised in Ratina in 2018. The Researchers' Night event introduced the residents not only to universities and universities of technology but also to robots, while the Finnish Red Cross' teddy bear hospital offered its help to beloved but ragged plush animals.

The events of the neighbouring Tampere Stadium are also seamlessly linked to the life of the retail centre; for example, the opening ceremony of the World Junior Championships in athletics was held at Ratina's Olympia Square.

"When we were thinking about our role in the very early stages of the planning, we aimed at a meeting place. We have also succeeded in that respect, and people do not only come here to shop, but also to

"The first year has been a busy one, but absolutely in a positive way. We have had an average of 600,000 visitors per month, and we are very satisfied with it, as it complies with the full-year visitor count goals," says Shopping Centre Manager Mervi Ahola.

The residents have also been involved in the design of Ratina. The aim was to develop the shopping centre into a meeting place that serves the needs of all Tampere residents, and a separate resident panel was established for that purpose. The panel convened once every couple of months during the construction phase. A new meeting will be arranged in the spring,

spend time. There are cafeterias, restaurants, events and various activities for the whole family regardless of age,” Ahola says.

In terms of its location, Ratina is easy to get to, whether you are from Tampere or elsewhere: The train station is located only a few blocks away, while the bus station is on the other side of the road, and one does not even have to cross the road, as the station is also connected to the shopping centre with a tunnel. Motorists are taken into consideration with a massive parking garage that also features 26 points for charging electric and hybrid vehicles.

The location of the Ratina shopping centre in the very centre of the city also supports the more general trend: people increasingly want to live and spend time in the centre. The phenomenon is known from the Helsinki region, and a similar trend has also been visible in Tampere. Increasing the attractiveness of the centre further is the joint goal of both the City of Tampere and Ratina.

“Just ten years ago, the surrounding municipalities attracted people also in the Tampere region, but a clear turn has taken place in that respect. Now, people increas-

ingly want to live in the city centre instead of detached homes, and that means that services must also be found here,” Ahola remarks.

Ratina is a combination of old traditional Tampere and completely new modern architecture. In addition to the new building, the 53,000-square-metre shopping centre comprises fully renovated listed functionalist buildings from the 1920s, which are also significant in terms of the cityscape.

The new business complex was built to be as environmentally friendly as possible, and BREEAM® Very Good certification will be sought for it. Cold river water drawn from the Tammerkoski rapids is used in cooling the shopping centre; this reduces the consumption of electricity for cooling by an estimated 75 per cent compared to typical cooling systems. Heat generated by shop refrigerators, on the other hand, is utilised in heating the property and the warm air of the indoor premises of the shopping centre is utilised in heating the parking facilities. Lighting is based on energy-efficient LED lights.



Recycling opportunities have also been taken into consideration diversely with regard to both tenants and visitors. In addition, there is an environmental coordinator to assist the tenants in enhancing the efficiency of recycling. Ahola reports that the recycling rate was around 50 per cent already during the first year of operation, but the aim is higher for future years when operations become more established.



Taking the industry forward

We want to contribute to taking the property sector forward through active participation in development efforts by property and construction sector organisations, distributing our expertise and professional skill and by carrying out in-house research and development work.

WE ACTIVELY TAKE PART IN DEVELOPING THE SECTOR

We develop the property sector in long-term co-operation with other industry influencers. We are active in e.g. the Finnish Association of Building Owners and Construction Clients (RAKLI) and Green Building Council Finland, an organisation focusing on sustainable development, environmental certification of properties and energy practices of the property sector. Sponda's activities in it include chairing the Environmental Certification and Assessment Methods task group, and the company has been involved in establishing the Real Estate Management task group, among other things.

During the past year, we actively took part in the operations of working groups in various organisations. In 2018, we e.g. joined the MaaS (Mobility as a Service) and urban development clinic established by RAKLI and the City of Helsinki. It aims to find out the prerequisites for the develop-

ment of MaaS services from the points of view of different parties (property owner, city, service provider) so that the urban environment can be developed with an eye to future mobility needs. We are also included in the FiBS (Finnish Business & Society) corporate responsibility network aiming to promote economically, socially and ecologically responsible business in Finland. We also again contributed to KTI Property Information's annual publication Responsible Property Business.

WE SHARE OUR EXPERTISE AND PROFESSIONAL SKILL

We want to give guidance and distribute our expertise in the choice of premises and identifying energy efficiency and environmentally-friendly solutions in properties in particular.

We support our customers in the different stages of choosing premises, taking both the business and environmental objectives of the company into consider-

The objectives and results of our responsibility priorities in 2018

Taking the industry forward



Long-term objective	Objective for the year	Status	RESULTS IN 2018
Being the most reliable, profitable and responsible player in the property sector.	–	✓	Business profitability, excellent results in the GRESB sustainability survey.
Promoting best practices in the property sector to support sustainable development.	–	✓	Opportunities for using new technology at properties and piloting new solutions.
Active participation in RAKLI and GBC Finland activities and projects.	–	✓	We were active participants in the activities of RAKLI's sector-specific management teams and committees and GBC Finland's committees.
Promoting responsible operating methods in co-operation with our customers and subcontractors.	–	✓	Progress in environmental partnerships and responsibility-related co-operation with customers. The Supplier Code of Conduct was approved and is now incorporated into new and renewed agreements.

ation. We actively guide our customers towards choices that conserve energy and the environment. We also want to share our expertise with students aiming at the property sector by offering them study opportunities and engaging in joint projects with educational institutions in the field.

Responsible development of properties and urban environments while listening to the residents and communities and responding to their wishes is one of our ways of taking the industry forward and sharing our expertise. For example, the progressive solutions of the Ratina shopping centre and the office and retail space entity built next to the shopping centre are the result of Sponda's investments in urban planning.

BOLD INITIATIVES TO RESPOND TO THE NEEDS OF TRANSFORMING WORKING LIFE

New ideas and initiatives always require a change in thinking and culture, and it also applies to the developers of business premises and working environments. Sponda has determinedly continued the development of its MOW (Mothership of



MOW Challenge at the InnoEvent Tampere 2018 in November

Work) coworking concept to respond to the changing needs of working life. The idea of MOWs is to offer communal, flexible and cosy spaces for developing new ideas and running business operations. Our newest MOW hub, Supernova, opened this year at the new Ratina shopping centre in Tampere.



Tero Väkkinä
Asset Manager
LOGICOR Nordics

MOW SUPERNOVA IN TAMPERE FOSTERS COURAGE

The smell of popcorn greets the visitor in the lobby of the historic Autotuonti building in Ratina, Tampere. However, we are not in a movie theatre but in Sponda's new coworking space MOW Supernova that opened in November 2018. MOW offers flexible and comfortable workspace for small and large companies. One of the basic ideas behind MOW is that work has to be fun, and the premises have therefore been made casual and easy to adapt. Communality has been emphasised with cosy and inviting leisure corners and

kitchens where popcorn is also part of day-to-day life.

MOW offers both permanent memberships or the chance to hold a meeting for a single day. The premises can be booked with exceptional ease; rooms and hot desks can be booked directly on the MOW website regardless of time and place. MOW can in fact be an easy and convenient solution when facing a sudden need for a meeting room or place.





The new MOW in Tampere has been renovated in an old functionalist building at the Ratina shopping centre, right next to the Tammerkoski rapids. One of the first members of Supernova is Tero Välikkilä, Asset Manager at Logikor. The head office and other employees of the international company are located in Helsinki, and Välikkilä has been holding an office in Tampere alone for a longer time. Previously, the office was located a stone's throw away on Hämeenkatu, but the hundred-square-metre premises seemed unnecessarily big, inefficient and impractical. Therefore, Välikkilä and Logikor grabbed the opportunity right away when they heard that Sponda's MOW concept would be expanded into Tampere.

"This is an excellent solution for me. MOW Supernova is a great combination of an excellent location, communality and need for a room of my own. My work is also quite mobile, and as I can park my car in the parking garage downstairs with a direct connection to an exit route to the Hatanpää highway, things couldn't be any better. It actually bothers me that I don't have more time to be here," Välikkilä says.

Tampere has been developing at a rapid rate in recent years, and the need for flexible and communal office space has increased. Companies spring up both within and around the city, and many companies with head offices in Helsinki have also wanted to expand into Tampere. This can also be seen in MOW.

"A few years ago, Tampere might not have been ready for an office space of this kind, but the situation is now completely different, and there are certainly enough members for diverse business centres and communal workspaces," says Katta Heikkilä, Head of Hub & Community at MOW Supernova.

According to her, the arrival of MOW takes the corporate culture of Tampere forward in both companies and working communities. "Many companies today recognise different ways of working, and at MOW, everyone can find a place that suits them, be it on a sofa, rocking chair or a quiet room. Each company and member decides for themselves what kinds of premises they need, and the premises can also be adapted flexibly," Heikkilä says.

“You do not need courage to come to MOW, but we definitely want to nurture courage. We want to offer slightly different solutions and new ideas, such as these flexible workspaces. It is also a strong differentiating factor for us that we are physically present here and have a keen ear to the needs of those working here.”

Välkkilä also commends the ease of working in MOW. “Everything works smoothly, and if there are problems with printing, for example, help is near. Technical solutions are there too – even those that one might not have even considered needing.”

The location of MOW Supernova at the Ratina shopping centre, in the very centre of Tampere, also makes it easier to find work/life balance. Shops, restaurants, pharmacies and other services are located on practically the same block, and the location is easily accessible by public transport, bicycle and car.

MOW Supernova's Katta Heikkilä and Logikor's Tero Vélkkilä both believe that encounters of parties from different sectors under the same roof can give rise to surprising new insights and also new business in the future. Heikkilä is also anxiously

looking forward to continued co-operation with the students of Tampere.

“We already previously took part in universities' InnoEvent, and there we found incredible visions of what future workspaces could be like with smart walls measuring stress levels, or how virtual reality could also be utilised in workspaces. We definitely want to be forerunners in testing new things such as these.”

MOW Supernova is part of the Ratina shopping centre that combines new development and old renovated properties. BREEAM® Very Good certification will be sought for the entity. Cold river water drawn from the Tammerkoski rapids is used in cooling the Ratina shopping centre, and it is also used in cooling MOW Supernova.

Sponda's previous MOWs in Helsinki are environmentally-friendly premises pursuant to the WWF Green Office scheme. The new MOW in Tampere also aims to become a Green Office in the future. For MOW's member companies, environmental values and responsibility are often an important thing from the point of the company's own brand as well.



The legendary facade of the Autotuonti building located on the shore of the rapids exudes the history of Tampere, but the inside has been brought back to life.

“The building alone is familiar to Tampere residents from history, and we have also wanted to respect it with the garage spirit of the interior decorations. In addition,

dolphins that have already been relocated from Tampere are featured on the kitchen walls, while one of the meeting rooms features the colours of both local ice hockey teams in peace and harmony. Depending on the user, the room is named alternatively the Tappara and Ilves room,” Heikkilä laughs out.

KEY FIGURES



Sponda's responsibility key figures

	2018	2017	2016
Enhancing the customer experience			
Overall satisfaction index regarding co-operation with the lessor	3.88	3.93	3.79
Personnel			
Sick leave % of working hours, Sponda Real Estate Ltd	2.03	2.58	1.23
Environmental responsibility*			
Energy intensity, kWh/GFam ²	200.5	203.6	197.8
Total CO ₂ intensity, kg CO ₂ /GFam ²	45.0	46.4	43.3
Total waste recovery rate, %	100%	100%	100%
Material reuse and recovery rate, %	48%	45%	45%
Water intensity, l/GFam ²	274.2	277.1	249.6

* Sponda's properties in Finland

Environmental responsibility key figures

Electricity, heating, water and district cooling consumption of Sponda's properties in Finland

	2018	2017	2016	2015	2014	Change 2017–2018, %	Number of properties 2018
Total energy consumption, all properties, MWh	323,188	297,984	293,565	269,813	329,343	8.5	
Total energy consumption, all properties, GJ	1,163,478	1,072,743	1,056,833	971,327	1 185,635		
Total energy consumption, like-for-like properties, MWh	288,623	284,906	257,447			1.3	
Total energy consumption, like-for-like properties, GJ	1,039,044	1,025,662	926,808				
Electricity, all properties, MWh	140,297	127,747	128,045	111,502	150,072	9.8	127
Tenants' electricity purchased by landlord, MWh	35,293	36,787	32,441				
Electricity consumption in common areas, MWh	105,004	90,960	95,605				
Electricity, like-for-like properties, MWh	122,742	120,798	108,683			1.6	119
Heating, normalised, all properties, MWh	167,838	158,508	153,160	150,185	169,453	5.9	125
Heating, normalised, like-for-like properties, MWh	151,320	152,543	139,348			-0.8	118
Heating, measured, all properties, MWh	159,652	146,564	146,900	122,769	152,469	8.9	125
Heating, measured, like-for-like properties, MWh	144,218	140,973	133,810			2.3	118
District cooling, all properties, MWh	15,053	11,729	12,359	8,126	9,818	28.3	27
District cooling, like-for-like properties, MWh	14,561	11,565	9,416			25.9	23
Water, all properties, m³*	405,796	386,291	366,747	327,161	365,682	5.0	123
Water, like-for-like properties, m³	360,227	356,011	305,885			1.2	116

* Supplied from a municipal or city water supply network.

Electricity, heating, water and district cooling consumption intensity of Sponda's properties in Finland

	2018	2017	2016	2015	2014
Energy intensity, kWh/GFam ² /year	200.5	203.6	197.8	203.5	206.7
Electricity intensity, kWh/GFam ² /year	88.1	89.1	84.2	86.1	81.5
Heating intensity, normalised, kWh/GFam ² /year	105.3	109.5	110.6	116.5	109.9
Heating intensity, measured, kWh/GFam ² /year	100.4	101.2	106.3	95.2	99.1
District cooling intensity, kWh/GFam ² /year	24.3	19.3	19.4	26.4	32.0
Water intensity, ltr/GFam ² /year	274.2	277.1	249.6	265.0	253.3

Energy and water consumption of Sponda's properties by main segment

	Office properties			Shopping centres			Logistics properties		
	2018	2017	Change, %	2018	2017	Change, %	2018	2017	Change, %
Total energy consumption by main segment, MWh	178,624	177,241	0.8	87,481	85,705	2.1	22,519	21,960	2.5
Electricity, MWh	71,708	70,334	2.0	44,052	43,702	0.8	6,983	6,761	3.3
Heating, normalised, MWh	100,337	102,494	-2.1	35,447	34,851	1.7	15,536	15,198	2.2
Heating, measured, MWh	95,794	94,582	1.3	33,700	32,344	4.2	14,724	14,047	4.8
District cooling, MWh	6,579	4,413	49.1	7,982	7,152	11.6			
Water, m ³	207,629	216,470	-4.1	133,706	124,065	7.8	18,892	15,476	22.1

Energy and water consumption intensity of Sponda's properties by main segment

	Office properties			Shopping centres			Logistics properties		
	2018	2017	Change, %	2018	2017	Change, %	2018	2017	Change, %
Energy intensity by main segment, kWh/GFam ² /year	178.5	185.1	-3.6	290.3	284.4	2.1	155.7	153.0	1.8
Electricity intensity, kWh/GFam ² /year	74.8	76.9	-2.7	147.1	145.9	0.8	50.5	48.9	3.5
Heating intensity, normalised, kWh/GFam ² /year	101.1	107.9	-6.3	117.6	115.6	1.7	109.7	107.3	2.2
Heating intensity, measured, kWh/GFam ² /year	96.6	99.6	-3.1	111.8	107.3	4.2	104.0	99.2	4.8
District cooling intensity, kWh/GFam ² /year	18.0	12.2	47.7	34.4	30.9	11.6			
Water intensity, ltr/GFam ² /year	228.5	248.2	-7.9	443.6	411.6	7.8	190.3	155.9	22.1

Energy and water consumption of Sponda's head office

	2018	2017	2016	2015	2014	Change 2017–2018, %
Total energy consumption, MWh	1,087	1,056	1,101	1,017	1,195	2.9
Electricity, MWh	331	324	339	327	362	2.3
Heating, normalised, MWh	657	681	697	647	715	-3.6
Heating, measured, MWh	637	625	680	551	657	1.9
District cooling, MWh	100	52	65	43	118	92.5
Water, m ³	1,177	1,542	1,838	1,523	1,613	-23.7

Electricity, heating, water and district cooling consumption intensity of Sponda's head office

	2018	2017	2016	2015	2014
Energy intensity, kWh/GFam ² /year	184.4	179.2	186.8	172.5	202.7
Electricity intensity, kWh/GFam ² /year	56.2	54.9	57.6	55.5	61.4
Heating intensity, normalised, kWh/GFam ² /year	111.4	115.5	118.2	109.8	121.2
Heating intensity, measured, kWh/GFam ² /year	108.0	106.0	115.4	93.3	111.4
District cooling intensity, kWh/GFam ² /year	16.9	8.8	11.0	7.3	20.0
Water intensity, ltr/GFam ² /year	199.7	261.6	311.8	258.4	273.7

Energy sources and emission factors

	2018	2017	2016	2015	2014
Purchased electricity					
Market-based emission factor, kg CO ₂ /MWh	255	256	282	278	216
Renewables, %	20	15	13	11	17
Non-renewables, %	46	44	45	43	33
Nuclear power, %	34	41	42	46	50
Location-based emission factor, kg CO ₂ /MWh	164	164	181	209	220
Heating					
Market-based emission factor, kg CO ₂ /MWh	188	191	188	144	151
Renewables, %	19	17	15	14	7
Non-renewables, %	81	83	85	86	93
Location-based emission factor, kg CO ₂ /MWh	188	188	176	183	186
District cooling					
Market-based emission factor, kg CO ₂ /MWh	61	61	68	62	67.5
Renewables, %	94	94	88	86	81
Non-renewables, %	6	6	12	14	19
Location-based emission factor, kg CO ₂ /MWh	61	61	68	62	67.5

The share of renewable energy of Sponda total energy usage 23%

Carbon footprint arising from the energy consumption of Sponda's properties in Finland

t CO ₂	2018	2017	2016	2015	2014	Change 2017–2018, %
Total carbon footprint from energy consumption	65,707	62,591	64,636	52,503	58,382	5.0
Electricity	35,805	32,650	36,137	30,998	32,135	9.7
Heating	31,528	30,252	28,760	21,560	25,584	4.2
District cooling	918	715	841	504	663	28.3
CO ₂ emission reductions from self generated renewable energy and Guarantee of Origin certificates	-2,545	-1,026	-1,102	-559		
Total, like-for-like properties*	61,281	60,872				0.7
Total, like-for-like properties**	58,737	59,846				-1.9
Total, location-based	55,480	51,465	50,973	51,292	64,911	7.8

* Excluding Guarantee of Origin certificates and self generated renewable energy.

** Including Guarantee of Origin certificates and self generated renewable energy.

Carbon footprint arising from the energy consumption of Sponda's head office

t CO ₂	2018	2017	2016	2015	2014	Change 2017–2018, %
Total carbon footprint from head office energy consumption*	119.3	118.7	120.7	153.2	154.8	0.5
Total carbon footprint from head office energy consumption**	206.4	205.8	215.7	153.2	154.8	0.3
Electricity	87.4	85.5	97.7	91.0	78.2	2.2
Heating	112.9	117.1	113.6	59.5	68.6	-3.6
District cooling	6.1	3.2	4.4	2.7	8.0	90.6
CO ₂ emission reductions from Guarantee of Origin certificates	-87.1	-87.1	-95.0			

* Including emission reductions from Guarantee of Origin renewable energy certificates.

** Excluding emission reductions from Guarantee of Origin renewable energy certificates.

Carbon dioxide emission intensity from energy consumption of Sponda's properties in Finland

kg CO ₂ /GFAm ² /year	2018	2017	2016	2015	2014	Change 2017–2018, %
Total CO ₂ intensity	45.0	46.4	43.3	40.2	33.8	-3.1
CO ₂ intensity from electricity	22.0	23.6	23.6	23.9	17.6	-6.8
CO ₂ intensity from heating	21.5	21.7	20.9	16.9	16.0	-0.7
CO ₂ intensity from district cooling	1.5	1.2	1.3	1.6	2.2	25.7

Carbon dioxide emission intensity from the energy consumption of Sponda's head office

kg CO ₂ /GFAm ² /year	2018	2017	2016	2015	2014	Change 2017–2018, %
Total CO ₂ intensity from head office energy consumption	20.2	20.4	20.5	26.0	26.3	-0.8
CO ₂ intensity from electricity	0.0	0.0	0.5	15.4	13.3	
CO ₂ intensity from heating	19.2	19.9	19.3	10.1	11.6	-3.6
CO ₂ intensity from district cooling	1.0	0.5	0.7	0.5	1.4	90.6

Sponda's indirect carbon dioxide emissions

t CO ₂	2018	2017	2016	2015	2014	Change 2017–2018, %
Total indirect carbon dioxide emissions	369.6	346.8	311.9	376	420	6.6
Emissions from waste management	227.6	190.4	166.6	225	253	19.5
Emissions from leased cars	86.0	90.5	85.5	70	102	-5.0
Emissions from business travel (flights)	56.0	65.9	59.8	81	65	-15.0

Carbon footprint arising from energy consumption of Sponda's properties by main segment

	Carbon footprint arising from energy consumption of Sponda's properties in Finland by main segment (t CO ₂)			Carbon dioxide emission intensity from energy consumption of Sponda's properties in Finland by main segment (kg CO ₂ /GFAm ² /year)		
	2018	2017	Change 2017–2018, %	2018	2017	Change 2017–2018, %
Office Properties	36,824	37,368	-1.5	40.0	41.5	-3.4
Shopping Centres	17,205	17,935	-4.1	57.8	60.2	-4.0
Logistics Properties	4,709	4,544	3.6	48.2	46.5	3.7

Sponda's Energy Efficiency Programme

	2018	2017	2016	2015	2014	Change 2017–2018, %
Number of properties included in Sponda's Energy Efficiency Programme at the end of the year	102	101	106	109	113	1
Share of properties included in the programme, % of the total property portfolio	87	89	91	88	88	-2
Annual consumption change achieved by the energy efficiency programme, MWh	903	-4,201	7,243	-6,279	109	-121
Annual consumption change achieved by the energy efficiency programme, GJ	3,250	-15,124	26,076	-22,604	392	-121
Number of energy reviews conducted per year	101	63	91	95	68	60

Sponda's Environmental partnership

	2018	2017	2016	2015	2014	Change 2017–2018, %
Total energy consumption of Sponda's environmental partners, MWh	75,119	86,638	98,689	91,769	69,076	-13.3
Electricity, MWh	31,467	35,571	40,527	37,492	29,754	-11.5
Heating, normalised, MWh	37,867	45,840	52,918	49,474	33,621	-17.4
District cooling, MWh	5,785	5,226	5,244	4,803	5,701	10.7
Water, m ³	114,670	126,439	132,101	122,227	94,582	-9.3
CO ₂ -emissions, t CO ₂	13,362	16,213	19,545	16,661	11,067	-17.6
Number of environmental partners	16	20	24	23	22	-20.0

Waste volumes of Sponda's properties in Finland

	2018	2017	2016	2015	2014
Total, t	8,193	7,217	6,571	6,297	6,591
Energy recovery, t	4,278	3,963	3,610	3,264	3,394
Material Recovery, t	3,915	3,252	2,960	2,852	2,910
Biowaste, t	1,528	1,230	1,022	928	932
Paper, t	296	378	476	576	620
Paperboard, t	1,464	1,303	1,135	971	1,011
Cardboard, t	100	92	102	118	134
Glass, t	112	91	78	76	78
Metal, t	135	103	87	65	59
Plastic, t	14	1	2	2	2
Sludge, t	112	21	31	92	53
Other waste, t	147	16	19	17	15
Hazardous waste, t	7	17	10	7	6
Mixed waste to landfill, t	0	1	1	181	286
Total carbon dioxide emissions arising from waste, t CO ₂	228	190	167	225	253

This includes Sponda-owned properties where the property owner is responsible for waste management.

Waste recovery rates of Sponda's properties in Finland

	2018	2017	2016	2015	2014
Overall waste recovery rate, %	100.0	100.0	100.0	97.1	96.0
Waste recovery rate, Helsinki metropolitan area, %	100.0	100.0	100.0	99.9	98.0
Waste recovery rate, rest of Finland, %	100.0	100.0	100.0	80.0	79.0
Energy recovery, %	52.2	54.9	54.9	51.8	52.0
Energy recovery, Helsinki metropolitan area, %	50.6	54.7	55.2	54.5	54.0
Energy recovery, rest of Finland, %	56.1	56.2	53.2	34.0	38.0
Material recovery, %	47.8	45.1	45.0	45.3	44.0
Material recovery, Helsinki metropolitan area, %	49.4	45.2	44.8	45.2	44.0
Material recovery, rest of Finland, %	43.9	43.8	46.8	45.7	40.0
Mixed waste to landfill, %	0.0	0.0	0.0	2.9	4.0
Mixed waste to landfill, Helsinki metropolitan area %	0.0	0.0	0.0	0.1	2.0
Mixed waste to landfill, rest of Finland %	0.0	0.0	0.0	20.0	21.0

Total like-for-like waste volumes and recovery rates of Sponda's properties in Finland

	2018		2017	
	%	t	%	t
Total like-for-like waste weight		7,333		6,880
Total like-for-like, Helsinki metropolitan area		5,642		5,308
Total like-for-like, rest of Finland		1,691		1,572
Energy recovery, like-for-like	52	3,803	55	3,763
Energy recovery, Helsinki metropolitan area	51	2,850	55	2,917
Energy recovery, rest of Finland	56	952	54	846
Material Recovery, like-for-like	48	3,530	45	3,116
Material recovery, Helsinki metropolitan area	49	2,791	45	2,390
Material recovery, rest of Finland	44	739	46	726
Mixed waste to landfill, like-for-like	0	0	0	1
Mixed waste to landfill, Helsinki metropolitan area	0	0	0	1
Mixed waste to landfill, rest of Finland	0	0	0	0

Waste volumes by main segment of Sponda's properties in Finland in 2018

t	Office Properties	Shopping Centres	Logistics Properties
Energy recovery	2,196	1,903	134
Material recovery	1,601	2,192	93
Mixed waste to landfill	0	0	-

Waste volumes and recovery rates of Sponda's head office

	2018		2017		2016	
	%	t	%	t	%	t
Total		65.6		66.9		71.7
Energy recovery	47	30.7	46	30.9	43	31.0
Material recovery	53	34.7	54	35.9	57	40.6
Mixed waste to landfill	0	0.1	0	0.0	0	0.0

Waste volumes and recovery rates of Forum

	2018		2017		2016	
	%	t	%	t	%	t
Total		1,318		1,252		1,019
Energy recovery	47	616	62	776	62	628
Material recovery	53	702	38	476	38	392
Mixed waste to landfill	0	0	0	0	0	0

Social responsibility key figures

Key figures for the personnel

	2018			2017			2016			2015			2014		
	Group	SRE*	Russia	Group	Parent Company	Russia	Group	Parent Company	Russia	Group	Parent Company	Russia	Group	Parent Company	Russia
Personnel at the year-end	125	117		106	102	3	102	96	3	103	96	7	105	95	10
In average	119	110		106	101	3	107	98	5	103	94	9	118	108	10
Average age	43.23	43.67		46.35	46.40	50.5	45.68	46.30	42.67	44.55	44.80	41.14	43.52	45.63	41.40
Sick leave, days in average	4.98	4.87		5.67	5.83	0.00	2.64	2.80	0.00	2.41	2.55	0.43	3.85	4.00	2.40
Sick leave, % of working hours	-	2.03		-	2.58	-	-	1.23	-	-	1.12	-	-	1.60	-
Training days in average	1.23	1.23		1.91	1.75	8.00	1.92	1.79	8.00	2.30	2.07	5.43	2.19	1.75	6.4
Training hours per employee	9.33	9.33		14.33	13.13	60.00	14.41	13.44	60.00	17.26	15.55	40.69	16.45	13.13	48.0
Training, % of working hours	-	0.59		-	0.77	-	-	0.79	-	-	0.91	-			

* Sponda Real Estate Ltd, established in 1.1.2018

Collective bargaining agreements and employee turnover

%	
Percentage of employees covered by collective bargaining agreements*	100
Turnover, Finland (Sponda Real Estate Ltd)	26.96
In employment relationships that are valid indefinitely	96.58
In fixed-term employment relationship**	3.42
In full-time employment relationship	99.15
In part-time employment relationship	0.85

* The collective labor agreement covers all personnel in Finland excluding the Executive Board.

** Fixed-term employment relationships are family leave substitutions exceeding 6 months in duration.

Days of training by personnel group*

	Total	Men	Women	% of working hours	
				men	women
Middle management	50.4	35.2	15.2	1.11	0.67
Experts	60.8	20.3	40.5	0.30	0.62
Total	135.0	55.5	79.5	0.51	

Only personnel groups with three women and three men at minimum reported.

* Sponda Real Estate Ltd

Sick days by personnel group*

	Total	Men	Women	% of working hours	
				men	women
Middle management	36	8	28	0.25	1.24
Experts	203	86	117	1.27	1.79
Total	536	224	312	2.03	

Only personnel groups with three women and three men at minimum reported.

* Sponda Real Estate Ltd

Job satisfaction and security, Finland*

Accident frequency	under 0.0001
Occupational diseases	0
Fatalities	0
Number of discrimination cases, their handling and related corrective action, amount of cases	0

* Sponda Real Estate Ltd

Employees hired in 2018, Finland*

Age group	Total	Men	Women
20–24	0	0	0
25–29	7	3	4
30–34	7	3	4
35–39	6	4	2
40–44	10	5	5
45–49	4	2	2
50–54	2	1	1
over 55	1	1	0
Total	37	19	18

* Sponda Real Estate Ltd

Personnel Groups*

Persons	31 Dec 2018	31 Dec 2017
Administration	48	36
Property development	12	12
Transactions and Portfolio Management**	15	-
Shopping Centres	16	17
Office Properties	26	26

* Sponda Real Estate Ltd

** New business unit established in 2018.

Employees that left the company in 2018, Finland*

Age group	Total	Men	Women
under 20	0	0	0
20–24	0	0	0
25–29	0	0	0
30–34	2	2	0
35–39	1	0	1
40–44	4	3	1
45–49	3	2	1
50–54	4	3	1
over 55	7	3	4
Total	21	13	8

* Sponda Real Estate Ltd

Comparison of salaries and rewarding of men and women*

Comparison group I, experts

The salary of women is % of the corresponding salary of men	Basic salary	Rewarding
2018	94.65	62.77
2017	89.91	69.93
2016	90.19	70.28

Comparison group II, middle management

The salary of women is % of the corresponding salary of men	Basic salary	Rewarding
2018	86.13	87.22
2017	90.82	74.07
2016	85.89	72.56

The comparison includes task-specific groups with three women and three men at minimum. The comparison figure has been calculated on the principle of how many per cent the average salary and rewarding for women is of the corresponding salary and rewarding for men.

* Sponda Real Estate Ltd

Economic responsibility key figures

Group key figures*

Key financial figures	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014
Income statement key figures					
1. Total revenue, M€	259.2	263.7	259.0	230.5	246.7
2. Operating profit, M€	155.1	173.5	206.7	178.1	151.7
3. % of total revenue	59.8	65.8	79.8	77.3	61.5
4. Total amount of financial income and expenses, M€	-107.9	-75.2	-51.2	-48.9	-55.9
5. Profit/loss for the period, M€	33.8	76.6	137.5	227.2	73.6
6. % of total revenue	13.0	29.0	53.1	98.6	29.8
Balance sheet key figures					
7. Shareholders' equity, M€	1,247.4	1,350.1	1,849.9	1,585.0	1,411.5
8. Investment properties, M€	3,755.8	3,935.3	3,755.5	3,101.7	3,142.1
9. Total liabilities, M€	2,948.6	3,404.7	2,066.6	1,856.0	2,037.7
10. Interest-bearing liabilities, M€	2,705.9	3,186.4	1,862.5	1,660.9	1,731.2
11. Interest-bearing net liabilities, M€	2,599.2	2,457.3	1,849.6	1,440.9	1,710.8
Profitability and financial key figures					
12. Equity ratio, %	29.8	28.5	47.4	46.2	41.0

Key figures per share	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015	31 Dec 2014
13. Basic and diluted earnings per share attributable to parent company equity holders, € (EPS)	0.10	0.21	0.41	0.78	0.24
14. Equity per share, €	3.67	3.97	5.16	5.26	4.65

*The financial figures related to the reporting year are comprehensively presented in the company financial statements 2018, which is available at Sponda web site https://www.sponda.fi/sites/default/files/report_by_the_board_of_directors_and_financial_statements_2018.pdf.

PRINCIPLES OF THE REPORT



The scope and principles of the report

DESCRIPTION OF THE REPORT

This Sustainability Review contains general information about the economic, social and environmental impact of Sponda's operations between 1 January and 31 December 2018, unless otherwise indicated.

SCOPE OF REPORTING

Sponda reports on its responsibility according to the Core guidelines of the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016. The GRI G4 Construction and Real Estate Sector Disclosures reporting guidelines have also been applied in this report. In particular, the CRE indicators related to the real estate sector are reported on where applicable.

Sponda's Consolidated Financial Statements are IFRS (International Financial Reporting Standards) compliant. Sponda's Sustainability Review 2018 meets the reporting requirements of the UN Global Compact initiative.

ASSURANCE

Selected information from the Finnish version of the Sustainability Review regarding energy, emissions and waste management have been assured by an independent third party, PricewaterhouseCoopers Oy, and congruence between the Finnish and English versions has been checked. The assured information is identified in the GRI Content Index. The external assurance report is provided in the Principles of the report section of this Sustainability Review on pages 65–66.

REPORT STRUCTURE

Sponda's Sustainability Review for 2018 follows the GRI Standards reporting guidelines. Sponda's Sustainability Review is divided into the following main sections:

- The strategic significance of responsibility to Sponda and Sponda's approach to corporate responsibility are discussed in this report in the sections Year 2018 and Managing responsibility as well as in the Responsibility section of Sponda's website.

- The section Our responsibility priorities covers Sponda's actions and results related to corporate responsibility in 2018.
- The Key figures section covers key sustainability indicators pertaining to environmental, social and economic responsibility.
- The scope and principles of the report, the GRI index and the independent assurance report are in the Reporting principles section.
- The reporting boundaries corresponding to material aspects of corporate responsibility are presented on Sponda's website.

SCOPE OF THE REPORT AND DATA COLLECTION

The figures that appear in the report are based on the figures of Sponda's operations in Finland, unless otherwise indicated. Figures for the company's subsidiaries are mentioned separately. Unless otherwise indicated, there have been no changes from the previous report with

regard to the scope or method of calculation of the reporting principles.

CALCULATION PRINCIPLES FOR ENVIRONMENTAL REPORTING

The calculation of environmental indicators takes into account properties located in Finland in which Sponda's ownership is at least 50 per cent. The reporting does not cover properties leased cold net leased, meaning properties in which the tenant is responsible for property maintenance, energy purchasing or waste management. The exception to this rule is the Zeppelin shopping centre located in Kempele, which is reported in full even for the real estate companies in which Sponda's ownership is less than 50 per cent. The scope of the environmental indicators is calculated as a share of Sponda's total property portfolio on 31 December 2018 and depends on the indicator being reported.

From the beginning of 2014, office premises located in 16 investment properties are included in the offices segment and

retail premises as part of the shopping centres segment. In assessing the scope, divided properties are only included once in the overall property portfolio. Unless otherwise mentioned, any references to the property portfolio refer to the portfolios included in the aforementioned portfolio list.

The scope of environmental indicators as a share of the completed properties owned by Sponda is presented separately for each reporting section below.

Sponda's reportable environmental indicators are related to energy consumption, water consumption, carbon dioxide emissions and waste management.

The primary reporting period for environmental indicators is five years, consisting of the reporting year and the four preceding years. The following exceptions apply to the reporting periods:

- Like-for-like consumption figures are presented for two years.
- Segment-specific consumption figures are presented for two years.

Sponda's key environmental indicators are reported as total figures as well as segment-specific figures. During the reporting year under review, the segment-specific reporting included Office Properties, Shopping Centres and Logistics Proper-

ties. In assigning properties to segments, investment properties are assigned to the segment that corresponds to their primary use, also for the properties that are divided between the Office Properties segment and the Shopping Centres segment.

There is a certain degree of annual variability in Sponda's property portfolio due to sales and purchases as well as extensive renovation projects, which affect the comparability of the annual environmental indicators. For this reason, environmental indicators are reported for all properties as well as comparable properties. Like for like consumption is reported separately for the following environmental indicators: energy consumption, water consumption, carbon footprint, total waste management volumes and recovery rates.

The total figures for energy consumption intensity and like for like carbon dioxide emissions also include properties that joined the district cooling network during the year, as district cooling is seen as a replacement for cooling based on electricity consumption. The denominator used in calculating the specific consumption figures for all environmental indicators is the gross floor area (GFAM²). In 2017, the accuracy of the calculations of specific electricity consumption was increased and properties where the electricity consumption does not cover the entire property

were excluded from the calculation. These changes have also been updated to the key indicators relative to the gross floor areas of 2014–2017.

Sponda monitors the development of the environmental indicators for its head office separately. The consumption figures for the head office are presented in separate tables in the report.

Sponda monitors the development of environmental indicators separately for the properties in which the customers are Sponda's environmental partners. The calculation is based on Sponda's environmental partners as of 31 December 2018.

The 87 (87) per cent coverage of Sponda's energy efficiency programme is calculated based on gross leasable properties, i.e. Sponda's fully owned properties. There are 117 (115) such properties according to the property list. The energy efficiency programme does not include properties under property development.

ENERGY

The energy consumption of Sponda's properties consists of purchased energy, electricity, heating and district cooling, as well as solar power produced on site. During the reporting year, Sponda had on-site solar power production at one property.

Energy consumption monitoring extends to all properties for which Sponda is responsible for energy purchasing. A total of 128 (128) of Sponda's fully or partially owned real estate companies were subject to energy consumption monitoring in 2018, representing 97 (96) per cent of Sponda's property portfolio. Of these, 121 (125) properties are subject to hourly monitoring, while consumption at six (3) properties is monitored by means of manual meter reading.

Cooling is monitored separately for those properties that use district cooling. If cooling is performed by compressors, it is included in the electricity consumption.

The unit used in monitoring the consumption of purchased energy is the MWh. Total energy consumption is also reported in GJ using the conversion rate 1 MWh = 3.6 GJ (Source: IEA, International Energy Agency). The denominator used for calculating specific consumption is the gross floor area. Data on gross floor area (GFAM²) corresponds to consumption data. Properties that were sold or bought, properties that were covered by consumption monitoring for part of the year and properties under renovation are not included in the calculations on consumption intensity. Energy consumption is divided by the number of Sponda's properties excluding sold properties and properties included

under property development (major new construction and renovation projects). The figures presented by segments do not include properties under property development.

WATER

Water consumption monitoring extended to 123 (126) of Sponda's fully or partially owned properties in 2018, representing 93 (94) per cent of Sponda's property portfolio. Of these, 118 (121) properties are subject to hourly monitoring, while consumption at five (5) properties is monitored by means of manual meter reading.

WASTE

Information on waste covers all properties for which the responsibility to arrange waste management lies with a Sponda-owned property or mutual real estate company. The monitoring extended to 124 (123) properties, representing 94 (92) per cent of the properties owned by Sponda at the end of 2018. Waste covered by tenants' own waste management agreements is not included in the reporting. The reported information on waste is based on waste volumes reported by waste management service providers.

CARBON DIOXIDE EMISSIONS

Greenhouse gas emissions (Scope 1) totalled zero during the reporting period.

Sponda has no direct greenhouse gas emissions.

Greenhouse gas emissions from purchased energy (Scope 2) have been calculated by multiplying energy consumption (MWh) by the emission factor corresponding to its production (kg CO₂/MWh). The emissions have been estimated using two methods, based on information reported by the suppliers of purchased energy and based on Finland's country-specific emissions data (market- and area-specific calculation). At present, Sponda does not report on greenhouse gas emissions other than carbon dioxide, or their global warming potential.

Greenhouse gas emissions have been calculated for electricity and district cooling based on measured consumption data and, for district heating, based on normalised (weather-adjusted) consumption. The normalisation of consumption is based on the heating requirement figures reported by the Finnish Meteorological Institute, which facilitates year-to-year comparisons of heating consumption.

The calculation of CO₂ emissions for 2018 is based on emission factors reported by the suppliers of purchased energy in 2017. The emission factors are reported in the Energy and environmental efficiency section of the Annual Report. Data for other reported years has been calculated using

the actual emission factor for each year. The CO₂ emissions for 2017 have been updated according to the emission factors for 2017. The emission intensities and origin of electricity are based on the production breakdown of electricity produced in Finland, deducted by the amount of electricity produced from renewable energy sources of verified origin. The share of guarantees of origin (certificates of origin for Nordic wind power) and electricity produced by Sponda itself from renewable energy sources has been deducted from the CO₂ emissions figures reported by Sponda. In 2018, they represented 7.1 per cent of Sponda's total emissions caused by electricity consumption (2,545 tCO₂).

For the sake of comparison, Sponda's total CO₂ emissions are also reported using Finland's country-specific factor for electricity and heating production (Source: Motiva Oy). Due to the unavailability of a country-specific factor for district cooling production, the reporting is based on a supplier-specific factor.

With respect to indirect greenhouse gas emissions (Scope 3), Sponda reports on carbon dioxide emissions from waste management, business air travel and leased cars. Waste management emissions are the most significant of Sponda's Scope 3 emissions and their emissions calculations are based on the GHG protocol. Emissions

calculations for waste management cover 100% of the waste management Sponda is responsible for, including waste transportation as well as treatment. Emissions from business air travel are based on flight miles and the emission factors reported by airlines. The emissions from leased cars are based on Sponda's emissions data on leased cars as of the last day of the year and kilometres driven per year. Indirect greenhouse gas emissions are reported at the company level.


The use of renewable energy sources includes solar power generated by the properties themselves as well as electricity and heating produced from renewable energy sources and purchased from energy companies.

EARLIER REPORTS

The previous sustainability review was published in March 2018. Sponda reports on its progress in terms of responsibility each year.

Sponda's annual sustainability review also serves as a Communication on Progress (COP) report on the implementation of the UN Global Compact principles. There were no changes in COP reporting in 2018 compared to the previous year.

Management approach

 Responsibility priorities	 Transparent and ethical operations	 Enhancing the customer experience	 Investing in employees	 Energy and environmental efficiency	 Property locations and taking the industry forward
Objective of the management approach	<p>Sponda's objective is to maintain and improve its financial performance and profitability while also creating stakeholder value through transparent communications and reporting as well as good governance and risk management. Due to the large subcontracting network, the responsible management of procurement activities is also important for Sponda. Anti-corruption and the observance of human rights are a material aspect of the management of Sponda's own operations as well as the supply chain.</p>	<p>Customer health and safety are key facets of the customer experience in addition to the provision of comfortable working environments that support customers' operations. Sponda also aims to support its customers' responsibility objectives through its own sustainability efforts.</p>	<p>By investing in employee training and the development of management practices, Sponda aims to ensure the high professional competence of its personnel, which is a key resource for the Group's operations. Sponda also strives to maintain and improve the work ability and functional capacity of its personnel and ensure the equal treatment of employees.</p>	<p>The energy and water consumption of properties have significant environmental impacts, which is why energy and environmental efficiency is one of the key priorities of Sponda's sustainability efforts. Sponda aims to continuously improve the energy efficiency of its properties as well as waste recycling and sorting. Managing the energy efficiency of the extensive supply chain is also an integral part of Sponda's sustainability.</p>	<p>With regard to property locations, Sponda strives for sustainability from the perspective of the economy as well as the environment. The Group also aims to develop urban environments in co-operation with various parties. Sponda is actively engaged in taking the property and construction industry forward from the perspective of sustainable development by being involved in various industry organisations, sharing its knowledge and expertise and carrying out research and development.</p>
Reporting boundary	<p>The effects of transparent and ethical operations are directly related to Sponda's business and the operations of its personnel. Through subcontracting, the impacts also extend to partners at the properties owned by Sponda.</p>	<p>Sponda's operations have indirect impacts on customer health and safety at the properties owned by the Group, as external property managers are responsible for the safety of properties.</p>	<p>Measures related to employee health, safety, training and equality have direct impacts at Sponda's own business locations.</p>	<p>Sponda's energy and environmental efficiency has primarily direct impacts at the properties owned by Sponda. The impacts of waste management at properties and supplier assessments are indirect and they concern Sponda's customers and partners.</p>	<p>Property locations have direct impacts on Sponda's business as well as its customers' business. Sponda's operations also have indirect impacts on customers, partners and society in a broader sense through projects related to urban development and taking the industry forward.</p>
Management approach	<p>Sponda's operations are based on its Code of Conduct, which covers good governance, responsibilities and expectations in terms of key stakeholders, transparent business operations, anti-bribery and anti-corruption practices, environmental responsibility and responsibility as an employer. Sponda is also committed to the UN Global Compact sustainability principles. The observance of ethics in business is the responsibility of Sponda's Human Resources Manager and Sustainability Manager.</p> <p>Financial performance is managed through the owner, Sponda's strategy and targets and the financial administration function. The President and CEO and the CFO are in charge of the Group's financial performance.</p> <p>The responsibility of the supply chain is managed through purchasing agreements and the Supplier Code of Conduct. It highlights responsibilities related to transparency, environmental responsibility, labour, human rights and safety. The Purchasing and Quality Manager is in charge of managing Sponda's supply chain.</p>	<p>The continuous development of property services and maintaining effective communication and feedback channels are a material aspect of Sponda's management of the customer experience. Sponda's external property managers manage the safety of properties by ensuring that the contractual obligations of the partners they use are fulfilled in accordance with occupational safety regulations.</p> <p>The customer experience is managed through the use of leases and the Supplier Code of Conduct as well as by applying the relevant legislation. The Customer Experience Manager, Account Managers and Property Managers are in charge of the customer experience at Sponda.</p>	<p>Personnel development is managed at Sponda based on the Group's strategy as well as feedback from customers and stakeholders. Employees are offered opportunities to participate in Sponda's own training programmes as well as external training. Sponda's occupational healthcare action plan has been drafted in co-operation with Terveystalo and it is updated in three-year intervals or more frequently.</p> <p>Employee diversity and equality are managed in accordance with Sponda's equality plan. Sponda's HR management in Finland complies with the applicable legislation, collective bargaining agreements and Sponda's human resource policy. The HR policies are also based on Sponda's Code of Conduct and the principles of the UN Global Compact.</p> <p>The HR Director is in charge of human resource management at Sponda. Activities aimed at maintaining work ability are implemented in co-operation between the occupational healthcare provider, occupational health and safety representatives, supervisors and management.</p>	<p>Energy and environmental efficiency are managed in accordance with Sponda's energy efficiency programme as well as short-term and long-term targets. Sponda's environmental responsibility is also guided by the Finnish property sector's energy efficiency agreement (TETS), the UN Global Compact principles and the City of Helsinki Climate Partners programme.</p> <p>The management of energy and environmental efficiency is the responsibility of the Sustainability Manager. She reports to the Senior Vice President, Property Development, who is in charge of environmental responsibility at the Executive Board level.</p> <p>Energy and environmental efficiency in the supply chain is managed through purchasing agreements and the Supplier Code of Conduct, which is incorporated into the agreements. Sponda's Purchasing and Quality Manager is in charge of the responsibility of purchasing.</p>	<p>The objectives related to property locations are managed in line with Sponda's strategy by focusing the property portfolio on prime areas. The President and CEO and the Executive Board are responsible for the achievement of these objectives. Sponda engages in co-operation on urban development with partners including the City of Helsinki and the Green Building Council Finland. Sponda is also an active member of the Finnish Association of Building Owners and Construction Clients (RAKLI) and the FIBS corporate responsibility network.</p>
Evaluation of the management approach	<p>The achievement of the objectives concerning transparent and ethical operations are monitored in Sponda's Executive Board meetings on a quarterly basis and by the Board of Directors as necessary. The sustainability of Sponda's operations is also evaluated annually by the external GRESB survey.</p> <p>Sponda uses an anonymous feedback channel for employees and partners to report suspected misconduct via the company intranet or e-mail. In 2019, Sponda will introduce an electronic whistleblowing channel to facilitate the anonymous reporting of misconduct.</p> <p>The responsibility of the supply chain is evaluated through regular reporting and meetings with partners. Separate audits are also carried out as necessary.</p>	<p>The enhancement of the customer experience is regularly evaluated through customer satisfaction surveys, property surveys and measurements. Sponda has also introduced fault reporting channels for its properties. The health and safety of premises is reviewed regularly and the feedback received from customers is used in the development of customer relationships and co-operation with partners.</p>	<p>Employee satisfaction and organisational effectiveness are monitored by conducting a regular employee survey as well as through performance reviews. The progress and achievement of each employee's personal goals is assessed with the help of appraisal discussions, customer feedback and employee surveys. The implementation of the occupational healthcare action plan is also monitored regularly.</p> <p>Sponda has an anonymous channel for reporting violations of the Code of Conduct. All reports are processed by Sponda's HR Director, Chief Legal Counsel and the Executive Board. No reports were received via the reporting channel in 2018.</p>	<p>Sponda monitors energy and water consumption, carbon footprint and waste management volumes at its properties on a monthly, quarterly and annual basis. Sponda's Executive Board monitors the progress of Group-level environmental targets on a quarterly basis. Energy and environmental efficiency and related progress is also reviewed more comprehensively by the environmental responsibility steering group, which meets 4–6 times per year. Sponda's energy and environmental efficiency are also measured by independent third-party assurance reports, GRESB surveys as well as LEED® and BREEAM® certification processes.</p> <p>The energy and environmental efficiency of the supply chain is evaluated through regular reporting and meetings with partners. Separate audits are also carried out as necessary.</p>	<p>Progress towards the objectives related to property locations are monitored by Sponda's Executive Board and the Board of Directors. The external BREEAM® and LEED® environmental certification processes also take the location of properties into account as one certification criterion.</p> <p>Progress in practices aimed at taking the industry forward is evaluated by, among other things, participation in RAKLI and GBC Finland activities and projects as well as the results of environmental partnerships.</p>

Independent Practitioner's Limited Assurance Report

(TRANSLATION FROM THE FINNISH ORIGINAL)

TO THE MANAGEMENT OF SPONDA PLC

We have been engaged by the Management of Sponda Plc (hereinafter also the Company) to perform a limited assurance engagement on selected environmental indicators for the reporting period 1 January 2018 to 31 December 2018, disclosed in Sponda Plc's Sustainability Review 2018 on the Company's website (hereinafter Selected environmental indicators). The assured information is indicated in the Company's GRI index 2018.

MANAGEMENT'S RESPONSIBILITY

The Management of Sponda Plc is responsible for preparing the Selected environmental indicators in accordance with the Reporting criteria as set out in Sponda Plc's reporting instructions (described in Sponda's Sustainability Review 2018), the Global Reporting Initiative Standards Guidelines and the G4 Construction, Real

Estate Sector Disclosures of the Global Reporting Initiative as well as where applicable, the CRE indicators related to the real estate sector. The Management of Sponda Plc is also responsible for such internal control as the management determines is necessary to enable the preparation of the Selected environmental indicators that are free from material misstatement, whether due to fraud or error.

PRACTITIONER'S INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers Oy applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Selected environmental indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements

(ISAE) 3410 "Assurance Engagements on Greenhouse Gas Statements". These Standards require that we plan and perform the engagement to obtain limited assurance about whether the Selected environmental indicators are free from material misstatement.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. An assurance engagement involves performing procedures to obtain evidence about the amounts and other information in the Selected environmental indicators. The procedures selected depend on the practitioner's judgement, including an assessment of the risks of material misstatement of the Selected environmental indicators.

Our work consisted of, amongst others, the following procedures:

- Interviewing a representative of senior management of the Company;
- Visiting the Company's Head Office;
- Interviewing employees responsible for collecting and reporting the Selected information on environmental indicators at the Group level;
- Assessing how Group employees apply the reporting instructions and procedures of the Company;
- Testing the accuracy and completeness of the information from original documents and systems on a sample basis;
- Testing the consolidation of information and performing recalculations on a sample basis.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Sponda Plc's Selected environmental indicators for the reporting period ended 31 December 2018 are not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our assurance report, the inherent limitations to the accuracy and completeness of sustainability information should be taken into consideration.

Our assurance report has been prepared in accordance with the terms of our engagement. We do not accept, or assume responsibility to anyone else, except to Sponda Plc for our work, for this report, or for the conclusions that we have reached.

Helsinki, 27 March 2019

PricewaterhouseCoopers Oy

Sirpa Juutinen
Partner
Sustainability & Climate Change

Jussi Nokkala
Director
Sustainability & Climate Change

GRI index

This review has been prepared in accordance with the GRI Standards: Core option. The review presents the General Standard Disclosures according to the GRI Standards as well as the Topic specific content concerning the management approach, environmental, economic and social indicators.

General Disclosures

Code	GRI Standard Disclosures	Included	Location in the Sustainability Review	External assurance	Global Compact	Comments
Organisation						
102-1	Name of the organization	●	Sponda in brief, p. 3			
102-2	Activities, brands, products, and services	●	Sponda in brief, p. 3			
102-3	Location of headquarters	●	Back cover			
102-4	Location of operations	●	Property locations, p. 38; Report by the board of directors and financial statements, pp. 3, 5–6			
102-5	Ownership and legal form	●	Sponda in brief, p. 3; Report by the board of directors and financial statements, p. 6			
102-6	Markets served	●	Sponda in brief, p. 3; We listen to our stakeholders, p. 16; Property locations, p. 38			
102-7	Scale of the organization	●	Sponda in brief, p. 3; Economic responsibility key figures, p. 59		Yes	
102-8	Information on employees and other workers	●	Investing in employees, p. 31; Social responsibility key figures, p. 57; https://www.sponda.fi/en/responsibility/spondability/supply-chain		Yes	The reported information on employees has been retrieved from the Personec HR and Nepton systems. Sponda purchases the management of property services for the properties it owns from external property managers. Properties are maintained on behalf of Sponda by contractual partners who do not report gender-specific employee statistics to Sponda.
102-9	Supply chain	●	Transparent and ethical operations, pp. 24–25; https://www.sponda.fi/en/responsibility/spondability/supply-chain			
102-10	Significant changes to the organization and its supply chain	●	Sponda in brief, p. 3; Chief Executive's review, pp. 5–7			New CEO appointed.

General Disclosures

Code	GRI Standard Disclosures	Included	Location in the Sustainability Review	External assurance	Global Compact	Comments
102-11	Precautionary Principle or approach	●	Report by the board of directors and financial statements, p. 7		Yes	
102-12	External initiatives	●	Responsibility at Sponda, p. 10; General operating principles guiding responsibility, pp. 12–13; Transparent and ethical operations, pp. 24–25			
102-13	Membership of associations	●	We listen to our stakeholders, p. 16; Taking the industry forward, pp. 43–44			
Strategy						
102-14	Statement from senior decision-maker	●	Chief Executive's review, pp. 5–7		Yes	The company's senior management approves the report.
102-15	Key impacts, risks, and opportunities	◐	Responding to trends and changes, pp. 14–15; Responsibility is based on co-operation, p. 22			Partially reported.
Ethics and Integrity						
102-16	Values, principles, standards, and norms of behavior	●	Responsibility at Sponda, p. 10; General operating principles guiding responsibility, pp. 12–13; https://www.sponda.fi/en/sponda-company/strategy/vision-mission-and-values		Yes	
102-17	Mechanisms for advice and concerns about ethics	●	Responsibility at Sponda, p. 10; General operating principles guiding responsibility, pp. 12–13		Yes	A digital whistleblowing channel will be adopted in 2019.
Governance structure						
102-18	Governance structure	●	https://www.sponda.fi/en/sponda-company/organization-and-governance ; General operating principles guiding responsibility, pp. 12–13			
102-22	Composition of the highest governance body and its committees	●	Report by the board of directors and financial statements, p. 6; https://www.sponda.fi/en/sponda-company/organization/board-directors			
102-23	Chair of the highest governance body	●	Report by the board of directors and financial statements, p. 6			The Chairman of the Board of Directors is not an executive officer in the organisation.

General Disclosures

Code	GRI Standard Disclosures	Included	Location in the Sustainability Review	External assurance	Global Compact	Comments
Stakeholder engagement						
102-40	List of stakeholder groups	●	We listen to our stakeholders, p. 16			
102-41	Collective bargaining agreements	●	Social responsibility key figures, p. 57		Yes	
102-42	Identifying and selecting stakeholders	●	We listen to our stakeholders, p. 16; https://www.sponda.fi/en/responsibility/spondability/stakeholders			Stakeholders were reviewed in conjunction with the Materiality Analysis conducted in 2014.
102-43	Approach to stakeholder engagement	●	We listen to our stakeholders, p. 16			
102-44	Key topics and concerns raised	●	https://www.sponda.fi/en/responsibility/spondability/stakeholders		Yes	
Reporting practice						
102-45	Entities included in the consolidated financial statements	●	Report by the board of directors and financial statements, p. 64–68			
102-46	Defining report content and topic Boundaries	●	The scope and principles of the report, pp. 61–63; GRI index			
102-47	List of material topics	●	Responsibility is based on co-operation, p. 22; The scope and principles of the report, pp. 61–63; Management approach, p. 64			
102-48	Restatements of information	●	GRI index			No changes.
102-49	Changes in reporting	●	GRI index			No significant changes.
102-50	Reporting period	●	The scope and principles of the report, pp. 61–63			
102-51	Date of most recent report	●	The scope and principles of the report, pp. 61–63			
102-52	Reporting cycle	●	The scope and principles of the report, pp. 61–63			
102-53	Contact point for questions regarding the report	●	GRI index			Sustainability manager Pirkko.Airaksinen(at)sponda.fi
102-54	Claims of reporting in accordance with the GRI Standards	●	The scope and principles of the report, pp. 61–63			
102-55	GRI content index	●	GRI index pp. 67–73			
102-56	External assurance	●	The scope and principles of the report, pp. 61–63; Assurance, pp. 65–66			Certain energy, emissions and waste data in Finnish has been assured by an independent third party.

Management Approach

Code	GRI Standard Disclosures	Included	Location in the Sustainability Review	External assurance	Global Compact	Comments
103-1	Explanation of the material topic and its Boundary	●	Responsibility is based on co-operation, p. 22; The scope and principles of the report, pp. 61–63; Management approach, p. 64			If the Boundary is not the Sponda Group, the specific Boundary is indicated in connection with the table in question.
103-2	The management approach and its components	●	Responsibility at Sponda, p. 10; General operating principles guiding responsibility, pp. 12–13; Transparent and ethical operations, pp. 24–25; Management approach, p. 64			
103-3	Evaluation of the management approach	●	General operating principles guiding responsibility, pp. 12–13; Transparent and ethical operations, pp. 24–25; Management approach, p. 64			

Economic standards

Code	GRI Standard Disclosures	Included	Location in the Sustainability Review	External assurance	Global Compact	Comments
Economic performance						
201-1	Direct economic value generated and distributed	●	Transparent and ethical operations, p. 26; Economic responsibility key figures, p. 59; Report by the board of directors and financial statements, p. 12			
201-2	Financial implications and other risks and opportunities due to climate change	●	Responding to trends and changes, pp. 14–15; https://www.sponda.fi/en/responsibility/environment/energy-and-environmental-efficiency			Partially reported. The implications of climate change are assessed as part of Sponda's regular risk assessment.
Indirect economic impacts						
203-1	Infrastructure investments and services supported	●	Property locations, pp. 38–39; Taking the industry forward, pp. 43–44			Sponda has no assessment programmes related to the needs of local communities. Evaluated during new construction and major renovation projects.
203-2	Significant indirect economic impacts	●	How we create value, pp. 8–9; Transparent and ethical operations, p. 26			The extent of impacts has not been specified.
Anti-corruption						
205-2	Communication and training about anti-corruption policies and procedures	●	Transparent and ethical operations, p. 25		Yes	As part of Code of Conduct and Supplier Code of Conduct training. Sponda does not report the Group's internal information if either gender is represented by less than three people.
205-3	Confirmed incidents of corruption and actions taken	●	GRI index		Yes	No incidents of corruption in 2018.

Environmental standards

Code	GRI Standard Disclosures	Included	Location in the Sustainability Review	External assurance	Global Compact	Comments
Energy						
302-1	Energy consumption within the organization	●	Energy and environmental efficiency, pp. 32–33; Sponda's responsibility key figures, p. 49; Environmental responsibility key figures, pp. 50–52	Yes	Yes	Sponda did not have any energy production or fuel consumption of its own during the reporting period. The share of renewable energy of total energy consumption during the reporting year is 23 per cent.
302-3	Energy intensity	●	Energy and environmental efficiency, pp. 32–33; Sponda's responsibility key figures, p. 49; Environmental responsibility key figures, pp. 50–52	Yes	Yes	Energy intensity refers to the energy consumption of Sponda-owned properties in proportion to the property's gross floor area.
302-4	Reduction of energy consumption	●	Energy and environmental efficiency, pp. 32–34; The scope and principles of the report, pp. 62–63; Sponda's responsibility key figures, p. 49; Environmental responsibility key figures, pp. 50–52	Yes	Yes	Includes the reduction in energy consumption achieved through Sponda's Energy efficiency programme. The monetary savings achieved through energy conservation measures are not reported.
302-5	Reductions in energy requirements of products and services	●	Energy and environmental efficiency, pp. 32–34; The scope and principles of the report, pp. 62–63; Sponda's responsibility key figures, p. 49; Economic responsibility key figures, pp. 50–52	Yes	Yes	Includes the changes in certain environmental impacts achieved through Sponda's Environmental Partnership Programme compared to the previous year. Covers Sponda's environmental partners in 2018.
Water						
303-1 (2016)	Water withdrawal by source	●	Energy and environmental efficiency, p. 33; Sponda's responsibility key figures, p. 49; Economic responsibility key figures, pp. 50–52	Yes	Yes	Surveys of plumbing fixtures to improve the efficiency of water consumption at properties are part of the regular audit procedures. Plumbing fixtures that conserve water and energy are used in newly constructed properties and major renovation projects. Additionally, in environmental certification processes, attention is paid to not only increasing the efficiency of energy consumption, but also reducing water consumption.
Emissions						
305-1	Direct (Scope 1) GHG emissions	●	GRI index	Yes	Yes	Sponda did not have any direct greenhouse gas emissions during the reporting period.
305-2	Energy indirect (Scope 2) GHG emissions	●	The scope and principles of the report, p. 63; Environmental responsibility key figures, pp. 53–54	Yes	Yes	Covers carbon dioxide emissions during the reporting period. Based on both the emission factors of energy supplier and country specific emission factors.
305-3	Other indirect (Scope 3) GHG emissions	●	The scope and principles of the report, p. 63; Environmental responsibility key figures, pp. 53–54	Yes	Yes	Covers carbon dioxide emissions during the reporting period.
305-4	GHG emissions intensity	●	Sponda's responsibility key figures, p. 49; Environmental responsibility key figures, pp. 53–54	Yes	Yes	Greenhouse gas emissions intensity refers to the carbon dioxide emissions caused by the energy consumption (Scope 2) of Sponda-owned properties in proportion to the properties' gross floor area.
305-5	Reduction of GHG emissions	●	Energy and environmental efficiency, pp. 32–33; Environmental responsibility key figures, pp. 53–54	Yes	Yes	Includes the reduction in carbon dioxide emissions achieved through Sponda's Environmental Partnership Programme (Scope 2). Covers Sponda's environmental partners in 2018.

Environmental standards

Code	GRI Standard Disclosures	Included	Location in the Sustainability Review	External assurance	Global Compact	Comments
Effluent and waste						
306-2	Waste by type and disposal method	●	Energy and environmental efficiency, p. 34; Sponda's responsibility key figures, p. 49; Environmental responsibility key figures, pp. 55–56	Yes	Yes	
Supplier environmental assesment						
308-1	New suppliers that were screened using environmental criteria	●	Transparent and ethical operations, p. 25; https://www.sponda.fi/en/responsibility/spondability/supply-chain		Yes	No assessments. Requirements towards environmental responsibility included in contracts with contractors. The significance of environmental responsibility and environmental responsibility in Sponda's procurement practices are described.
GRI Construction and Real Estate Sector Disclosures						
CRE1	Building energy intensity	●	Energy and environmental efficiency, pp. 32–33; Sponda's responsibility key figures, p. 49; Economic responsibility key figures, pp. 50–52			
CRE2	Water intensity	●	Energy and environmental efficiency, p. 33; Sponda's responsibility key figures, p. 49; Economic responsibility key figures, pp. 50–52			
CRE3	Greenhouse gas intensity of building's energy consumption	●	Sponda's responsibility key figures, p. 49; Environmental responsibility key figures, pp. 53–54			
CRE8	Certificates	●	Highlights in 2018, p. 4; Transparent and ethical operations, pp. 24–25; Energy and environmental efficiency, pp. 32–34; https://www.sponda.fi/en/responsibility/environment/environmental-certification			

Social standards

Code	GRI Standard Disclosures	Included	Location in the Sustainability Review	External assurance	Global Compact	Comments
Employment						
401-1	New employee hires and employee turnover	●	Social responsibility key figures, pp. 57–58		Yes	
Occupational health and safety						
403-2 (2016)	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	●	Social responsibility key figures, pp. 57–58			An accurate breakdown cannot be provided due to the small number of the reporting groups. The reported information on employees has been retrieved from the Personec HR and Nepton systems.

Social standards

Code	GRI Standard Disclosures	Included	Location in the Sustainability Review	External assurance	Global Compact	Comments
Training and education						
404-1	Average hours of training per year per employee	●	Social responsibility key figures, p. 57		Yes	
404-2	Programs for upgrading employee skills and transition assistance programs	●	Investing in employees, pp. 30–31		Yes	If an employment relationship is terminated on the employer's initiative for a reason deriving from the employer, the employee is offered the opportunity to participate in employment search training and career counselling.
404-3	Percentage of employees receiving regular performance and career development reviews	●	We listen to our stakeholders, p. 17; Investing in employees, p. 30		Yes	Partially reported. In accordance with the Group's strategy and management system, all Sponda employees are covered by performance reviews. Employees recruited outside the annual cycle of performance reviews are not included in the calculation.
Diversity and equal opportunity						
405-1	Diversity of governance bodies and employees	●	Investing in employees, p. 31		Yes	Sponda does not report the Group's internal information if either gender is represented by less than three people.
405-2	Ratio of basic salary and remuneration of women to men	●	Social responsibility key figures, p. 58		Yes	
Non-discrimination						
406-1	Incidents of discrimination and corrective actions taken	●	Social responsibility key figures, p. 58		Yes	No incidents of discrimination in the reporting period
Human rights assesment						
412-2	Employee training on human rights policies or procedures	●	General operating principles guiding responsibility, pp. 12–13; Transparent and ethical operations, p. 25		Yes	As part of the Code of Conduct training for employees.
Supplier social assesment						
414-1	New suppliers that were screened using social criteria	●	General operating principles guiding responsibility, pp. 12–13; Transparent and ethical operations, p. 25			Partially reported. No assessments. Occupational safety practises in Sponda's procurement procedure are described. Sponda's procurement procedures and practices concerning the prevention of the grey economy and financial crime are described. Also included in Sponda's new Supplier Code of Conduct, which is the foundation for all new subcontracting agreements.
Customer heath and safety						
416-1	Assessment of the health and safety impacts of product and service categories	●	Enhancing the customer experience, p. 27; Management approach, p. 64 https://www.sponda.fi/en/responsibility/spondability/supply-chain			Partially reported. No assessments. Health and safety practises in Sponda's procurement procedure are described. Also included in the Sponda Supplier Code of Conduct.



sponda

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