

# S P O N D A

## Sustainability Review 2021

# S P O N D A



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This review has been prepared in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Standards: Core option.

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# Year 2021



Property:  
Korkeavuorenkatu 35, Helsinki



# Sponda in brief

Sponda is one of Finland's leading real estate asset management companies, specialising in owning, managing, developing, and letting commercial properties in the largest cities across the country. The total leasable area of Sponda's investment properties is approximately 1.0 million square metres. With a focus on customer-oriented solutions and high-quality properties, Sponda is developing industry best practices that enhance the cityscape in a sustainable way and support its customers. Sponda's business operations are divided into six units: Asset Management, Retail and Shopping Centres, Office and Coworking, Property Development, Portfolio Management and Investments.

## Named one of the most responsible companies in the sector for the ninth year running

Sponda was the highest-ranking company in Northern Europe and the second highest in Europe in its peer group for the GRESB\* Standing Investments assessment. For the GRESB Development assessment, Sponda was the third highest ranking company in Europe.

## All Sponda's shopping centres are environmentally certified

All five of Sponda's shopping centres have now received the BREEAM\*\* Very Good environmental certification. The achievement coincides with Sponda making significant progress in its sustainability work with the goal of certifying the last of its office properties in the heart of Helsinki.

## Sponda supports construction of new wind power farm in Finland

An agreement was reached with Helen, one of the largest energy companies in the country, that will enable the construction of a new wind power farm in Ostrobothnia, Finland. As a result, 100% of the electricity consumption in Sponda's properties will be produced by emission-free wind power. The agreement supports Sponda's objective of becoming carbon neutral in terms of energy consumption by 2030, highlighted in the company's sustainability programme.

\*Global Real Estate Sustainability Benchmark

\*\*Building Research Establishment Environmental Assessment Method

### Leasable area

**1.0 million m<sup>2</sup>**

### Carbon emissions

**-37.7%**

(2020: -26.1%)

Sponda's target is to be carbon neutral by 2030. This year, we have reduced our CO<sub>2</sub> emissions by 37.7%, compared with the average of 2016–2018.

### Energy consumption

**-7.8%**

Our Energy Efficiency Programme goal is to cut energy consumption by 20% from the 2016–2018 level. This year, we reduced consumption by 7.8% from the comparison period.

### Customer satisfaction survey

**3.7**

(on scale 1 to 5)

Customers continued to be satisfied with our properties. The Net Promoter Score (NPS) improved in Shopping Centres.

### Total value of properties

**3.0 bn€**

### Total investments

**60.8 M€**

### The number of employees

**138**

We hired an additional 13 employees, and our personnel's turnover remained at a low level.

### Training days per person

**4.9**

(2020: 2.2 days)

We have kept track of our personnel's training needs and offered a variety of training including management and leadership training.

### Employee engagement

**A+ (Satisfactory+)**

### PeoplePower® rating

Personnel's satisfaction and views have been monitored through pulse surveys conducted between broader personnel surveys.

### Employee experience

Based on our employee satisfaction survey, we were awarded the title of being one of Finland's most inspiring workplaces. This acknowledgement is granted to Finnish organisations that have made the biggest improvement in a widely used employee survey carried out by Eezy Flow.

## Sponda's 30<sup>th</sup> anniversary

We celebrated our 30th anniversary in November 2021 by organising a gala event with awards for our personnel. In addition, we offered guided walking tours in our most impressive historical buildings to customers, media, and anyone interested in architecture and history.

Over the past three decades, our corporate responsibility work has evolved from modest charity campaigns to playing a major role in developing sustainable urban environments in Finland.

# Highlights in 2021

1

## Science-based climate targets



We set science-based climate targets and in early 2022 they were validated by the Science Based Targets initiative (SBTi), a global movement driving climate action in the private sector. Joining the initiative demonstrates our commitment to science-based reductions of greenhouse gas emissions in line with the Paris Agreement. Our aim is to reduce emissions from energy consumption in existing buildings and to minimise emissions throughout the value chain.

2

## Supporting a new wind farm



Our agreement with energy company Helen enabled the construction of a wind power farm in Finland. The agreement supports our carbon neutrality goal. From 2022, 50% of the wind power used by Sponda to cover electricity consumption from its premises will be generated at Helen's new Lakiakangas 3 wind farm. The remaining 50% of required electricity will be bought from other Nordic wind farms. Guarantees of origin will ensure the electricity is generated by wind power.

3

## All shopping centres environmentally certified



All five of our shopping centres have received the BREEAM Very Good environmental certification. Ratina shopping centre in central Tampere was granted a construction-phase certificate guaranteeing that the building had been designed and built according to strict environmental criteria. Two shopping centres in central Helsinki and shopping centres in Kempele and Ylöjärvi achieved Very Good ratings in the BREEAM In-Use certification between 2017–2020.

4

## Recognised as one of the most inspiring companies to work for in Finland



Based on our Employee Engagement Survey's results published in spring 2021, we were nominated as one of Finland's most inspiring workplaces. Sponda's personnel were surveyed by HR consultancy Eezy Flow, whose reference framework measures engagement, commitment, leadership, and organisational performance. In spring 2022, our Employee Net Promoter Score decreased slightly, but we received a People Power® rating A+ with a score of 73.4 (expert norm 72.5).





Christian Hohenthal,  
President and CEO

## Review by the CEO

Sponda's 30th anniversary was outlined by significant sustainability achievements and commitments. The implementation of our new strategy introduced a strong start-up mentality and elevated employee satisfaction levels to a record high.

In 2021, we continued our ambitious sustainability work despite exceptional circumstances. There was more activity throughout the year, but the market slowed down due to the tightened restrictions caused by the pandemic, especially at the end of the year.

Regardless of the challenges, we achieved almost all of our sustainability targets, and we are ahead of our plan when it comes to reducing emissions and energy consumption. We also strengthened our role as a social influencer with the new type of energy cooperation and investments in sustainable development.

### Large-scale achievements

One of the most significant achievements of the year was the wind farm cooperation launched with the energy company Helen. The cooperation model we have created promotes the construction of Finnish wind power and

makes our company's electricity 100 per cent renewable. During the year, we introduced further solar energy saving projects including the installation of solar roof-tops at our Citycenter shopping centre and Värehtehtaanatu 8 office-building. Värehtehtaanatu 8 was sold at the end of 2021.

Another significant achievement was achieving the BREEAM Very Good environmental certification for all our shopping centres and most of our properties in central Helsinki. Competition for talent puts pressure on companies to be located in the city centre, and our certified properties help our tenants to develop their own sustainability roadmaps and increase their brand value.

During the past year, we also celebrated our GRESB success. We were the highest-ranking company in our reference group, Northern Europe, and the



*The implementation of our new strategy has strengthened our position as Finland's largest owner and developer of commercial premises.*

Christian Hohenthal

second highest in Europe in the Standing Investments assessment. The assessments prove that our systematic sustainability work has far-reaching environmental effects and significant customer benefits.

During the year, we also set science-based emissions reduction targets and they were validated by the Science Based Targets initiative (SBTi) in early 2022.

#### **Exceptional circumstances increased the value of expertise**

Prolonged remote working and higher employee mobility increased the demand for expert services, especially in offices. Companies have recognised the importance of intelligently designed, sustainable business premises in engaging employees and building a sustainable corporate identity.

We created a programme that allows us to better collaborate with our customers about the role of business premises as a management tool and to help companies select and design business premises in accordance with their own values and corporate culture.

In our shopping centres, frequented by millions of customers every year, our sustainability efforts have been reflected very positively in customer survey results. We also continued to promote health and safety in our properties.

#### **Strategy-driven development**

The implementation of our new strategy was reflected in practice in many ways. We invested in employee training and well-being at work and clarified the structures of our organisation.

In property development, we actively focused on the zoning and development of our land portfolio. Property management is now increasingly based on life-cycle value creation and cross-border expert cooperation.

When it comes to our shopping centres, we have maintained our innovative approach. For example, we have signed a lease with Digital Nature, a company that creates digital art attractions in physical premises. Opening in the spring in Citycenter, their immersive exhibitions will serve the local population, companies as well as tourists.

#### **The 30-year-old start-up**

The engaging strategy work had a major impact on our corporate culture. It has engendered a real start-up mentality within our organisation and an enjoyable working environment. The best proof of this is being recognised as one of Finland's most inspiring workplaces. We were also awarded *most improved* in the category of small-sized organisations, based on the results of an employee survey.

Although strategic measures are the reason behind the changes, the results have been driven above all by our employees' desire and enthusiasm to seize the opportunities to make an impact. Our employees have been heavily involved in developing the company's operating culture and their own job descriptions – while promoting our ambitious sustainability programme.

Our other stakeholders have also played a major role in implementing our sustainability programme. I would like to warmly thank both our employees and business partners for a successful year and great achievements.

The fantastic year of change culminated in our company's 30th anniversary celebrations and the Sponda Awards gala, where we recognised the achievements of our employees.

#### **Sustainability as a roadmap for the future**

Sustainability will define our operations in the future. We will continue to implement our strategy while optimising our property portfolio and developing vibrant urban environments. Our goal is to be the leading real estate asset management company in Finland, creating ever more added value for our customers, employees, and other stakeholders through our sustainability work.

Christian Hohenthal,  
President and CEO



# Management of sustainability



# Sustainability at Sponda

Sustainability is an integral and inseparable part of our strategy, day-to-day work and business expertise. Active stakeholder engagement is key to the success of our sustainability efforts, and we expect our personnel and business partners to commit to our ethical operating practices.

As a company that operates in the real estate sector, we have an opportunity and a responsibility to contribute to sustainable development: buildings account for a significant proportion of the world's energy consumption and CO<sub>2</sub> emissions. Sustainability is one of the cornerstones of Sponda's strategy, and we take it into account in everything we do.

Operating sustainably allows us to succeed in a changing world. It is part of our risk management and governance policies, and it helps us to anticipate risks related to climate change. Our sustainability efforts cover social, economic and environmental responsibility as well as sustainability issues in particular related to our industry.

Our sustainability work is based on our business strategy, sustainability roadmap, corporate values and Code of Conduct. We are also committed to the sustainability principles of the UN Global Compact, and our business partners are governed by our Code of Business Conduct.

In 2019, in collaboration with our stakeholders, we defined [eight themes of sustainability](#) that are crucial to our work, each with defined targets and a roadmap explaining

how we will meet them. These themes are linked to our business operations and are an essential part of our daily work throughout our organisation. At the core of these themes is the development of sustainable and vibrant urban environments.

## We create value for our stakeholders

We aim to fulfil our stakeholders' expectations by engaging in active dialogue and through compliance with our values and procedures. The key principles of our approach to [stakeholder co-operation](#) are reliability, integrity and transparency. Our most significant stakeholders are our customers, personnel, suppliers, local communities, local authorities, media, and our research and development partners.

We want to create value for those that are directly or indirectly impacted by our presence. With the help of materiality analysis, we have identified sustainability-related themes that create value for both the environment and our stakeholders.

From the point of view of our customers and society, the development of vibrant urban environments and office



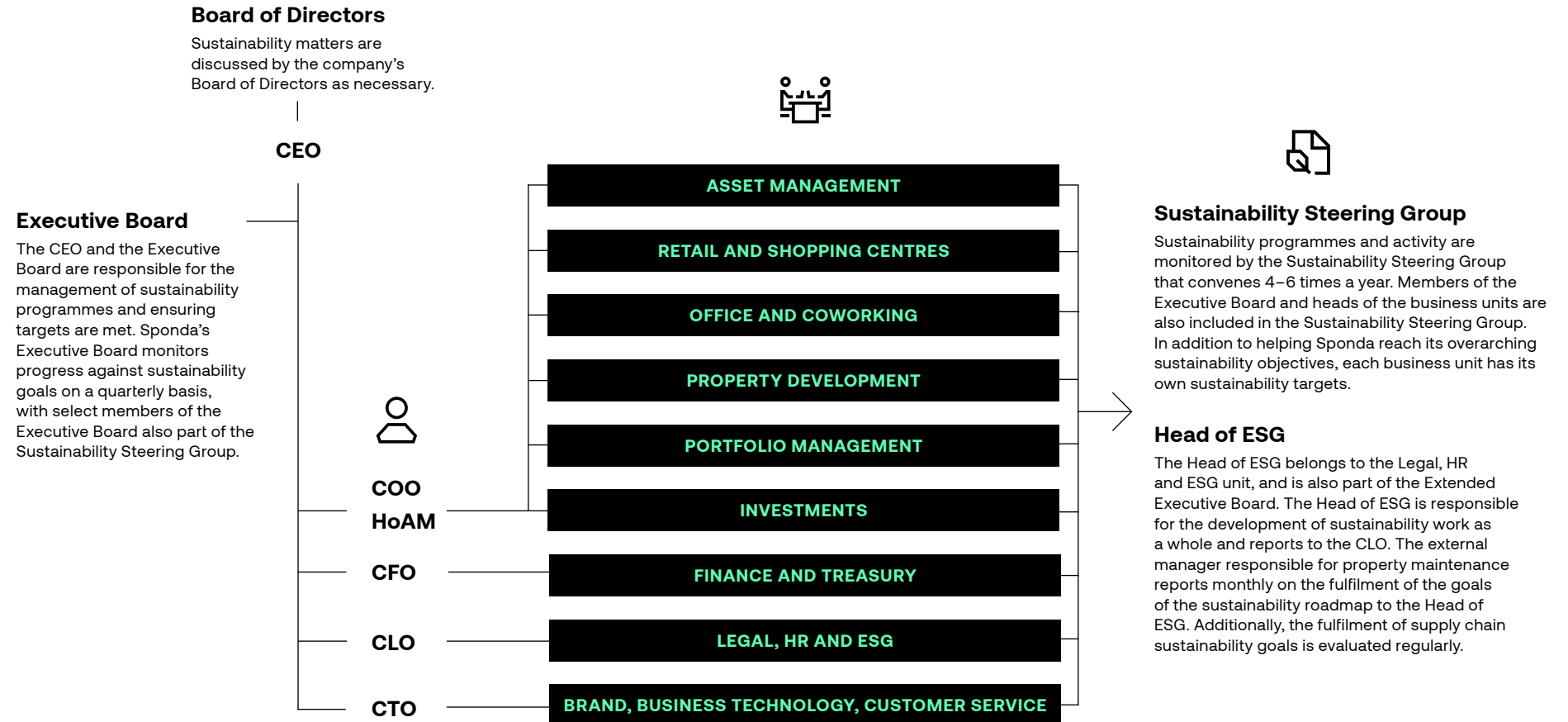


spaces that support success are essential to Sponda's value generation. We create value for our personnel by investing in management and support for professional development. The reduction of CO<sub>2</sub> emissions, energy and water consumption as well as the recycling of waste are at the core of our environmental sustainability.

In 2021, the coronavirus pandemic continued to impact Sponda and our stakeholders, but we were able to advance most of our sustainability targets as planned and reach important milestones. Almost all of the targets were reached, and in some cases, exceeded. The importance of sustainability was enhanced at Sponda as the position of Head of ESG was created and added to our extended Executive Board. In undertaking our annual assessment of the risks and opportunities posed by climate change to our business, a wider group of key people, including the Executive Board, participated in the evaluation. Following the assessment, we have adapted our reporting to match the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). More information on our targets and results in 2021 is provided on pages [15–25](#).

2022 will be the final year of our three-year sustainability programme. We look forward to building on our accomplishments and a new sustainability programme will be published by the end of 2022.

## Management of sustainability



Our sustainability management practices are based on our corporate strategy, our Code of Conduct, the UN Global Compact principles and the supplementary internal operating instructions and commitments of the company. Our operations are additionally guided by our climate partnership with the City of Helsinki, our Science Based Targets for emissions reductions, our commitment to the energy efficiency agreement for the real estate sector and, for our headquarters, the WWF Green Office goals. The goals of the sustainability programme have been integrated into the operations of each business unit.



# Megatrends that shape the real estate industry



## Continued urbanisation: Movement from smaller cities to growth centres in Finland

Urbanisation increases demand in all real estate asset classes – from residential to retail and offices.

- We will focus our property ownership on Finland's largest cities and growth centres. Our properties are located in the immediate vicinity of transport hubs and the very best local services.



*Strategically planned premises play an ever more important role as management tools and in supporting corporate identity.*



## Climate change and sustainability: Awareness of sustainable development is increasing all the time

Both investors and end-users of buildings consider responsible operations to be increasingly important in companies within the property sector. Large companies are becoming drivers of climate action by joining global environmental initiatives. The importance of social responsibility is growing.

- Our ambitious energy efficiency and climate objectives extending to 2030 were defined in 2019.
- We are committed to setting our emissions reduction targets according to the Science Based Targets initiative to limit global warming to 1.5°C.
- We prepare for the increase of climate risks and extreme weather phenomena by conducting climate risk assessments and by close cooperation with our maintenance network.
- We manage the risks associated with climate change through means such as environmental certifications and our own design guidelines for highly energy efficient new and renovated properties.
- Our environmental partnership and energy efficiency programmes help our customers optimise energy consumption in their premises and to integrate sustainable values into their corporate culture.
- The central locations of our properties advance the use of environmentally friendly modes of transport.
- Our efforts in social responsibility are especially focused on employee wellbeing and responsibility in the supply chain.
- We organise dozens of environmental and social responsibility events at our shopping centres every year.



## Digital and technological development: New innovations offer new opportunities

The needs of customers and tenants are changing, which brings about new ways of working in shopping centres and offices. Boundaries between work, leisure and living are blurring.

- Our international ownership enables the integration of global trends and innovations into the Finnish market.
- Through research-based, proactive customer consulting, we create business premises that support hybrid work and our customers' future needs.
- Data-driven management and the use of digital innovation are at the heart of our sustainability themes.
- We use digital solutions and artificial intelligence in the maintenance of our properties.
- We test innovations that improve energy efficiency and indoor air quality in our properties and develop our operations based on our experience.
- Our constantly-developing online services support tenants in managing property matters and in sustainability communications.



## Real estate performing strongly: Continued low interest rates combined with inflation pressure support the real estate market

A growing number of international investors are entering the property investments market, making competition tougher and raising the standards property transactions entail. It is also becoming ever more important to understand the varying expectations different investors have. Continued low interest rates combined with inflation pressure will continue to support property market performance in the future.

- Sponda is considered a responsible and active property owner, as we support sustainable operations with investments that aim for long life cycles, systematic property maintenance, good governance and risk management.
- Our properties are flexible and can be adapted to changing needs. As a large, well-established operator, we can respond rapidly to investors' requests and changes to property usage needs.
- Our strong expertise and strategic planning skills come into their own in the international market. We are forerunners in active property management and energy efficient project planning.
- Our operations are developing the whole sector as we take bold steps to innovate new business opportunities. We are actively developing our land portfolio through zoning, creating value for the communities we are active in.



## Increased uncertainty: Political, economic and health

In an uncertain market, property is seen as a more stable and attractive investment in the long term. In such market situations, the ability to react to changing conditions and customers' evolving needs becomes ever more important.

- As remote work becomes more common and needs for traditional premises change, new kinds of premises are taking on an increasingly important role in shaping corporate culture and as a management tool.
- Competition for a highly skilled workforce pushes companies to find modern, flexible premises in central locations. Strategically planned premises that support corporate identity are becoming more important elements of engaging people with companies.
- Our properties in central locations are increasingly serving as meeting places and working environments that foster teamwork and a sense of community.
- We are constantly developing the safety and intelligent solutions of our properties to prepare for situations such as the Covid-19 pandemic.
- We take a systematic approach to monitoring the needs of our retail tenants' customers. We are experts in consumer behaviour and consumption trends.



# Sponda's climate-related risks and opportunities

Sponda conducted its annual assessment of the risks and opportunities posed by climate change to its business as per the recommendations of the Task Force on Climate-related Financial Disclosures. Members of the Executive Board and experts from the organisation evaluated a variety of climate-related physical and transition risks and opportunities based on their probability, impact, and timeframe. The main results of the assessment are presented below. Some risks, such as the physical risks posed by climate change, are not listed below as they are not viewed as acute for Sponda's business today but will potentially have long-term significant impacts unless urgent mitigating action is taken today.

## Risks

Likelihood Impact Timeframe



### Market: change in market demand and customer preferences, increase in the cost of energy and materials

Very probable Moderate-significant Short-term

Our customers and investors are increasingly demanding green and net-zero buildings. As Sponda wants to be a forerunner and urge the industry to adopt more sustainable practices, the inability to meet our customers' expectations would have a detrimental impact on our business and reputation. Uncertainties regarding the development and supply of more sustainable building materials and renewable energy may also have an impact on the cost of resources for Sponda. Sponda mitigates these risks, for example, by certifying all of its new and major renovation property development projects according to LEED or BREEAM. We have a strong focus on energy saving measures through our Energy Efficiency Programme 2030 and design guidelines.



### Policy: increasing climate-related building regulation and disclosure requirements

Probable Moderate Short-term

It is likely that regulation related to the buildings' lifetime environmental impacts will increase, which might have an impact on both the investment and operating costs in Sponda's real estate portfolio. Increasing disclosure requirements, both on building and at company-level, may impact our asset sales, access to capital and our reputation if not addressed adequately and in a timely manner. Sponda actively monitors the regulatory landscape and co-operates with industry organisations to anticipate the development of legislation. Our view of the direction of these developments is reflected in our sustainability strategy, and we assess the related risks and opportunities as part of our business plans. We provide transparent and reliable information on our sustainability performance, such as an assessment of our portfolio against the EU Taxonomy.



### Climate-related social risks: impacts on human health

Moderate-probable Moderate Short- to mid-term

Climate change may also cause risks to human health when it comes to residing, working, and visiting buildings, for example, regarding indoor air quality safety and potential higher indoor temperatures. To guarantee favorable conditions in buildings, further investments may be required in the portfolio. Sponda actively addresses these topics in its design guidelines, and by conducting customer satisfaction surveys. Developing an indoor air quality operating model and guidelines to support proactive measures is a part of our new property management agreement.

## Opportunities

Likelihood Impact Timeframe



### Resources: improved energy efficiency and shift to renewable energy sources

Probable Moderate-significant Short-term

We see superior energy efficiency and a shift to renewable energy sources as a clear competitive advantage for our business. There is high demand for these measures as they have the potential to both reduce greenhouse gas emissions and increase the asset value of our properties. Our new office spaces always have the highest A-class rating in energy efficiency, and we have used 100% renewable electricity from the start of 2022. We have made significant investments and agreements related to renewable energy sources, such as enabling the construction of a wind power farm in Finland in 2021.



### Market and offering: shift in customer preferences and access to capital

Probable Moderate-significant Short-term

Sustainability is a core part of our strategy, and our customers are increasingly looking for sustainable buildings. We calculate and monitor the carbon footprint of both our new construction projects and our existing portfolio. We also want to ensure that we provide our customers with services that support their sustainability transition. For example, our customers can utilise the latest smart technologies in our new property development and renovation projects. All of our property development projects with parking facilities come with the option of charging stations for electric cars and renewable energy solutions. Ensuring that our portfolio meets and exceeds the latest sustainability requirements mitigates risk, increases the value of our properties, and helps us secure access to capital.



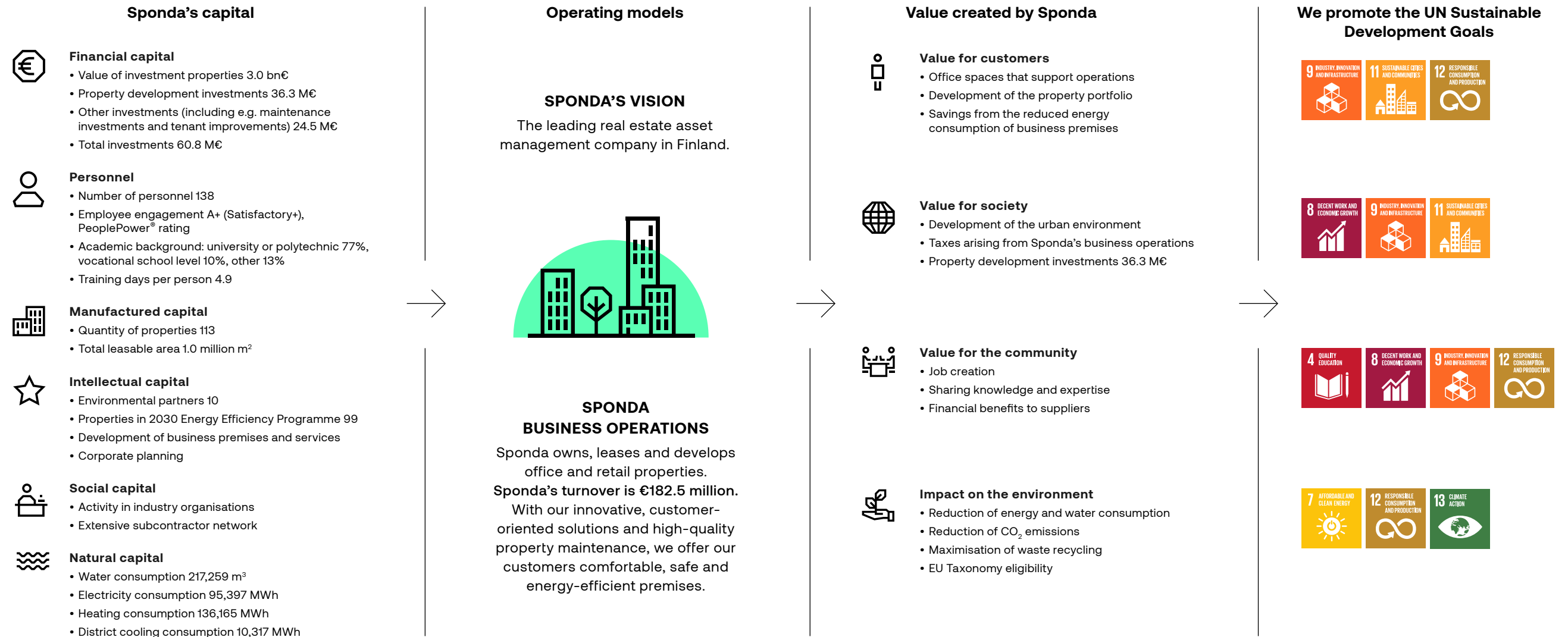
### Reputation: increased brand value and positive customer perception

Probable Moderate-significant Short-term

Our vision is to be the leading real estate asset management company in Finland and the leader of sustainable development. We want to ensure that our real estate portfolio supports sustainable development and we have set a target that all of Sponda's properties will be carbon neutral in terms of energy consumption during operation by 2030. Our aim is to ultimately minimise emissions in our entire value chain by 2030 and achieve net-zero by 2050. Our energy policy is based on The Energy Hierarchy\* framework that seeks to reduce our own energy use before seeking to meet remaining demand by the cleanest means possible.

\*The Energy Hierarchy is a classification of energy options, prioritised to assist progress towards a more sustainable energy system.

# How we create value





# Sponda and the EU Taxonomy for sustainable activities

The recent EU Taxonomy Regulation provides scientific and harmonised criteria for companies and investors to objectively determine whether an economic activity is “environmentally sustainable” and to support the European Green Deal objectives, including the 2050 climate-neutrality target.





For this first year of reporting, companies subject to the Non-Financial Reporting Directive are required to review what portion of their financial activities are included in the Taxonomy’s listing of activities that most impact climate change mitigation and adaption (Taxonomy-eligibility). Serious about sustainability, Sponda welcomes this significant development and decided to voluntarily undertake Taxonomy reporting, even though the company is currently not required to do so<sup>1</sup>.

Sponda reviewed its entire business to map out what proportion of its operations are Taxonomy-eligible. As part of this exercise, we considered our revenue from renting out our real estate assets, the major investments we are making to upgrade these assets (Capex projects), and the measures required to keep these assets in good condition (Opex measures). As real estate has an important role to play in combatting climate change, almost all of Sponda’s activities are Taxonomy-eligible.

Nearly all of Sponda’s revenue comes from managing and renting out real estate, which is covered under activity 7.7. Investments in new construction and renovation of existing buildings, as well as certain investments in energy efficiency and clean technology, make up Sponda’s Taxonomy-eligible Capex, covered under activities 7.1 through 7.6. Sponda’s Taxonomy-eligible Opex consists of maintenance costs and small repairs.

The activities identified in the accompanying table are our Taxonomy-eligible activities (7.1–7.7). To calculate the percentages below, we identified Taxonomy-eligible revenue streams, Capex projects, and Opex accounts, and divided these sums by consolidated financial information<sup>2</sup> figures for the KPIs’ denominators. To avoid double counting, the assessment was conducted on the asset-level where possible.

As a result of this year’s eligibility exercise, we updated Sponda’s design guidelines for new projects and major renovations and aim to build existing and upcoming projects in accordance with the Taxonomy criteria. We will continue to report our Taxonomy-eligibility in our next Sustainability Review. We have also begun assessing our business against the Taxonomy-alignment criteria and will publish these figures next year. Sponda will follow the evolvement of the Taxonomy closely in the years to come to ensure we continue to lead the way in sustainability in our sector.

Activity <sup>3</sup>		Revenue	Capex	Opex
Eligible		100%	53%	95%
	7.1 Construction of new buildings	-	21%	-
	7.2 Renovation of existing buildings	-	22%	-
	7.3 Installation, maintenance and repair of energy efficiency equipment	-	9%	-
	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	-	0%	-
	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	-	1%	-
	7.6 Installation, maintenance and repair of renewable energy technologies	-	0%	-
	7.7 Acquisition and ownership of buildings	100%	-	95%
Non-eligible		0%	47%	5%
Total		100%	100%	100%

<sup>1</sup> As Sponda does not fall under the scope of the Non-Financial Reporting Directive.

<sup>2</sup> For Opex, certain entries from our financial statements were excluded to better comply with the Taxonomy Regulation guidance.

<sup>3</sup> Economic activities can be seen to be eligible under both Climate Change Mitigation and Climate Change Adaptation environmental objectives, unless otherwise specified.



# Sustainability programme 2020–2022



Lakiakangas 3 wind farm



# Sustainability programme

Our goal is to develop sustainable and vibrant urban environments. The eight themes in our sustainability roadmap will help us to achieve it. Sustainability runs through our daily work, from helping our tenants' businesses thrive to improving our environmental efficiency.

## Eight themes across economic, social and environmental responsibility

In 2019 we set a clear course for the coming years with our sustainability programme, developed in close collaboration with our stakeholders. The programme's core objective is to develop sustainable and vibrant urban environments. We have identified eight themes as the most material and important for our business:

- Sustainable and transparent economy and risk management
- Employee wellbeing and competence development
- Responsibility in the supply chain
- Customer orientation
- Eco-efficiency
- Carbon smart
- Healthy and safe premises
- Data-driven management and the use of digital innovations

Targets for each theme have been defined for 2020–2022, with energy efficiency and climate targets set until 2030.

## Ensuring best practice in everything we do

We deployed our sustainability programme in early 2020. In 2021, we reached important milestones especially related to environmental efficiency and climate action. We commenced more extensive collaboration with our partners, such as suppliers and property managers, and our nationwide property management agreement aims to improve the quality of the maintenance of our properties.

We continually review and inspect how our key suppliers adhere to the principles set out in our sustainability programme. We append a Code of Business Conduct (CoBC) to all new collaboration contracts which we expect our suppliers to meet. We insist on increasingly high standards in sustainability in all procurements and partnerships. In 2021, we updated the CoBC to further improve our social responsibility, established policies to support our Code of Conduct and trained our personnel and, for example, property managers on them. We paused some projects involving the establishment of solar power plants and scrutinised the supply chain of the panels after human rights concerns were raised.

Established to promote the ethics of our operations and ensure compliance with our Codes of Conduct, the anonymous whistleblowing channel on our website allows our stakeholders to report any misconduct that may have occurred within Sponda's operations.

## Supporting health and safety during the coronavirus pandemic

As the coronavirus pandemic continued, we maintained rigorous health and safety measures at our premises. Remote work continued to impact offices, but the volume of customers in shopping centres normalised across most of Finland. Our shopping centres continued to invest in hygiene and safety measures, and we worked to ensure good indoor air quality in offices. We collected feedback from tenants in both shopping centres and offices and planned for development actions based on their needs.

## Ahead of schedule in climate targets

We made significant progress in environmental sustainability in 2021. The pandemic accelerated the progress of our Energy Efficiency Programme. However, we also executed many successful energy efficiency measures



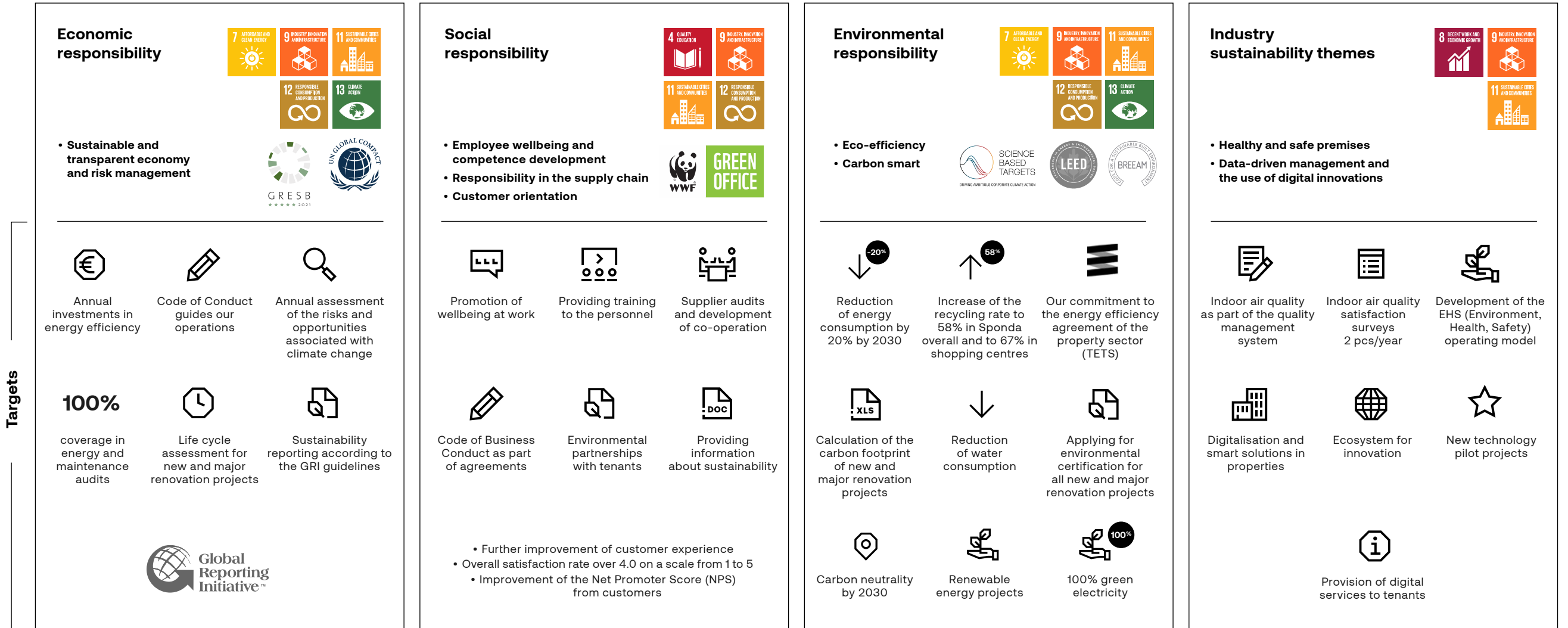
*We set science-based emissions reduction targets.*

and exceeded the target level of the programme. We are now ahead of schedule with our climate targets. We also supported the construction of a new wind power farm in Finland.

We developed our climate-related reporting according to recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) and set science-based emissions reduction targets that were validated by the Science Based Targets initiative (SBTi) in early 2022. We advanced the carbon neutrality of the property sector and the whole of Finland together with organisations representing the industry (FIGBC, Rakli and FiBS) and joined the Finnish Green Building Council's #BuildingLife project to advance carbon neutrality.

All five of our shopping centres are now BREEAM certified. We continue to apply for environmental certifications across our properties. The goal is to certify all of Sponda's properties in central Helsinki.

## Sustainability roadmap targets 2020–2022





# Sustainable and transparent economy and risk management

We support profitable business through good governance and risk management, systematic property maintenance and investments that aim for long life cycles.

In 2021, we conducted corporate risk assessments and began to compile a more thorough business continuity plan. We also assessed business risks and opportunities related to climate change and developed our reporting to match the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). We renewed our policy framework to further improve compliance and updated our Code of Conduct and Code of Business Conduct accordingly. All employees were trained on the Code of Conduct, supporting policies, and the use of our whistleblowing channel.

In addition to employee training, we offer training on our Code of Business Conduct to all partners who govern our operations. The property management agreement ensures the professional and careful maintenance of our properties. Our excellent results in the GRESB assessment have demonstrated that our efforts in sustainability are comprehensive and effective. Our management approach promotes the UN Sustainable Development Goals 7, 9, 11, 12 and 13.

Long-term objective	Objective for the year	Status	Results in 2021
<b>Increasing energy efficiency investments in portfolio</b>	Proportion of annual energy efficiency investments of all maintenance capex investments	➔	• 14% of all maintenance capex investments improved energy efficiency
<b>Systematic property maintenance and development of operations</b>	100% coverage in energy and maintenance audits	☑	• Coverage was 100%
<b>We support profitable business through investments that aim for long life cycles</b>	LCA and LCC* calculations for new and major renovation projects. Updating the design guidelines	☑	• LCA and LCC calculations are part of all new development projects. Design guidelines have been updated
<b>Monitoring the operating model, control and monitoring of property maintenance services</b>	Implementation of a new Property Management Agreement	☑	• New property management agreement implemented
<b>As part of the Group's decision-making, Sponda regularly assesses the risks and opportunities related to climate change</b>	Annual corporate risk and climate change assessment	☑	• Climate risk and opportunity assessment carried out
<b>Participating in international sustainability assessment</b>	Staying at the five-star level in the GRESB sustainability assessment	☑	• Full 5-star rating and excellent results in the assessment
<b>Employee commitment to the ethical guidelines</b>	Mandatory training for all employees regarding Code of Conduct and supporting policies	☑	• Code of Conduct was updated and supporting policies were created. Compliance trainings for all employees were held

\*Life Cycle Assessment and Life-Cycle Costing



## Top score in the GRESB rating

We achieved a full five stars and a Green Star recognition in the GRESB assessment for the ninth year in a row. Sponda was ranked the best company in Northern Europe and the second-best in Europe in its peer group for the Standing Investments assessment. In the Development assessment, we ranked third in Europe. More than 1,500 companies and funds from 66 countries participated in the comprehensive sustainability evaluation.

[Read more ➔](#)

# Employee wellbeing and competence development

We invest in a good working environment, supporting the development of employee capabilities and engaging our personnel in the development of sustainability.

We improved work ability management by training line managers, launching new tools and clarifying roles within our organisation. We increased competence development by offering training on various topics such as presentation, language and IT skills. We also conducted a comprehensive Employee Engagement Survey and two smaller surveys. The survey conducted in spring 2022 showed a slight decrease in our Employee Net Promoter Score (eNPS), but we still received a People Power® A+ rating with a score of 73.4 (expert norm 72.5). Based on our excellent results in the survey of spring 2021, we were ranked as one of Finland's most inspiring workplaces. We were also rewarded for the biggest improvement in results in the small companies' category.

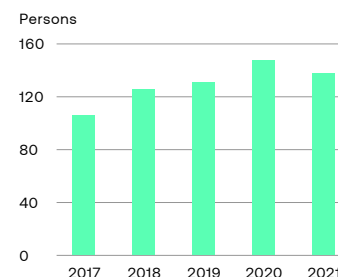
We develop and measure management by carrying out annual personnel surveys and pulse surveys, focusing on line manager coaching and training, conducting employee exit interviews, and promoting management transparency. We support our personnel's wellbeing through our equality plan, comprehensive occupational health services and recreational benefits. We engage our employees in the development of sustainability with the help of the WWF Green Office environmental system. Our management approach promotes the UN Sustainable Development Goal 4.



*We were recognised as one of Finland's most inspiring workplaces.*

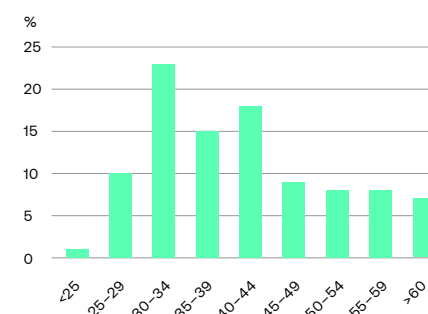
## Personnel

31 Dec 2021

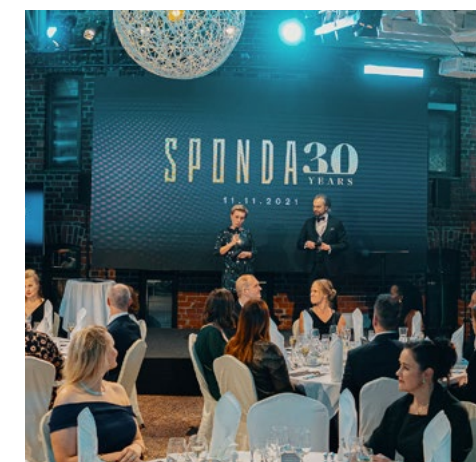


## Age ratio

31 Dec 2021



Long-term objective	Objective for the year	Status	Results in 2021
Promotion of the personnel's wellbeing at work and reduction of employee turnover rate from the previous year	Employee turnover rate maintained at current level or decreased	✓	• Turnover rate decreased from previous year to 9.61% (2020: 12.04%)
Keeping absences due to illness at an acceptable level	Low level of absences from work due to illness	✓	• Sick leave rate remained low
Development of work ability management and related performance indicators	Improved work ability management	✓	• Line managers were trained further on employee work ability related topics
Providing training that matches the needs of personnel and increasing the current number of training days	Number of training days maintained at current level or increased	✓	• Training was targeted on the basis of the needs raised. Specialist training was also offered, as needed. The amount of training increased from 2.2 to 4.9 days per person.
Measuring Employee Engagement	Employee Engagement to improve from 2020	✓	• The results of the 2022 survey continued at a strong level, and are in line with the 2021 survey results. eNPS was 24 and total engagement index 73.4



## Employee engagement remained high

Our employees engagement rating remained at a high level, thanks to participatory strategy planning, clear internal communication of the company's direction, and jointly planned staff events. We have also offered more training and better services and benefits to our personnel. A virtual 'get-together' every Friday has become the backbone of our community spirit. Meaningful work drives Sponda forward.

[Read more >](#)



# Responsibility in the supply chain

Our business partners play an important role in the achievement of our sustainability targets. We require our business partners to comply with our ethical guidelines, and we monitor the performance of our suppliers. We aim to promote human rights and prevent grey economy.

We implemented our new property management agreement. The Code of Business Conduct was updated with items regarding human rights and will be included in new agreements. Through regular collaboration meetings with our partners, we ensure that agreements are put into practice. 64% of our suppliers are now committed to our Code of Business Conduct. Work towards our 2022 goal of having 85% of suppliers committed to it will continue. We worked towards developing our internal 'Know your client and partner' identification process, and development will continue in 2022. We paused some solar power projects after human rights concerns were raised regarding the supply chain of solar panels until we were satisfied as to their ethical origins.

Sponda's ethical principles are presented in the Code of Business Conduct, which governs the sustainability of our supply chain and to which we expect all of our suppliers to commit. Our business partners have the responsibility to ensure that their subcontractors also observe the guidelines. In addition to regular collaboration meetings, we continue to promote the 'Responsibility in the supply chain' theme and increase the transparency of collaboration through supplier audits. We verify the backgrounds of our suppliers to prevent grey economy and to ensure that human rights are respected and promoted throughout the supply chain. Our management approach promotes the UN Sustainable Development Goals 4 and 12.



*We implemented our new property management agreement.*

Long-term objective	Objective for the year	Status	Results in 2021
Supplier audits and development of co-operation meetings with key suppliers	Follow-up and monitoring of audit results	✓	• Supplier performance results reviewed and followed in Supplier Relationship Meetings ("SRM") during the year. Part of the SRM was also a review of suppliers' sustainability program and its targets
Suppliers' commitment to Sponda's Code of Business Conduct	75% of suppliers committed to Code of Business Conduct of the cost framework	→	• The Code of Business Conduct was updated and is included in new agreements. 64% of the cost framework suppliers covered at the end of the year



## Supporting a new wind power farm

Our agreement with Helen, a leading Finnish energy company, will enable the construction of a new wind power farm in Finland. As a result, all electricity used in our properties will come from renewable sources. From 2022, 50 per cent of the wind power used by Sponda to cover electricity consumption will be generated at Helen's new Lakiakangas 3 wind farm. The remainder will be bought from other Nordic wind farms.

[Read more >](#)

# Customer orientation

We invest in the quality and efficiency of our services, and our MOW (Mothership of Work) co-working concept allows us to pursue bold initiatives to respond to the changing needs of working life. We help our tenants to achieve their sustainability objectives related to the use of the premises.

In 2021, the coronavirus pandemic continued to impact our customers' businesses and needs, so we worked to ensure the safety of our customers both in our office properties and shopping centres. We performed customer satisfaction surveys and planned for development actions according to the results. We also worked with our property management partner to support our office tenants in the use of our extranet services. Although the pandemic slowed the establishment of new environmental partnerships, we continued to work with existing partners. In shopping centres, we continued our contributions to support a sense of community by organising many sustainability-related public events.

Customers are crucial to Sponda. We have therefore looked to improve our collaboration with them, for example, by measuring our Net Promoter Score and customer experience. In addition, clear communication and feedback channels between Sponda and our customers support the creation of great customer experience. We also engage our customers in the design of the facilities we let, and we support them in their sustainability efforts through our Environmental Partnership Programme. We offer our tenants an environmental coordinator service organised through our partner, waste management company Lassila & Tikanoja, which promotes the recycling of waste. Our management approach promotes the UN Sustainable Development Goals 9, 11 and 12.

**In MOW, the net promoter score was once again an excellent**  
**80.25**  
(on scale -100 to +100)

**Our customers' overall satisfaction with office properties**  
**3.7**  
(on scale 1 to 5)



*We engage our customers in the design of the facilities we let.*

Long-term objective	Objective for the year	Status	Results in 2021
Developing the customer experience further	Overall customer satisfaction with lessor partnership over 4.0 on a scale of 1 to 5	→	• Customers were particularly satisfied with property maintenance and facilities. However, the overall satisfaction was slightly below 4.0
Improvement of the Net Promoter Score (NPS) from customers	Willingness to recommend Sponda has increased from the previous year	✓	• The net promoter score improved in shopping centres but decreased slightly from previous years in the office properties. In MOW, the net promoter score was once again at excellent 80.25
Providing better sustainability information through the website and extranet services	Updating and providing sustainability information	✓	• Tenants are generally satisfied with Sponda's responsibility measures, and satisfaction with communication on sustainability aspects has also risen significantly compared to last year
Closer co-operation in sustainability issues with tenants (environmental partnerships, etc.)	Two new partnerships in the year	→	• No new environmental partnerships were established due to the COVID-19 pandemic, but cooperation continued with existing partners



## First-class facilities support strategic goals

CBRE, the world's largest provider of real estate expert services, wanted facilities that increased employee wellbeing, supported hybrid working and inspired international customers. Sponda's Arkadia 6 in central Helsinki has flexible office spaces that support various forms of work and the need for collaboration. CBRE leased the property where its prime location and world-class services support their brand and employee commitment.

[Read more >](#)



# Eco-efficiency

We decrease energy and water consumption and improve the waste recycling rate. We use LEED and BREEAM to certify all of our new and major renovation property development projects and seek in-use environmental certifications for our existing buildings.

We improved eco-efficiency and decreased the negative environmental impacts of our properties significantly. Our energy efficiency measures exceeded target levels, and we already reached the targets set for 2025 in the Finnish property sector's energy efficiency agreement (TETS), four years ahead of schedule. We exceeded our target in environmental certifications and successfully reduced our water consumption. The recycling rate grew in shopping centres, but we didn't reach our targets as a whole. We continued to update our building design guidelines to follow our low-carbon approach and the demands of the upcoming EU Taxonomy.

We manage eco-efficiency through our Energy Efficiency Programme. Extending until 2030, it aims to save energy at properties and decrease the carbon footprint in collaboration with the users. Targets have been defined for each property, and we monitor their progress regularly. Our eco-efficiency is also guided by the property sector's energy efficiency agreement (TETS), our climate partnership with the City of Helsinki, and the climate goals of Finland and the cities in which we operate. We actively seek environmental certificates for all of our properties. Our management approach promotes the UN Sustainable Development Goals 7, 9, 11, 12 and 13.

**Water consumption decreased from the previous year by**

**4.2%**

**We reduced energy consumption from the average of 2016–2018 by**

**7.8%**



*Our annual energy efficiency measures exceeded target levels four times.*

Long-term objective	Objective for the year	Status	Results in 2021
Reduction of energy consumption in properties by 20% by 2030 compared with average consumption in 2016–2018	4% reduction in energy consumption	✓	• Energy consumption decreased by 7.8% as compared to the average of 2016–2018
Improving energy efficiency in line with the property sector's energy efficiency agreement (TETS)	Energy efficiency measures implemented in 2021 will achieve at least 0.7 per cent in energy savings relative to the total energy consumption in 2015 (TETS)	✓	• Our annual energy efficiency measures exceeded target levels four times, and we reached all targets in the agreement for 2017–2025, ahead of schedule
Reduction of water consumption in the property portfolio	Reduce water consumption from the previous year	✓	• Water consumption decreased from the previous year by 4.2%
Increasing the recycling rate to 58% by 2022	Sponda general 56%, office 48% and shopping centres 65%	→	• Sponda overall 53.7%, shopping centres 60.0% and offices 48.5%
Environmental certifications will be obtained for all new building projects and renovation projects	At least two new certifications. All shopping centres certified	✓	• We achieved six new certifications and three re-certifications. All of our shopping centres are now certified



## All shopping centres environmentally certified

All five of our shopping centres have now received a BREEAM Very Good environmental certification. In 2021, the Ratina shopping centre in Tampere received a construction-phase certificate, which guarantees that the building has been designed and built in accordance with strict environmental criteria. Our final goal is to certify all of our business properties in central Helsinki, of which there are more than 20.

[Read more >](#)

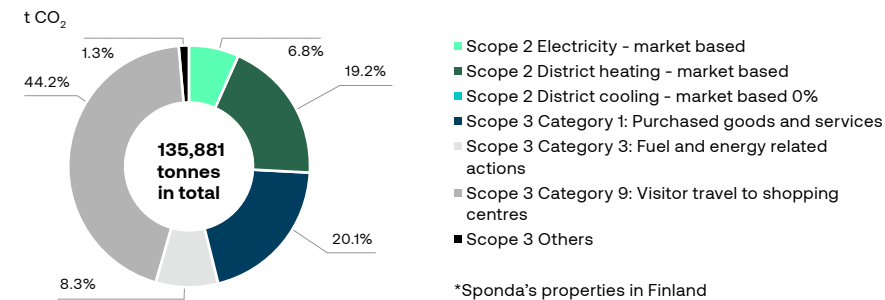
# Carbon smart

We reduce our emissions and develop solutions for low-carbon construction. We increase our own production of renewable energy and the share of renewable energy of the purchased energy.

In 2021, we made progress towards our climate target ahead of schedule. We supported the construction of a new wind farm in Finland and planned rooftop solar power plants for two properties. We calculated carbon footprints for all new and major renovation projects. We follow the low-carbon approach in our property development projects, starting with the design phase where the greatest impact can be made. This year, we set science-based emissions reduction targets and they were validated by the Science Based Targets initiative (SBTi) in early 2022. Our aim is to reduce emissions from existing buildings and to minimise emissions throughout the value chain.

We have previously created a roadmap for our climate targets regarding the use-phase energy consumption of our buildings. Our climate targets are also guided by the property sector's energy efficiency agreement (TETS), our climate partnership with the City of Helsinki and the climate goals of Finland and the cities in which we operate. In 2021, we also joined the Finnish Green Building Council's #BuildingLife project to promote carbon neutrality. Our management approach promotes the UN Sustainable Development Goals 7, 11, 12 and 13.

Sponda's carbon dioxide emissions 2021\*



Our CO<sub>2</sub> emissions decreased by **37.7%** from the 2016–2018 average

Long-term objective	Objective for the year	Status	Results in 2021
Sponda's properties will be carbon neutral in terms of energy consumption during operation by 2030	30% reduction in CO <sub>2</sub> emissions	✓	• The target was exceeded, and our CO <sub>2</sub> emissions decreased by 37.7% from the 2016–2018 average
Developing design guidelines, taking into account the carbon footprint and material efficiency of properties	Incorporating the carbon footprint and material efficiency of new properties and major renovations	✓	• Our design guidelines were updated taking into account the life-cycle emissions and material efficiency of buildings. Carbon footprint was calculated in all five on-going projects
Promoting renewable energy projects	Implementing at least one significant renewable energy project	✓	• Sponda supported a construction of new Lakiakangas 3 wind farm (50% of Sponda's electricity) and installed two solar power plants in Citycenter and Värehtehtäankatu 8
Whole portfolio consists of 100% renewable electricity by 2022	50% of the portfolio consists of wind electricity	✓	• 59% of Sponda's electricity was produced with wind power certified with guarantees of origin



## Science-based climate targets

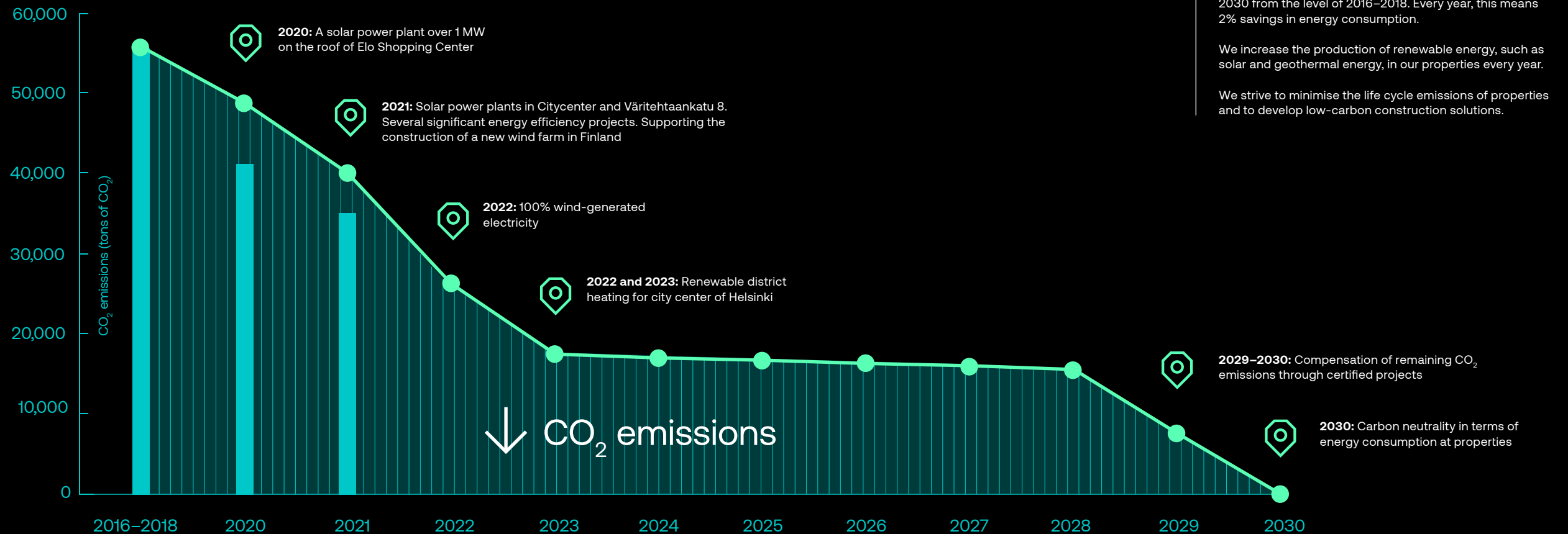
We set science-based emissions reduction targets and they were validated by the Science Based Targets initiative (SBTi) in early 2022. In line with the Paris Agreement, the initiative aims to limit global warming to 1.5°C and achieve net-zero emissions by 2050. Our aim is to reduce emissions from energy consumption in existing buildings and to minimise emissions throughout the value chain.

[Read more >](#)



# Carbon smart

## Sponda's Climate Roadmap Targets



### Annual energy efficiency measures and renewable energy projects

The goal of Sponda's Energy Efficiency Programme is to reduce the energy consumption of properties by 20% by 2030 from the level of 2016–2018. Every year, this means 2% savings in energy consumption.

We increase the production of renewable energy, such as solar and geothermal energy, in our properties every year.

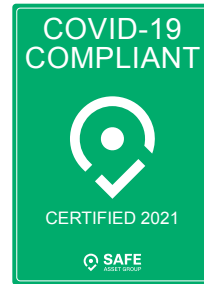
We strive to minimise the life cycle emissions of properties and to develop low-carbon construction solutions.

# Healthy and safe premises

We develop the quality control of our properties and invest in indoor air quality.  
We ensure that the premises are safe for tenants, employees and visitors.

The importance of healthy and safe premises was highlighted by the ongoing coronavirus pandemic. To ensure the safest possible premises for users, we continued to invest in cleaning and disinfection and advised users on ways to maintain social distancing. We also improved indoor air quality based on feedback from tenants, sought partners for air quality digitalisation and installed sensors in premises. We continued to develop our operational models to promote the health and safety of our properties and created the position of an Environment, Health and Safety (EHS) Coordinator. Moreover, we implemented a property risk management software platform and evaluated safety risks at construction sites.

The safety of our properties is managed by external property managers, who ensure that the partners they use operate in accordance with occupational safety regulations. We promote the development of the Environment, Health and Safety operating model with the property managers and EHS Coordinator. In addition, we monitor the safety and healthiness of the properties during regular meetings and through customer feedback and indoor climate satisfaction surveys. Our management approach promotes the UN Sustainable Development Goals 9 and 11.



All of our shopping centres are COVID-19 Compliant certified



*We continued to develop our operational models to promote the health and safety of our properties.*

Long-term objective	Objective for the year	Status	Results in 2021
Further development of the indoor air quality operating model and guidelines to support proactive measures	Development of indoor air issues was made part of the EHS operating model	→	• The handling of service requests related to indoor air quality was further developed. Operating model and guidelines to be finalised in 2022
Monitoring of indoor air quality and measurement of Sponda properties	At least two indoor air quality satisfaction surveys conducted	—	• Indoor air satisfaction surveys could not be promoted due to the COVID-19 pandemic
Establishing EHS organisation and developing the operating model	Policy and reporting model complete. Amount of safety audits per year covering 1/3 of the properties. 0 accidents per year	→	• The work of the EHS organization was structured and RiskWise platform was set up and is in use. Safety audits will start in 2022. There were no accidents
Improving health and safety on construction sites	0 accidents / site. TR Safety Observation level over 95/100	→	• Three accidents occurred, all of which were properly investigated. TR level average was excellent 96.7%



## Walking tours shed light on legendary buildings

To celebrate the cultural value of our historical buildings, we organised guided walking tours in our most impressive properties in the heart of Helsinki. Hosted by an expert from the Museum of Finnish Architecture, the Sponda Legends tours were fully booked in a matter of hours. The tours not only shed light on the property's architectural history but also offered perspectives on a more sustainable future.

[Read more →](#)



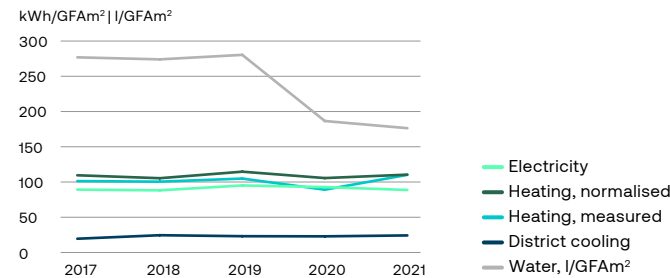
# Data-driven management and the use of digital innovations

We utilise Internet of Things (IoT) technology in the maintenance of our properties. We promote the deployment of digital services and As a Service products and services that are related to energy efficiency and good indoor air quality.

In 2021, we continued to test solutions based on IoT technology in the maintenance of our properties. The pilot projects included various solutions aiming to increase energy efficiency, save water and anticipate potential leakages, enhance the use of building automation, and improve indoor air quality. We also piloted a smart reporting platform with our property management partner. To facilitate the use of eco-efficient mobility services, we have added charging points for electric vehicles.

We look for new business partners who will embrace innovation with us, and who are willing to test and try new sustainable technologies. In addition, several pilot projects are implemented at our properties every year to improve indoor air quality, save water and energy, and develop the smart control of building automation. Our objective is to introduce these innovations as a part of our wider operations in 2022. Our management approach promotes the UN Sustainable Development Goal 8.

**Electricity, heating, water and district cooling consumption intensity\***



\*Sponda's properties in Finland



*We piloted a smart reporting platform with our property management partner.*

Long-term objective	Objective for the year	Status	Results in 2021
Increasing the number of pilot projects that promote digitalisation and smart solutions in property maintenance	Annual increase in pilot projects	✓	• We continued to carry out several pilots both to improve the energy efficiency of buildings and to monitor indoor air quality. Five new assets were piloted
Building ecosystems that promote innovation	Partnership with suppliers	✓	• Developing as part of Sponda's supplier collaboration. For example, KPI for new innovations was included in the contracts for property maintenance and building automation services



## Sponda granted ISO certification on information security

We were granted the widely recognised ISO/IEC 27001 international standard for information security, which sets out the requirements for an Information Security Management System. The certificate was granted by certification consultancy Kiwa Inspecta. The certification reflects our commitment to the highest standards of information security management and ensures we are a reliable partner for clients and stakeholders.

[Read more >](#)



# Key figures and calculation principles of reporting



Property:  
Mikonkatu 19, Helsinki



# Scope and principles of the report

Sponda reports on its sustainability in accordance with the “Core” option of the Global Reporting Initiative’s (GRI) Sustainability Reporting Standards. The Sustainability Review contains general information about Sponda’s economic, social and environmental operations between 1 January and 31 December 2021, unless otherwise indicated.

Sponda’s Sustainability Review is divided into the following main sections:

- The strategic significance of sustainability to Sponda and Sponda’s approach to sustainability are discussed in the “Management of sustainability” section of this report and the Sustainability section of Sponda’s website.
- The “Sustainability programme 2020–2022” section discusses Sponda’s actions and results in 2021 with regard to sustainability.
- The scope and calculation principles of reporting, the key indicators pertaining to environmental and social responsibility, the GRI correspondence table and the independent assurance report can be found in the “Key figures and calculation principles of reporting” section.

Sponda reports on its sustainability in accordance with the “Core” option of the Global Reporting Initiative’s (GRI) Sustainability Reporting Standards. GRI’s G4 Construction and Real Estate Sector Disclosures guidelines have also been applied in the reporting. In particular, the CRE indicators related to the real estate sector are reported following these guidelines where applicable.

Sponda’s corporate responsibility report also serves as a Communication on Progress (COP) report on the implementation of the UN Global Compact principles. Sponda’s

Consolidated Financial Statements are IFRS (International Financial Reporting Standards) compliant. Personnel data included in the social responsibility indicators represents the whole Group.

## Scope and calculation principles of reporting

The figures that appear in the report are based on the figures for 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.

## Assurance of the report

Selected information from the Finnish version regarding energy, emissions, water and waste management has been assured by an independent third party, PricewaterhouseCoopers Oy, and congruence between the Finnish and English versions has been checked. The assured information has been identified in the GRI Content Index. The external assurance report is provided in the “Key figures and calculation principles of reporting” section of the Sustainability Review on page [36](#).

## 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.<sup>1</sup>

In addition to total consumption, Sponda’s key environmental indicators are also reported separately for shopping centres and offices. Logistics properties are reported as part of the office segment.

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

The environmental indicators that Sponda reports are related to energy consumption, water consumption, greenhouse gas 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 and Scope 3 emissions are presented for two years.

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.<sup>2</sup>

Energy and water consumption, as well as greenhouse gas emissions, have also been presented as specific key figures proportionate to the gross floor area (GFAM<sup>2</sup>). Properties that were sold or bought and properties under renovation are not included in the specific key figure calculations. The calculation of the consumption intensity of electricity only includes properties for which the total electricity consumption is measured. The calculation of electricity consumption intensity has been refined in 2019–2020 and consequently, the consumption intensity figures of previous years are not comparable.

<sup>1</sup> The reporting does not cover real estate development sites or properties for which Sponda is not responsible for property maintenance, sourcing of energy or organising waste management. An exception to the restriction on the share of ownership is shopping centre Zeppelin, which has also been included in the reporting for property companies owned by less than 50 per cent.  
<sup>2</sup> Like-for-like consumption has been reported separately for the following environmental indicators: energy consumption, water consumption, carbon footprint, the total amounts in waste management and utilisation factors.

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.

## Energy

The energy consumption of Sponda's properties consists of purchased energy, electricity, heating, district cooling and solar power produced at the properties. During the reporting year, Sponda had on-site solar power production at two properties. District heating has been reported both as measured consumption and normalised consumption that takes the weather conditions into account. The normalisation of consumption is based on the heating requirement figures reported by the Finnish Meteorological Institute, which facilitates year-to-year comparisons of heat consumption.

A total of 100 (94) of Sponda's wholly or partially owned real estate companies were subject to energy consumption monitoring in 2021 (2020 in parenthesis), representing 100 (97) per cent of Sponda's property portfolio. All properties have been included in automatic hourly consumption monitoring.

Cooling is monitored separately for those properties that use district cooling. If cooling is performed locally 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).

Sponda's energy efficiency programme for 2030 includes 99 (93) properties, covering 99 (96) per cent of Sponda's wholly owned properties.

## Water

Water consumption monitoring extended to 96 (93) of properties owned by Sponda in 2021, representing 96 (96) per cent of Sponda's property portfolio. Of these, 95 (90) are subject to hourly monitoring, while consumption at 2 (3) property 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 100 (94) properties, representing 100 (97) per cent of the properties owned by Sponda at the end of 2021. Waste covered by tenants' own waste management agreements is not included in the reporting. The reported information on waste is based on waste volumes and emissions reported by waste management service providers. The amount of waste is based on either weighted waste containers or the default weight per collection equipment.

## Greenhouse gas emissions

Sponda has no greenhouse gas emissions resulting directly from its own operations. The amount of Scope 1 greenhouse gas emissions was zero during the reporting period. CO<sub>2</sub> emissions from purchased energy (Scope 2) have been calculated by multiplying the energy consumption (MWh) by the specific emission factor corresponding to its production (kg CO<sub>2</sub>/MWh). The emissions have been estimated by using two methods: based on information reported by the suppliers of purchased energy and based on Finland's country-specific emissions data (market- and location-based method). Chosen consolidation approach is operational control.

CO<sub>2</sub> emissions have been calculated for electricity and district cooling based on measured consumption data and for district heating based on normalised (weather-adjusted) consumption. However, science-based targets have been set and are being monitored using measured consumption, also for heating.

The calculation of CO<sub>2</sub> emissions for 2021 is based on the latest specific emission factors reported by energy suppliers (from 2020 or 2021). The specific emission factors are reported in the "Environmental responsibility key figures" section of the Sustainability Review. Data for the other reported years has been calculated by using the actual factors for each year. CO<sub>2</sub> emissions and origin of electricity are based on emission factor reported by the electricity providing company and the total electricity consumption, deducted by electricity produced from renewable energy sources (certificates of origin for Nordic wind power) and on-site produced renewable electricity.

For the sake of comparison, Sponda's total CO<sub>2</sub> emissions are also reported by using Finland's country-specific factor for electricity and heat production (Source: Statistics Finland). Because of the unavailability of Finland's 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 greenhouse gas emissions from purchased products and services, fuel production, energy transmission losses, travel to work, tenant electricity, waste management, business travel and leased cars. The reported categories have been identified as material emissions categories based on a materiality assessment. Emissions from purchased goods and services have been grouped into construction and development projects,

facility management and Sponda's own actions. The emissions have been calculated based on costs, using cost-based emission factor published by Exiobase. For calculating the energy transmission losses, the Scope 2 energy consumption figures, together with emissions factors and shares of transmission losses provided by DEFRA, have been used. Estimates produced by Traficom on the shares of different means of transport used and the lengths of journey to work were used in the emissions calculations for the personnel's travel to work. Emissions calculations for waste management cover 100 per cent of the waste management under Sponda's responsibility, based on the GHG protocol. The calculations include both waste transportation and treatment. The emissions from business travel include both business flights and driving subject to mileage allowance. Emissions from business flights are based on flight miles and the emissions reports for purchased flights provided by airlines. Emissions from driving subject to mileage allowance have been calculated by using DEFRA's emission factor for an average car. The emissions from leased cars are based on the emissions data on leased cars used by Sponda as of the last day of the year and kilometres driven per year. Indirect greenhouse gas emissions are reported at the company level.<sup>3</sup> Most of the Scope 3 emissions have been calculated as carbon dioxide equivalents.

The use of renewable energy sources includes solar power generated at the properties as well as electric and heat energy produced from renewable energy sources and purchased from energy companies.

<sup>3</sup> The emissions caused by customers' travel are included in Scope 3, Category 9. The share of car users, public transport users and walkers/bicycle users are estimated based on the transaction survey done by Sponda. Shopping trip distances for each mode of transportation are estimated using the same survey. Category 9 emissions were calculated based on DEFRA emission factors and the amount of visitors to the different shopping centers.



# Environmental responsibility

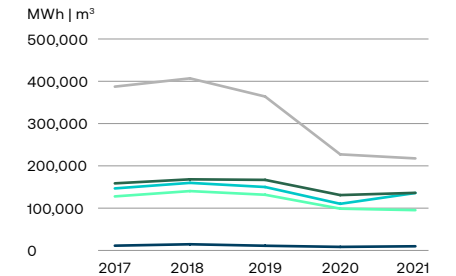
## key figures

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

	2021	2020	2019	2018	2017	Change, 2020–2021, %	Number of properties 2021
Total energy consumption, all properties, MWh	241,879	238,627	309,846	323,322	297,984	1.4%	98
Total energy consumption, all properties, GJ	870,764	859,058	1,115,447	1,163,960	1,072,743	1.4%	98
Total energy consumption, like-for-like properties, MWh	227,401	225,957				0.6%	91
Total energy consumption, like-for-like properties, GJ	818,643	813,446				0.6%	91
Electricity, all properties, MWh	95,397	98,884	131,638	140,297	127,747	-3.5%	98
Tenants' electricity purchased by landlord, MWh	28,976	29,910	33,688			-3.1%	
Electricity consumption in common areas, MWh	66,421	68,974	97,950			-3.7%	
Electricity purchased by tenants, MWh	6,021	4,101	3,322			46.8%	
Electricity, like-for-like properties, MWh	90,717	94,684				-4.2%	91
Heating, normalised, all properties, MWh	136,165	130,891	166,684	167,972	158,508	4.0%	98
Heating, normalised, like-for-like properties, MWh	127,427	122,935				3.7%	90
Heating, measured, all properties, MWh	135,761	110,326	149,884	159,642	146,564	23.1%	98
Heating, measured, like-for-like properties, MWh	127,145	103,035				23.4%	90
District cooling, all properties, MWh	10,317	8,851	11,525	15,053	11,729	16.6%	24
District cooling, like-for-like properties, MWh	9,257	8,339				11.0%	21
Water, all properties, 1,000,000 liters*	217	227	363	406	386	-4.2%	96
Water, like-for-like properties, 1,000,000 liters	201	211				-4.8%	90

\*Supplied from a municipal or city water supply network.

### Electricity, heating, water and district cooling consumption\*



\*Sponda's properties in Finland

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

	2021	2020	2019	2018	2017
Energy intensity, kWh/GFAm <sup>2</sup> /year	208.9	207.1	223.8	200.5	203.6
Electricity intensity, kWh/GFAm <sup>2</sup> /year	88.6	92.7	102.9	88.1	89.1
Heating intensity, normalised, kWh/GFAm <sup>2</sup> /year	110.4	105.5	114.8	105.3	109.5
Heating intensity, measured, kWh/GFAm <sup>2</sup> /year	110.1	89.0	105.0	100.4	101.2
District cooling intensity, kWh/GFAm <sup>2</sup> /year	24.0	22.7	23.2	24.3	19.3
Water intensity, ltr/GFAm <sup>2</sup> /year	176.4	186.6	281.1	274.2	277.1

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

	Office properties			Shopping centres		
	2021	2020	Change, %	2021	2020	Change, %
Total energy consumption by main segment, MWh	131,530	131,967	-0.3%	95,871	92,748	3.4%
Electricity, MWh	48,243	50,159	-3.8%	42,474	43,007	-1.2%
Heating, normalised, MWh	80,025	78,892	1.4%	47,402	44,205	7.2%
Heating, measured, MWh	79,916	66,563	20.1%	47,229	37,262	26.7%
District cooling, MWh	3,261	2,916	11.8%	5,995	5,536	8.3%
Water, m <sup>3</sup>	108,250	112,871	-4.1%	93,082	96,126	-3.2%

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

	Office properties			Shopping centres		
	2021	2020	Change, %	2021	2020	Change, %
Energy intensity by main segment, kWh/GFAm <sup>2</sup> /year	179.4	179.4	0.0%	255.4	246.0	3.8%
Electricity intensity, kWh/GFAm <sup>2</sup> /year	71.8	76.2	-5.8%	115.1	116.0	-0.8%
Heating intensity, normalised, kWh/GFAm <sup>2</sup> /year	104.5	101.4	3.0%	122.8	114.1	7.6%
Heating intensity, measured, kWh/GFAm <sup>2</sup> /year	104.3	85.6	21.8%	122.4	96.2	27.2%
District cooling intensity, kWh/GFAm <sup>2</sup> /year	17.7	15.2	16.5%	32.1	29.4	9.1%
Water intensity, ltr/GFAm <sup>2</sup> /year	145.5	155.8	-6.6%	241.2	248.1	-2.8%

## Energy and water consumption of Sponda's head office

	2021	2020	2019	2018	2017	Change 2020–2021, %
Total energy consumption, MWh	1,102.9	1,080.3	1,077	1,087	1,056	2.1%
Electricity, MWh	284.0	321.3	342	331	324	-11.6%
Heating, normalised, MWh	733.7	697.5	685	657	681	5.2%
Heating, measured, MWh	732.1	596.5	623	637	625	22.7%
District cooling, MWh	85.2	61.5	50	100	52	38.6%
Water, m <sup>3</sup>	1,041.0	1,349.5	1,512	1,177	1,542	-22.9%

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

	2021	2020	2019	2018	2017
Total energy intensity, kWh/GFAm <sup>2</sup> /year	187.1	183.3	182.7	184.4	179.2
Electricity intensity, kWh/GFAm <sup>2</sup> /year	48.2	54.5	58.1	56.2	54.9
Heating intensity, normalised, kWh/GFAm <sup>2</sup> /year	124.5	118.3	116.2	111.4	115.5
Heating intensity, measured, kWh/GFAm <sup>2</sup> /year	124.2	101.2	105.7	108.0	106.0
District cooling intensity, kWh/GFAm <sup>2</sup> /year	14.5	10.4	8.4	16.9	8.8
Water intensity, ltr/GFAm <sup>2</sup> /year	176.6	228.9	256.5	199.7	261.6

## Sponda's Science Based Targets

	Base year (2019)	Target year (2030)	2020	2021
		Emission reduction target	%, reductions from base year	%, reductions from base year
Scope 1 emissions (tCO <sub>2</sub> e)	0	0	0	0
Scope 2 emissions (tCO <sub>2</sub> e)	59,723	32,131 -46.2%	36,067 -39.6%	35,454 -40.6%
Scope 1+2 emissions (tCO <sub>2</sub> e)	59,723	32,131 -46.2%	36,067 -39.6%	35,454 -40.6%
Scope 3 emissions (tCO <sub>2</sub> e)	130,884	70,416 -46.2%	96,201 -26.5%	100,463 -23.2%

Sponda has set Science Based Targets to support limiting global warming to 1.5 °C under the Paris Climate Agreement. Science Based Targets initiative has approved Sponda's emission reduction targets for its own operations. SBTi is a global collaboration between CDP, the UN Global Compact, the World Resources Institute WRI and WWF.



## Energy sources and emission factors

	2021	2020	2019	2018	2017
Purchased electricity					
Market-based emission factor, kg CO <sub>2</sub> /MWh	97	147	213	284	256
Renewables, %	57	37	19	15	15
Non-renewables, %	16	25	37	45	44
Nuclear power, %	27	38	44	40	41
Location-based emission factor, kg CO <sub>2</sub> /MWh	131	131	141	141	164
Heating					
Market-based emission factor, kg CO <sub>2</sub> /MWh	192	191	211	186	191
Renewables, %	26	25	20	18	17
Non-renewables, %	74	75	80	82	83
Location-based emission factor, kg CO <sub>2</sub> /MWh	141	141	154	154	188
District cooling					
Market-based emission factor, kg CO <sub>2</sub> /MWh	0	0	18	18	61
Renewables, %	97	97	94	94	94
Non-renewables, %	3	3	6	6	6

The share of renewable energy of Sponda's total energy usage 41.1%.

## Emissions from energy consumption in properties by main segment

	Carbon footprint arising from energy consumption of Sponda's properties in Finland by main segment (t CO <sub>2</sub> )			Carbon dioxide emission intensity from energy consumption of Sponda's properties in Finland by main segment (kg CO <sub>2</sub> /GFAm <sup>2</sup> /year)		
	2021	2020	Change, %	2021	2020	Change, %
Office properties	24,506	24,597	-0.4%	33.5	33.8	-1%
Shopping centres	9,100	13,192	-31%	23.7	34.0	-30%

Indirect CO<sub>2</sub> emissions (Scope 2): Energy consumption of properties located in Finland

t CO <sub>2</sub>	2021	2020	2019	2018	2017	Change 2020–2021, %
Electricity – market-based*	9,270	14,743	27,984	39,882	32,650	-37.1%
District heating – market-based	26,148	25,344	34,549	31,313	30,252	3.2%
District cooling – market-based	0	0	211	1,084	715	0.0%
Total Scope 2 – market-based	35,417	40,086	62,744	72,278	63,617	-11.6%
Total Scope 2 – market-based, like-for-like	33,606	37,789				-11.1%
Total Scope 2 – location-based	31,696	31,807	44,019	50,798	51,465	-0.3%

\*Emissions of electricity purchased by Sponda and used in the common areas, shared services or by tenants. Guarantee of Origin certificates and on-site generated renewable energy included. Emissions of electricity purchased by tenants have been reported as part of Scope 3 emissions.

## Sponda's Energy Efficiency Programme 2030

	2021	2020	2019	2018	2017
Number of properties included in Sponda's Energy Efficiency Programme at the end of the year	99	72	80	102	101
Share of properties included in the programme, % of the total property portfolio	98	74	83	87	89
Annual energy saving achieved by the energy efficiency programme, MWh	4,471	-13,761	-329	-365	-3,622
Annual energy saving achieved by the energy efficiency programme, GJ	16,097	-49,540	-1,189	-1,313	-13,039
Number of energy reviews conducted per year	94	78	71	101	63

Data for 2021 are based on the Spondas' Energy Efficiency Programme 2030 and data for 2017–2020 on the Energy Efficiency Programme 2020. Data for 2021 are not comparable with previous years due to changes in the number of properties and calculation methods of the programs.

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

kg CO <sub>2</sub> /GFAm <sup>2</sup> /year	2021	2020	2019	2018	2017	Change 2020–2021, %
Total CO <sub>2</sub> intensity from head office energy consumption	23.3	23.0	23.7	18.9	20.4	1.3%
CO <sub>2</sub> intensity from electricity	0.0	0.0	0.5	0.1	0.0	0.0%
CO <sub>2</sub> intensity from heating	23.3	23.0	23.0	17.6	19.9	1.4%
CO <sub>2</sub> intensity from district cooling	0.0	0.0	0.2	1.2	0.5	0.0%

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

kg CO <sub>2</sub> /GFAm <sup>2</sup> /year	2021	2020	2019	2018	2017	Change 2020–2021, %
Total CO <sub>2</sub> intensity	29.6	33.8	46.3	45.1	46.4	-12.5%
CO <sub>2</sub> intensity from electricity	8.3	13.6	21.8	23.6	23.6	-38.5%
CO <sub>2</sub> intensity from heating	21.2	20.2	24.1	19.7	21.7	5.0%
CO <sub>2</sub> intensity from district cooling	0.0	0.0	0.4	1.8	1.2	0.0%

### Carbon footprint from energy consumption in Sponda's head office

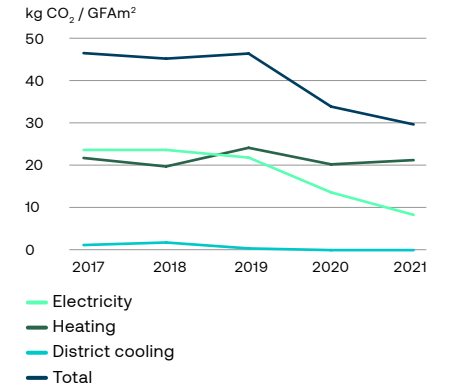
t CO <sub>2</sub>	2021	2020	2019	2018	2017	Change 2020–2021, %
Total carbon footprint, including certificates*	137.2	135.4	139.6	111.3	118.7	1.3%
Total carbon footprint, excluding certificates**	203.1	209.9	221.8	207.0	205.8	-3.3%
Electricity	0.0	0.1	85.3	96.0	85.5	-100.0%
Heating	137.2	135.3	135.6	103.8	117.1	1.4%
District cooling	0.0	0.0	0.9	7.2	3.2	0.0%
CO <sub>2</sub> emission reductions from Guarantee of Origin certificates	-65.9	-74.5	-82.2	-95.7	-87.1	-11.5%

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

### Other indirect GHG emissions (Scope 3)

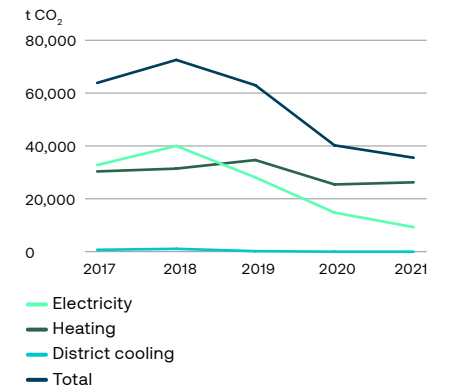
t CO <sub>2</sub> e	2021	2020	Change 2020–2021, %
Total	100,463	96,201	4%
Category 1: Purchased goods and services	27,338	32,662	-16%
Water consumption	1	2	-14%
Construction and Development	16,197	22,425	-28%
Facility Management	6,985	6,985	0%
Sponda's own actions	4,155	3,251	28%
Category 3: Fuel and energy related actions	11,270	8,571	31%
Category 5: Waste generated in operation	203	316	-36%
Category 6: Business travel	11	11	0%
Category 7: Employee commuting	100	99	1%
Category 8: Upstream leased assets	20	38	-48%
Category 9: Visitor travel to shopping centres	60,122	53,482	12%
Category 13: Downstream leased assets	1,399	1,022	37%

### Carbon dioxide emission intensity from energy consumption\*



\*Sponda's properties in Finland

### Carbon footprint from the energy consumption\*



\*Sponda's properties in Finland



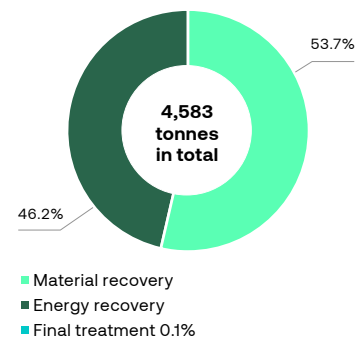
## Waste recovery rates of Sponda's properties in Finland

%	2021	2020	2019	2018	2017
Overall waste recovery rate	99.9%	100.0%	99.9%	100.0%	100.0%
Energy recovery	46.2%	46.0%	47.0%	52.2%	54.9%
Material recovery	53.7%	54.0%	52.9%	47.8%	45.1%
Final treatment	0.1%	0.0%	0.1%	0.0%	0.0%

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

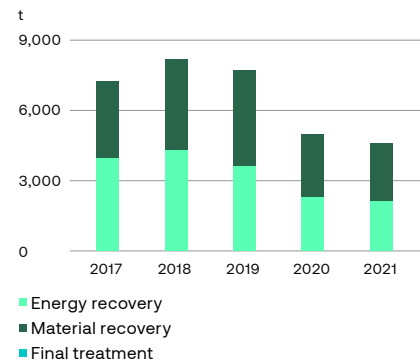
	2021		2020	
	%	t	%	t
Total like-for-like waste weight		4,324		4,579
Energy recovery, like-for-like	45.9 %	1,986	46.5 %	2,129
Material recovery, like-for-like	54.0 %	2,334	53.5 %	2,450
Final treatment, like-for-like	0.09%	4	0.00%	0

## Waste recovery rates 2021\*



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

## Total amount of waste\*



\*Sponda's properties in Finland

## Waste volumes by main segment of Sponda's properties in Finland in 2021

t	Office properties	Shopping centres
Energy recovery	1,295	825
Material recovery	1,223	1,237
Final treatment	3.7	0.1

## Waste treatment of Sponda's properties in Finland

t	2021	2020
Total	4,583	4,957
Non-hazardous waste total	4,579	4,950
Energy recovery	2,116	2,279
Material recovery	2,459	2,672
Final treatment	3.7	0.2
Hazardous waste total	4.44	6.5
Energy recovery	3.6	0
Material recovery	0.8	4.5
Final treatment	0.1	2.0

All waste is treated off-site.

## Waste volumes of Sponda's properties in Finland

t	2021	2020	2019	2018	2017
Total	4,583	4,957	7,709	8,193	7,217
Energy recovery	2,120	2,279	3,626	4,278	3,963
Material recovery	2,459	2,676	4,075	3,915	3,252
Biowaste	913	1,051	1,717	1,528	1,230
Paper	154	179	282	296	378
Paperboard	845	902	1,418	1,464	1,303
Cardboard	102	85	94	100	92
Glass	96	93	119	112	91
Metal	115	115	154	135	103
Plastic	75	68	55	14	1
Sludge	38	50	75	112	21
Other waste	120	128	155	147	16
Hazardous waste	1	5	7	7	17
Final treatment	4	2	7	0	1

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

## Waste volumes and recovery rates of Sponda's head office

	2021		2020		2019		2018		2017	
	%	t	%	t	%	t	%	t	%	t
Total		40.5		34.0		66.0		65.6		66.9
Energy recovery	33%	13.3	37%	12.5	31%	20.3	47%	30.7	46%	30.9
Material recovery	67%	27.3	63%	21.5	69%	45.5	53%	34.7	54%	35.9
Final treatment	0%	0.0	0%	0.0	0%	0.2	0%	0.1	0%	0.0

# Social responsibility key figures

## Key figures for the personnel

	2021		2020		2019		2018		2017	
	Group	Russia	Group	Russia	Group	SRE*	Group	SRE*	Group	Parent company
Personnel at the year-end	138	-	147	-	131	123	125	117	106	102
Personnel on average	142	-	144	-	136	127	119	110	106	101
Average age at the year-end	41.17	-	41.38	-	41.79	42.29	43.23	43.67	46.35	46.40
Sick leave, days on average	2.14	-	3.84	-	7.80	4.88	4.98	4.87	5.67	5.83
Sick leave, % of working hours	0.82	-	1.6	-	1.44	1.35	-	2.03	-	2.58
Training days per employee on average**	4.87	-	2.20	-	0.90	0.96	1.56	1.56	2.39	2.19
Training hours per employee	29.19	-	13.20	-	5.42	5.74	9.33	9.33	14.33	13.13
Training, % of working hours	1.63	-	0.75	-	0.30	0.31	-	0.59	-	0.77

\*Sponda Real Estate Ltd, established in 1 January 2018.

\*\*According to Tax Administration guidelines, a whole training day is 6 hours of training.

## Collective labour agreements and employee turnover 2021

	%
Percentage of employees covered by collective labour agreements*	100.00
Turnover, Finland (Group)	9.61
In employment relationships that are valid indefinitely	94.20
In fixed-term employment relationship**	5.80
In full-time employment relationship	96.38
In part-time employment relationship	3.62

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

\*\*Fixed-term employment relationships are typically 3 to 6 months or longer project based assignments or traineeships.

## Days of training by personnel group 2021

	Total	Men	Women	% of working hours	
				Men	Women
Manager	171.20	66.40	104.80	0.97	1.73
Middle Management	81.73	31.87	49.87	0.79	1.10
Total	252.93	98.27	154.67	1.18	

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

## Employee Engagement Survey, Group

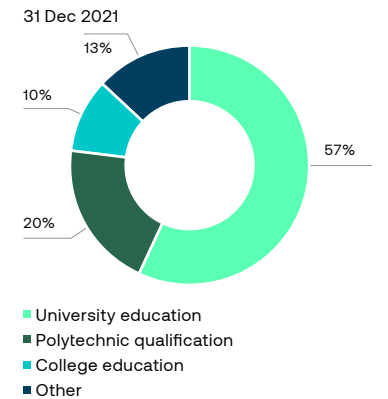
Scale 1 to 100	2022	2021	2020
Commitment index	75.3	80.1	68.4
Leadership index	77.5	78.4	59.4
Performance index	62.0	60.8	53.1
Engagement index	80.4	82.4	68.6
Meaningfulness index*	76.0	-	-

Scale -100–+100

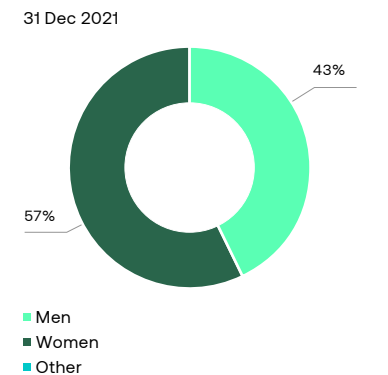
eNPS	+24	+27	-23
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\*Meaningfulness index is a new index

## Educational structure



## Gender ratio





## Occupational safety and security, Finland 2021

Accident frequency	under 0.000001
Occupational diseases	0
Fatalities	0
Number of discrimination cases, their handling and related corrective action, amount of cases	0

## Personnel Groups

Persons	31-Dec-2021	31-Dec-2020	31-Dec-2019
Administration	47	47	56
Property Development*	25	25	22
Investments and Portfolio Management	13	17	15
Retail and Shopping Centres	19	20	18
Asset Management	7	6	-
Office and Coworking	27	32	25

\*Property Development unit composed of several teams

## Comparison of salaries and rewarding of men and women

## Comparison group I, Manager

The salary of women as % of the corresponding salary of men	Basic salary	Rewarding
2021	88.18	101.43
2020	93.61	95.35
2019	92.15	93.21

## Comparison group II, Middle Management

The salary of women as % of the corresponding salary of men	Basic salary	Rewarding
2021	91.37	93.83
2020	86.93	72.32
2019	79.16	130.45

The comparison includes task-specific groups with five women and five 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.

## Employees hired in 2021, Finland

Age group	Total	Men	Women
20–24	1	0	1
25–29	5	3	2
30–34	6	4	2
35–39	1	1	0
40–44	0	0	0
45–49	0	0	0
50–54	0	0	0
over 55	0	0	0
Total	13	8	5

## Employees that left the company in 2021, Finland

Age group	Total	Men	Women
under 20	0	0	0
20–24	1	1	0
25–29	6	3	3
30–34	1	0	1
35–39	1	0	1
40–44	3	2	1
45–49	3	2	1
50–54	2	0	2
over 55	4	0	4
Total	21	8	13

# Independent Practitioner's Limited Assurance Report

(Translation of the Finnish original)

## To the Management of Sponda Ltd

We have been engaged by the Management of Sponda Ltd (hereinafter also the "Company") to perform a limited assurance engagement on selected environmental sustainability information for the reporting period 1 January 2021 to 31 December 2021, disclosed in Sponda Ltd's Sustainability Review 2021 on the Company's website (hereinafter the Selected sustainability information). The assured information is indicated in the Company's GRI index 2021.

## Management's responsibility

The Management of Sponda Ltd is responsible for preparing the Selected sustainability information in accordance with the Reporting criteria as set out in Sponda Ltd reporting instructions described in Sponda Ltd's Sustainability Review 2021, the GRI Standards of the Global Reporting Initiative and the G4 Construction, Real Estate Sector Disclosures of the Global Reporting Initiative. The Management of Sponda Ltd is also responsible for such internal control as the management determines is necessary to enable the preparation of the Selected sustainability information that is free from material misstatement, whether due to fraud or error.

## Practitioner's independence, other ethical requirements and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics

for Professional Accountants (including International Independence Standards) 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 behavior.

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 sustainability information 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 sustainability information is 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 sustainability information. The procedures selected depend on the practitioner's judgment, including an assessment of the risks of material misstatement of the Selected sustainability information.

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

- Interviewing a representative of senior management of the Company.
- Interviewing employees responsible for collecting and reporting the Selected sustainability information 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
- Considering the disclosure and presentation of the Selected sustainability information.

## 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 Ltd's Selected sustainability information for the reporting period ended 31 December 2021 are not properly prepared, in all material respects, in accordance with the Reporting criteria.

When reading our limited 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 Ltd for our work, for this report, or for the conclusions that we have reached.

Helsinki 12 April 2022

**PricewaterhouseCoopers Oy**  
Authorised Public Accountants

Tiina Puukkoniemi  
Partner, Authorised Public Accountant (KHT)  
Sustainability Assurance and Reporting Lead

# 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.

Code	GRI Standard	Included/ Partly included	Location	External Assurance	Global Compact Principles	SDG	Comments
General Disclosures (2016)							
Organisation							
102-1	Name of the organisation	●	Sponda in brief, p. 3				
102-2	Activities, brands, products and services	●	Sponda in brief, p. 3				
102-3	Location of headquarters	●	Back cover				Korkeavuorenkatu 45, 00130 Helsinki, Finland
102-4	Location of operations	●	Sponda in brief, p. 3; <a href="https://sponda.fi/en/about-us/sponda-company/">https://sponda.fi/en/about-us/sponda-company/</a>				
102-5	Ownership and legal form	●	Sponda in brief, p. 3				
102-6	Markets served	●	Sponda in brief, p. 3; <a href="https://sponda.fi/en/about-us/sponda-company/">https://sponda.fi/en/about-us/sponda-company/</a>				
102-7	Scale of the organisation	●	Sponda in brief, p. 3; <a href="https://sponda.fi/en/about-us/sponda-company/">https://sponda.fi/en/about-us/sponda-company/</a>				Financial statements are available on the website of the Finnish Trade Register: <a href="https://virre.prh.fi/novus/home?execution=e1s3">https://virre.prh.fi/novus/home?execution=e1s3</a>
102-8	Information on employees and other workers	●	Employee wellbeing and competence development, p. 18; Social responsibility key figures, pp. 34–35		6	8, 10	The reported information on employees was retrieved from the Personec HR and Nepton systems. Sponda purchases property management 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	●	Responsibility in the supply chain, p. 19				
102-10	Significant changes to the organization and its supply chain	●	Sponda in brief, p. 3; Review by the CEO, pp. 5–6				
102-11	Precautionary Principle or Approach	●	Sustainability at Sponda, pp. 8–9		7		
102-12	External Initiatives	●	Sustainability at Sponda, p. 8; Sustainable and transparent economy and risk management, p. 17				
102-13	Membership of associations	●	Sustainability programme, p. 15				
Strategy							
102-14	Statement from senior decision-maker	●	Review by the CEO, pp. 5–6				The company's senior management approves the report.
Ethics and Integrity							
102-16	Values, principles, standards, and norms of behavior	●	Sustainability at Sponda, pp. 8–9; Sustainable and transparent economy and risk management, p. 17; <a href="https://sponda.fi/en/about-us/sponda-company/">https://sponda.fi/en/about-us/sponda-company/</a>		1, 2, 3, 4, 5, 6, 7, 8, 9, 10	8	



Code	GRI Standard	Included/ Partly included	Location	External Assurance	Global Compact Principles	SDG	Comments
Governance Structure							
102-18	Governance structure	●	Management of sustainability, p. 9; <a href="https://sponda.fi/en/about-us/organization-and-governance/">https://sponda.fi/en/about-us/organization-and-governance/</a>				
Stakeholder Engagement							
102-40	List of stakeholder groups	●	Sustainability at Sponda, pp. 8–9; <a href="https://sponda.fi/en/about-us/sustainability/">https://sponda.fi/en/about-us/sustainability/</a>				
102-41	Collective bargaining agreements	●	Social responsibility key figures, p. 34		3	8	
102-42	Identifying and selecting stakeholders	●	Sustainability at Sponda, pp. 8–9; <a href="https://sponda.fi/en/about-us/sustainability/">https://sponda.fi/en/about-us/sustainability/</a>				Stakeholders were reviewed in the materiality analysis and stakeholder survey carried out in 2019. The materiality analysis will be updated in 2022.
102-43	Approach to stakeholder engagement	●	Sustainability at Sponda, pp. 8–9; <a href="https://sponda.fi/en/about-us/sustainability/">https://sponda.fi/en/about-us/sustainability/</a>				
102-44	Key topics and concerns raised	●	Sustainability programme, p. 15; Customer orientation, p. 20				
Reporting Practice							
102-45	Entities included in the consolidated financial statements	●	GRI index				Financial statements are available on the website of the Finnish Trade Register: <a href="https://virre.prh.fi/novus/home?execution=e1s3">https://virre.prh.fi/novus/home?execution=e1s3</a>
102-46	Defining report content and topic Boundaries	●	Scope and principles of the report, pp. 27–28				
102-47	List of material topics	●	Sustainability programme, p. 15				
102-48	Restatements of information	●	GRI index				No changes to report.
102-49	Changes in reporting	●	Sustainability programme, pp. 14–15				
102-50	Reporting period	●	Scope and principles of the report, p. 27				
102-51	Date of most recent report	●	GRI index				16 April 2021
102-52	Reporting cycle	●	Scope and principles of the report, p. 27				
102-53	Contact point for questions regarding the report	●	GRI index				Head of ESG Pirkko.Airaksinen(at)sponda.fi
102-54	Claims of reporting in accordance with the GRI Standards	●	Scope and principles of the report, p. 27				
102-55	GRI content index	●	GRI index, pp. 37–42				
102-56	External assurance	●	Independent Practitioner's Limited Assurance Report, p. 36				Certain energy, emissions and waste data have been assured by an independent third party.
Management Approach (2016)							
103-1	Explanation of the material topic and its Boundary	●	Sustainability programme, pp. 15–16; Scope and principles of the report, p. 27; <a href="#">Description of Sponda's sustainability management approach</a>				If the boundary is not Sponda Group, this is indicated in connection with the topic in question.
103-2	The management approach and its components	●	Sustainability programme, pp. 15–16; <a href="#">Description of Sponda's sustainability management approach</a>				
103-3	Evaluation of the management approach	●	Sustainability at Sponda, pp. 8–9; <a href="#">Description of Sponda's sustainability management approach</a>				In 2021, the position Head of ESG was established as a part of extended executive management team. The Head of ESG reports directly to the Chief Legal Officer.

## Economic Standards

Code	GRI Standard	Included/ Partly included	Location	External Assurance	Global Compact Principles	SDG	Comments
Economic performance (2016)							
201-2	Financial implications and other risks and opportunities due to climate change	●	Megatrends that shape the real estate industry, p. 10; Sustainability programme, pp. 15–16; Carbon smart, p. 22			7, 9, 13	The implications of climate change are assessed as part of Sponda's annual risk assessment. In 2021, Sponda conducted a climate risk assessment according to Task Force on Climate-Related Financial Disclosures (TCFD) -framework.
Indirect economic impacts (2016)							
203-1	Infrastructure investments and services supported	●	Highlights in 2021, p. 4; How we create value, p. 12; Sustainable and transparent economy and risk management, p. 17; Customer orientation, p. 20; Healthy and safe premises, p. 24; Data-driven management and the use of digital innovations, p. 25			9, 11, 12	In 2021, Sponda supported the construction of a new wind power farm in Finland.
Anti-corruption (2016)							
205-2	Communication and training about anti-corruption policies and procedures	●	Sustainable and transparent economy and risk management, p. 17; Responsibility in the supply chain, p. 19		10		In 2021, the Code of Conduct was updated and supporting policies, including Antibribery and Corruption, Conflicts of Interest, Modern Slavery, and Confidentiality, were created. Compliance trainings have been arranged for all employees.
205-3	Confirmed incidents of corruption and actions taken	◐	GRI index; <a href="#">Description of Sponda's sustainability management approach</a>		1, 2, 10		In 2021, one incident was reported through the Whistleblowing-channel. Incident was processed according to our Whistleblowing policy and process.

## Environmental Standards

Code	GRI Standard	Included/ Partly included	Location	External Assurance	Global Compact Principles	SDG	Comments
Energy (2016)							
302-1	Energy consumption within the organization	●	Sponda in Brief, p. 3; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, pp. 29–31	Yes	7, 8	7, 11, 13	Sponda reached an agreement that will enable the construction of a new wind power farm in Finland with Helen, a Finnish energy company. As a result, 100% of the electricity consumption in Sponda's properties is produced by emission-free wind power.
302-3	Energy intensity	●	Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, pp. 29–31	Yes	8	7	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	●	Eco-efficiency, p. 21; Carbon smart, pp. 22–23; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, pp. 29–32	Yes	8, 9	7, 13	Includes the reduction in energy consumption achieved through Sponda's Energy efficiency programme.
302-5	Reductions in energy requirements of products and services	●	Eco-efficiency, p. 21; Scope and principles of the report, pp. 27–28	Yes	8	7, 13	

## Environmental Standards

Code	GRI Standard	Included/ Partly included	Location	External Assurance	Global Compact Principles	SDG	Comments
<b>Water &amp; Effluents (2018)</b>							
303-1	Interactions with water as a shared resource	●	Eco-efficiency, p. 21; Scope and principles of the report, pp. 27–28		7	11, 12	There are no major challenges related to water supply or water quality in Finland. Water consumption is monitored automatically in the properties. Measures are taken in case the alarm systems notice exceptional consumption. In addition, Sponda pilots intelligent water usage systems.
303-2	Management of water discharge-related impacts	●	Scope and principles of the report, pp. 27–28		8, 9	11, 12	Wastewater is treated in accordance with laws and regulations.
303-5	Water consumption	●	How we create value, p. 12; Eco-efficiency, p. 21; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, pp. 29–30	Yes	7, 8	11, 12	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 new constructed properties and major renovation projects. Additionally, in environmental certification processes, attention is paid to reducing water consumption.
<b>Emissions (2016)</b>							
305-1	Direct (Scope 1) GHG emissions	●	Scope and principles of the report, pp. 27–28	Yes	7, 8	13	Sponda did not have any direct greenhouse gas emissions in the reporting period.
305-2	Energy indirect (Scope 2) GHG emissions	●	Carbon smart, pp. 22–23; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, pp. 31–32	Yes	9	13	Covers carbon dioxide emissions during the reporting year. Based on the emission factors of energy companies, as well as region-specific emission factors.
305-3	Other indirect (Scope 3) GHG emissions	●	Carbon smart, p. 22; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, p. 32	Yes	9	13	Scope 3 emissions are calculated as carbon dioxide equivalent.
305-4	GHG emissions intensity	●	Carbon smart, pp. 22–23; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, p. 32	Yes	8, 9	13	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	●	Carbon smart, pp. 22–23; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, pp. 32	Yes	8, 9	13	
<b>Waste (2020)</b>							
306-1	Waste generation and significant waste-related impacts	◐	Customer orientation, p. 20		8	12	A third party takes care of waste treatment (Lassila & Tikanoja). Sponda supports its customers in recycling by offering its tenants the environmental coordinator service organised by the external partner, for example.
306-2	Management of significant waste-related impacts	◐	Eco-efficiency, p. 21; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, p. 33		8	12	A third party takes care of waste treatment (Lassila & Tikanoja).
306-4	Waste diverted from disposal	◐	Sponda in brief, p. 3; Eco-efficiency, p. 21; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, p. 33	Yes	8	12	
<b>Supplier environmental assessment (2016)</b>							
308-1	New suppliers that were screened using environmental criteria	◐	Sustainability programme, p. 15; Responsibility in the supply chain, p. 19; <a href="https://sponda.fi/en/code-of-conduct-and-code-of-business-conduct/">https://sponda.fi/en/code-of-conduct-and-code-of-business-conduct/</a>		7	8, 12, 13	In 2021, attention was paid to calculating scope 3 emissions, particularly in construction projects. With regard to human rights, a comprehensive due diligence evaluation was undertaken for solar panels.



## Environmental Standards

Code	GRI Standard	Included/ Partly included	Location	External Assurance	Global Compact Principles	SDG	Comments
GRI - Construction and real estate sector disclosures							
CRE1	Building energy intensity	●	Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, p. 30	Yes	7, 8, 9	13	
CRE2	Building water intensity	●	Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, p. 30	Yes	8, 9	12	
CRE 3	Greenhouse gas intensity of building's energy consumption	●	Carbon smart, p. 22; Scope and principles of the report, pp. 27–28; Environmental responsibility key figures, p. 32	Yes	7, 8, 9	7, 13	
CRE8	Certificates	●	Sponda in brief, p. 3; Highlights in 2021, p. 4; Eco-efficiency, p. 21; Data-driven management and the use of digital innovations, p. 25; Scope and principles of the report, p. 28; Environmental key figures, p. 32		7, 8, 9	7, 8, 12, 13	In 2021, Sponda achieved six new certifications and three re-certifications.

## Social Standards

Code	GRI Standard	Included/ Partly included	Location	External Assurance	Global Compact Principles	SDG	Comments
Employment (2016)							
401-1	New employee hires and employee turnover	●	Social responsibility key figures, p. 35		6	8	All key indicators concerning HR are group-level figures (incl. Sponda Real Estate).
Occupational health and safety (2018)							
403-1	Occupational health and safety management system	◐	Healthy and safe premises, p. 24		6	8	In 2021, Sponda's property manager partner Colliers Finland took over the property management of Sponda's whole property portfolio. An Environment, Health and Safety (EHS) Management Team was established and a RiskWise-platform implemented.
403-2	Hazard identification, risk assessment, and incident investigation	◐	Employee wellbeing and competence development, p. 18; Responsibility in the supply chain, p. 19; Healthy and safe premises, p. 24		1, 6	8	EHS operation models are being developed. EHS audits will start in 2022.
403-3	Occupational health services	◐	Sustainability programme, p. 15; Employee wellbeing and competence development, p. 18; Healthy and safe premises, p. 24		1, 6	8, 11	External property managers take care of the safety of Sponda's properties. The managers ensure that the contractual obligations of the partners they use are fulfilled in accordance with occupational safety regulations.
403-4	Worker participation, consultation, and communication on occupational health and safety	◐	Employee wellbeing and competence development, p. 18		1, 6	4, 8, 11	
403-5	Worker training on occupational health and safety	◐	Employee wellbeing and competence development, p. 18		1, 6	8	Mandatory safety trainings were organised to all employees. Managers were given trainings on early intervention related to well-being at work. Colliers Finland organised RiskWise trainings to Colliers' employees.
403-6	Promotion of worker health	◐	Employee wellbeing and competence development, p. 18		1, 6	4, 8, 11	Sponda promotes its employees' physical and mental health and safety at work by cooperating proactively with occupational healthcare services. In 2021, new wellbeing services such as the Leading Impact and Wellbeing program with Hintsa was established.

## Social Standards

Code	GRI Standard	Included/ Partly included	Location	External Assurance	Global Compact Principles	SDG	Comments
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	●	Responsibility in the supply chain, p. 19; Healthy and safe premises, p. 24; <a href="https://sponda.fi/en/code-of-conduct-and-code-of-business-conduct/">https://sponda.fi/en/code-of-conduct-and-code-of-business-conduct/</a>		1, 2, 6	8	
403-9	Work-related injuries	●	Employee wellbeing and competence development, p. 18; Social responsibility key figures, p. 35		1, 6	8, 11	It is impossible to make a more detailed analyses due to the small number of injuries. The reported data concerning personnel has been received from the Personec HR and Nepton systems.
Training and Education (2016)							
404-1	Average hours of training per year per employee	●	Social responsibility key figures, p. 34		6	4, 8	
404-2	Programs for upgrading employee skills and transition assistance programs	◐	Employee wellbeing and competence development, p. 18; Responsibility in the supply chain, p. 19		1	8	
404-3	Percentage of employees receiving regular performance and career development reviews	◐	Employee wellbeing and competence development, p. 18		1	8	In accordance with the Group's strategy and management system, all Sponda employees are included in performance reviews. Employees recruited outside the annual cycle of performance reviews are not included in the calculation.
Diversity and equal opportunity (2016)							
405-2	Ratio of basic salary and remuneration of women to men	●	Social responsibility key figures, p. 35		1, 6	5	
Human Rights Assessment (2016)							
412-2	Employee training on human rights policies or procedures	●	Sustainable and transparent economy and risk management, p. 17		1, 6	8	All employees were provided training on the Code of Conduct and supporting policies.
Supplier social assessment (2016)							
414-1	New suppliers that were screened using social criteria	●	Sustainability programme , p. 15; Sustainable and transparent economy and risk management, p. 17; Responsibility in the supply chain, p. 19		1, 2, 3, 4, 5, 6, 10	8	In addition to regular collaboration meetings with 12 key suppliers, Sponda carries our supplier audits to promote the responsibility of the supply chain and to increase the transparency of collaboration.

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