

The background image shows a row of buildings at dusk. On the left is a historic building with a red brick tower and a white clock face. To its right is a modern building with a dark glass facade. Green trees are in the foreground. The sky is a deep blue.

SPONDA

Sustainability Review 2022

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Property: Citycenter Offices, Kaivokatu 8, Helsinki

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About this review

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

Year 2022

The year 2022 brought about big changes to our operating environment. Thanks to our long-standing focus on sustainability, we achieved important goals in a challenging landscape. Our new sustainability programme and roadmap will enable us to remain an industry leader in sustainability.



Helsinki, Kaartinkaupunki

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 0.9 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 four units: Asset Management, Retail & Office and MOW, Property Development, and Investments.

Total value of properties

2.8 bn€

Leasable area

0.9 million m²

Total investments

76.2 M€

The number of employees

139

Carbon emissions

-67.7%

(2021: -37.7%)

Sponda's target is to be carbon neutral in terms of energy consumption by 2025. This year, we have reduced our CO₂ emissions by 67.7%, compared with the average of 2016–2018.

Energy consumption

-9.7%

Our Energy Efficiency Programme goal is to cut energy consumption by 20% from the 2016–2018 average level. This year, we reduced consumption by 9.7% from the comparison period.

Employee engagement

A+

(Satisfactory+)

PeoplePower® rating

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

Customer satisfaction survey

3.8 & 4.0

(on scale 1 to 5)

Customers continued to be satisfied with our properties. The Net Promoter Score (NPS) improved as well.

Waste recycling rate

54%

Environmental
certification rate

81%

of the property value

Training days per person

3.5

SBTi

Sponda's climate targets were validated and approved by Science Based Targets initiative

Highlights of 2022



Global Sector Leader in GRESB Real Estate Assessment

We received a full five-star assessment for our overall ESG performance and were ranked as a Global Sector Leader in the GRESB Real Estate Assessment. Sector leaders are the best ESG performers by sector and region. We were recognised as a sector leader in four categories in our peer group (Diversified – Office/Retail) in the Standing Investments benchmark. We have maintained our position among the top real estate companies for 10 years in a row and we are among the five most sustainable companies in our peer group.



Community Engagement Programme

Our Community Engagement Programme was launched in 2022 and it encourages Sponda employees to dedicate one to two working days to volunteering every year. Recent examples include distributing food donations to those in need and collecting marine litter on a beach in Helsinki. In addition to volunteer work, the Community Engagement Programme includes donations to charity organisations, free-entry public events and theme days that support the activities of non-profit organisations.



Eight new environmental certificates

We obtained eight new environmental certificates for our properties, including the first completed BREEAM RFO (refurbishment and fit-out) to achieve an Excellent rating in Finland. These certifications are a recognition that our ambitious sustainability goals have been met across key development projects. Our ambition does not end there: we have decided to aim for BREEAM Excellent or LEED Platinum certificate in all our development projects.



Sustainability Programme 2023–2025

Creating our new sustainability programme and roadmap for 2023–2025 was one of the most important projects of the year. In collaboration with our stakeholders, we identified four main themes with focus areas, objectives and a roadmap of actions. The new programme emphasises our impacts on nature and our management of human rights impacts. We are aiming for net zero carbon emissions from energy consumption of properties by 2025 instead of our previous target, which was carbon neutrality by 2030.

Christian Hohenthal, President and CEO

Review by the CEO

The year 2022 brought about big changes to our operating environment. Thanks to our long-standing focus on sustainability, we achieved important goals in a challenging landscape. Our new sustainability programme and roadmap will enable us to remain an industry leader in sustainability.



2022 was a year of change. Most of it was positive and long awaited: Finland lifted remote work recommendations and restrictions imposed due to the Covid-19 pandemic. This meant that people were able to meet face-to-face again, work together at the office and enjoy restaurants and cultural events. Other changes were shocking and unexpected, like Russia's invasion of Ukraine and its far-reaching consequences. People and organisations were once again reminded of the importance of resilience and adaptability.

At Sponda, we respond to changes in our operating environment and grow our resilience by investing in good governance and environmental and social sustainability. Sustainability is integral to our strategy and runs through our daily operations, creating value for our stakeholders: our customers, personnel, business partners, investors, and the communities we are present in. The work we do

has an important impact on the environment and society, including significant customer benefits.

A revival of the city centre

As a result of restrictions being lifted, city centres and communities have sprung back to life. Our office tenants in the centre of Helsinki estimate that their employees work at the office for at least three days per week. Restaurants are busy again. New retail brands are demonstrating confidence by entering the Finnish market. For example, Beyond Retro, a pioneer in sustainable fashion, chose our Forum shopping centre as the location for its first shop in Finland.

The renewed vibrancy of urban life revived the leasing market. After two years of uncertainty, an increasing number of companies have decided to upgrade their

premises. In the hybrid work era, the office must foster innovation and a sense of community and reflect a company's identity. Companies are seeking high-quality premises in urban

centres where services are nearby with excellent transportation connections. Our versatile portfolio of quality offices in central locations responds to these needs.

Successful launches in a challenging market situation

Changes in the financial market, such as rising interest rates and inflation, impact our business. Uncertainty and increasing costs influence the whole real estate sector. However, tenant demand remains high, and Finland's high employment rate helps to maintain consumers' purchasing power.

Despite the challenging market situation and after careful consideration, we kicked off a significant development project in Tikkurila, Vantaa. The new large-scale office building next to the transportation hub is 70% pre-let to Valmet Plc. Our application for a demolition and rebuilding permit at Mannerheimintie 14 at the heart of Helsinki was approved in early 2023. The two new buildings will be highly adaptable, target top energy credentials and represent the highest quality in design and sustainability. All our development projects aim to minimise embodied carbon emissions and CO₂ emissions from operative use of the buildings.

Among the top 5 most sustainable real estate companies globally

We were once again recognised as an industry leader in the GRESB Real Estate Assessment in 2022. We were ranked as a Sector Leader in four categories in our peer

group in the Standing Investments benchmark, including a Global Sector Leader. Sector leaders are the best performers by sector and region from across GRESB and entities within one point of the top score. We were also the highest-ranking company in Northern Europe in our peer group in the Development benchmark. Our ambitious and systematic work has earned us a place at the top of the market in sustainability for 10 consecutive years. We are very proud of this achievement.

We also obtained eight new environmental certificates for our properties, including the first completed BREEAM refurbishment and fit-out certificate on Excellent level in Finland.



Our ambitious and systematic work has earned us a place at the top of the industry in sustainability for 10 consecutive years. We can be very proud of this achievement.

Christian Hohenthal

Investments in sustainability help us thrive

In addition to investment in our buildings, we continued to invest in our community. In 2022, we launched a Community Engagement Programme enabling our personnel to spend one to two working days a year doing volunteer work. The programme also includes donations to charity, free-entry public events at our shopping centres and supporting non-profit organisations.

Our ongoing competence development measures and return to the office have boosted teamwork even further. We believe motivated people collaborate effectively across units to implement our strategy. As testimony to our strong company culture, we received an eNPS (Employee Net Promoter Score) of 33 (up from 24) which is considered in the expert norm to be excellent.

Sustainability also yielded operational cost savings as energy prices soared. Our decision in 2021 to support the construction of a wind farm in Finland and use energy produced there was beneficial to our customers. We purchase 100 per cent renewable electricity from Nordic wind farms and have hedged our business against sudden changes in prices. By supporting Finnish wind power, we also promote Finland's self-sufficiency in energy.

In addition to our investment in off-site renewable energy, we have installed solar panels on the rooftops of three shopping centres and our plan is to harness

more rooftops for clean energy production in the future. We also exceeded the target level set out in our Energy Efficiency Programme. Some of our largest properties in central Helsinki reached carbon neutrality in terms of energy consumption. Thanks to all these measures and more, we progressed towards our climate targets ahead of schedule.

Shaping the future of the industry

At the end of the year, we finalised our new sustainability programme and roadmap for 2023–2025. To maintain our position as an industry leader in sustainability, we chose to be more ambitious by bringing forward our carbon neutrality target to 2025, five years earlier than originally planned. All our new buildings and major renovations will pursue BREEAM Excellent or LEED Platinum certificate.

Launched at the start of this year, the new sustainability programme adds emphasis on our impact on nature. We have committed to increase circularity and biodiversity in urban spaces. When it comes to social sustainability, the new programme will continue to promote community engagement and training and development for our personnel. Key areas of focus include diverse representation in management roles and the management of human rights risks and impacts in our value chain.

In 2023, we will continue to develop our portfolio actively and support our customers' businesses by offering them sustainable offices and retail spaces, tailored to their

needs, in the best locations. We will lead the way in sustainability by acting as an example and through collaborating with our stakeholders and other industry players to shape the future of the real estate sector.

I would like to thank our employees, customers and business partners for a successful year and great achievements in sustainability. Together, we will continue to find new ways to push the industry forward.

Christian Hohenthal,
President and CEO

Sustainability 2022

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.



Property:
Naava, Mannerheimintie 4, Helsinki

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 real estate company, we have an opportunity and a responsibility to contribute to greater sustainable development given that buildings account for [almost a third](#) of the world's energy consumption and emissions.

Sustainability is one of the cornerstones of Sponda's strategy and 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 and harness opportunities related to climate change. Our sustainability efforts cover social, economic, and environmental responsibility as well as sustainability issues particular to our industry.

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

To ensure our sustainability strategy remains relevant to our stakeholders and flexible to external factors, we refresh our programme and roadmap regularly, in addition to working towards our long-term carbon targets.

In 2022, the importance of sustainability in our organisation was enhanced further as our ESG Steering Group was included in our Extended Executive Board's meetings.

We operate ethically and responsibly

Our ethical and socially responsible approach to operations are covered by our Code of Conduct and our dedicated Conflict of Interest, Anti-Bribery and Corruption, and Modern Slavery policies.

The anonymous whistleblowing channel on our website allows stakeholders to report any misconduct that may have occurred within Sponda's operations. Our Whistleblowing Policy and standardised process protect whistleblowers and secure a fair and equal treatment in handling reports. All reports are handled confidentially and evaluated by the Chief Legal Officer and HR Director, who must inform the whistleblower about the progress of the matter within three months. They also evaluate who should be involved in the investigation and remediation process. The Chairman of the Audit Committee is also notified of all reports, which ensures an objective process if the allegations concern senior executives or manage-

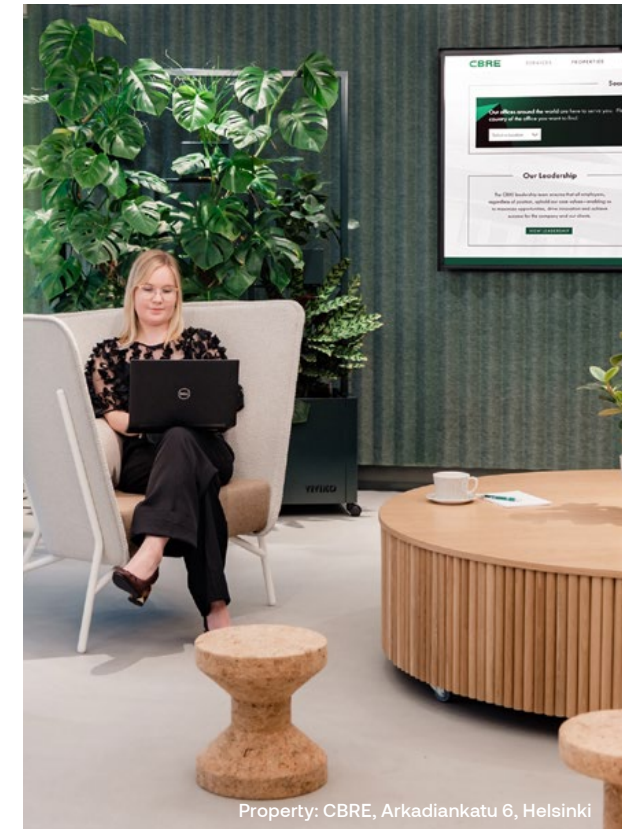
ment. No reports were received through the whistleblowing channel in 2022.

We have defined remediation processes contained within all our policies. In general, we follow a process where actual and potential negative impacts are identified, assessed and acted on. We monitor the effectiveness of remedial actions and communicate outcomes to those affected. Policy breaches may result in disciplinary action such as dismissal or termination of employment or other agreement or relationship with Sponda.

In 2022, we conducted a human rights due diligence assessment. Based on the assessment we defined our future goals, actions, and metrics which are included in our sustainability roadmap.

We create value for our stakeholders and the environment

We aim to meet our stakeholders' expectations of us by engaging in an active dialogue and by adhering to our values and procedures. The key principles of our approach to stakeholder co-operation are reliability, integrity, and transparency. Our most significant



Property: CBRE, Arkadiankatu 6, Helsinki

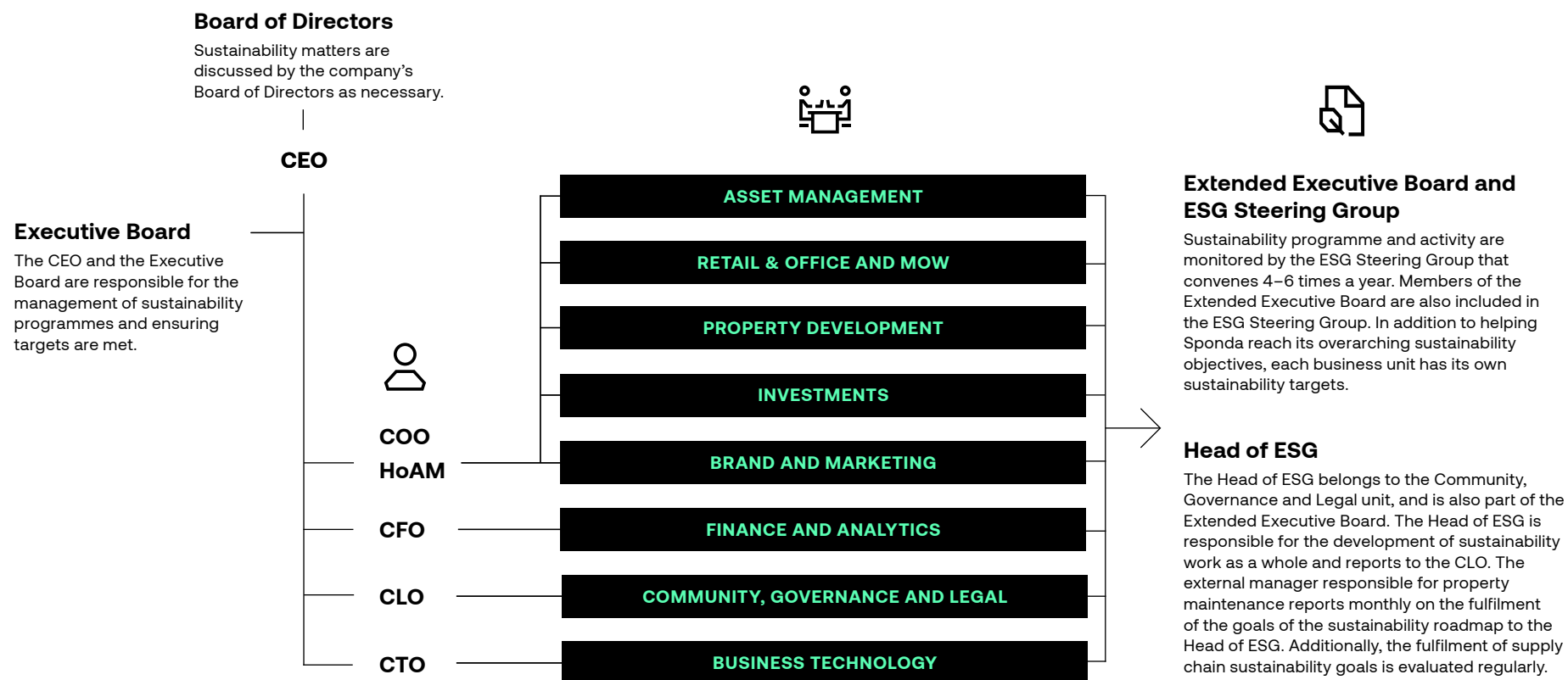
stakeholders are our customers, personnel, suppliers, local communities, local authorities and our research and development partners.

We use materiality analysis to identify 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 and sustainable urban environments and office spaces that support success are essential in helping Sponda to create value. We create value for our personnel by investing in leadership and support for professional development.

The reduction of CO₂ emissions and energy and water consumption, as well as the recycling of waste are at the core of our environmental sustainability. These actions can also yield operational cost savings.

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 continue to 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.
- We promote the use of sustainable transportation such as bikes and EVs.



Strategically planned premises that support corporate identity and employee well-being are becoming more important elements of engaging people with companies.



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.

- In 2022, we created a new sustainability programme and a roadmap for 2023–2025. It includes ambitious energy efficiency and climate objectives and aims to promote the circular economy and biodiversity in urban areas.
- We are committed to emissions reduction targets according to the Science Based Targets initiative to limit global warming to 1.5°C. Our climate roadmap aims for carbon neutrality in terms of our properties' in-use energy consumption by 2025.
- We prepare for the increase of climate risks and extreme weather phenomena by conducting climate risk assessments, through scenario analyses, and through close cooperation with our maintenance network. We manage the risks through environmental certifications and our own design guidelines for highly energy-efficient new and renovated properties.
- We collaborate with our tenants to support their sustainability goals.
- Our efforts in social responsibility are especially focused on employee wellbeing and responsibility in the supply chain. We have conducted a human rights due diligence assessment and included related action points in our new sustainability programme.
- 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 innovations are at the heart of our sustainability themes. Data-driven management supports timely decision-making and accurate reporting on sustainability.
- 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: Underlying fundamentals support the real estate market

Strong tenant demand after the pandemic enables the underlying fundamentals for the real estate market. Transaction activity has weakened due to significant interest rate market movement and tighter financing conditions. Real estate provides a natural hedge for the real-estate sector by underlying index-linked lease agreements.

- 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 invest in developing our country portfolio, the construction of living quarters, and creating holistic neighbourhood concepts creating value for the communities we are active in.



Increased geopolitical 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 hybrid remote work becomes more common and needs for traditional premises change, new kinds of premises are taking on an ever more important role in shaping corporate culture and as a management tool.
- Competition for highly skilled workforce pushes companies to find high-quality, modern, flexible premises in central locations. Strategically planned premises that support corporate identity and employee well-being 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.
- Our good governance, risk management, and data-driven management enable us to maintain steady operations in an uncertain operating environment.
- Our long-standing efforts to improve energy efficiency and increase the use of locally produced renewable energy mitigate the risk of energy-related crises.

Sponda's climate-related risks and opportunities

As per the recommendations of the Task Force on Climate-related Financial Disclosures, Sponda regularly evaluates its climate related risks and opportunities. In 2022, we conducted a Climate Scenario Analysis to further support us in assessing the risks and opportunities that different potential outcomes of climate change may pose to our business. Members of the Sponda Executive Board, experts from our organisation and a third-party expert organisation have evaluated a variety of climate-related physical and transition risks and opportunities based on their probability, impact, and timeframe. Three different scenarios and the main results of the assessment are presented below.

Sponda continually assesses its climate risks and opportunities as part of its ongoing work on sustainability, corporate governance, and property maintenance. By creating scenarios – imagining hypothetical but plausible futures – we can anticipate and prepare for the various risks and uncertainties that may arise due to climate change and impact our business.

In 2021, members of the Sponda Executive Board and experts from our organisation evaluated a variety of climate-related physical and transition risks and opportunities based on their probability, impact, and timeframe. These evaluations make up our baseline climate scenario. In 2022, we complemented our baseline analysis with two additional scenarios, recognising that climate change will remain a major societal challenge in all future developments.

Conducted with external experts, our scenario analysis builds on and expands our previous assessments, providing a systematic, science-based analysis that is aligned with leading international frameworks such as those of the TCFD (Task Force on Climate-related Financial Disclosures) and GRESB. Following the recom-

mendations of the TCFD, we selected two distinct and credible scenarios. The choice was based on the guidelines set by GRESB as well as the latest climate science, which suggests that scenarios resulting in a temperature increase below 1.5°C or above 5°C are less likely to occur.

The results of these scenario analyses are being integrated into Sponda's strategic and financial planning processes in accordance with the recommendations of the TCFD. We are integrating climate risk management into our overall risk management procedures, which contributes to our goal of creating sustainable value for our stakeholders and the environment.

In addition, Sponda is doing pioneering work in conducting property-level climate risk assessments. We have identified concrete adaptation measures that can enhance the resilience and preserve the value of our portfolio in a changing climate.

Emission Scenario 1: Strongly declining emissions (IPCC RCP 2.6)

Emissions decrease dramatically, leading to a rise in global mean temperature of 1.5–2°C compared to pre-industrial levels, avoiding the worst impacts of climate change. Climate change is seen as a global responsibility, with strong investments in renewable energy and coherent policy measures driving the clean energy transition. This scenario presents higher transitional risks, but physical risks are expected to outweigh transition risks. In Finland, the temperature is expected to rise roughly twofold compared to the global average, with changes in precipitation patterns and weather extremes, reduced snow cover periods, and no significant change in coastal flooding risks.

Baseline scenario

Global temperatures continue to rise between 2.5–3 °C, potentially leading to a 4°C or higher increase in Finnish temperatures by the end of the century. This follows a 2°C increase since the mid-19th century, causing visible impacts on various parts of the Finnish economy and society. All stakeholders in Finland must build adaptive capacity to manage physical risks. The push for greener solutions remains market-driven and company-led, rather than driven by international policy. The baseline scenario also includes increased heatwaves, precipitation, and weather extremes, including winter floods. This scenario serves as a foundation for Sponda to assess and compare climate risks and opportunities in two other plausible futures.

Emission Scenario 2: Stabilising emissions (IPCC RCP 6.0)

Inadequate global action leads to significant warming (3°C), resulting in more severe and irreversible impacts as critical temperature thresholds are exceeded. Climate policies are implemented in some areas but dependencies on fossil fuels remain high and there is limited interest in low-carbon solutions. The physical impacts of climate change are more dramatic, leading to losses in GDP and productivity, and challenging land use and insurability in risk-prone regions. In Finland, the impacts of climate change accelerate and increase in severity, with major challenges for property development and maintenance. Physical risks are higher and transitional risks are lower compared to scenario 1, but the increase in physical risks internationally may also create unexpected transboundary impacts.

Emission Scenario 1: Strongly declining emissions (IPCC RCP 2.6)

Risks	Impacts	Opportunities	Impacts
Market: Increased costs of energy and materials As customer preferences change, demand for sustainable buildings and materials increases. Sponda, a leader in sustainable real estate management, can turn this risk into an opportunity to stay competitive.	▲▲	Resources: Improved energy efficiency Investments in energy efficiency are emphasised due to changes in policy and decreased costs. Sponda can secure a competitive advantage and lower operational costs by proactively investing in energy efficiency.	▲▲
Policy: Increasing regulation regarding buildings' emissions reductions and energy efficiency Regulations on building emissions and energy efficiency are becoming stricter, leading to increased demands and costs for technology innovation at Sponda.	▲▲	Products and services: Shift in customer preferences Sponda can capitalise on the shift in customer preferences towards zero-emission and energy-efficient buildings by developing sustainable real estate and promoting eco-friendly operations and services.	▲▲
Technology: Increasing requirements for latest technology in buildings Technology development accelerates and new innovations are developed leading to potentially increased investment costs. Investment in new technology is crucial to remain competitive.	▲▲	Market: Access to capital and incentives Sponda can benefit from growing investor demand and new regulations by aligning their building portfolio with EU Taxonomy, resulting in improved access to capital, favorable funding terms, and increased building valuation due to improved resilience to climate change.	▲
Climate-related social risks and impacts on human health: Increased frequency and severity of extreme weather events & Higher temperatures Frequent extreme weather in Finland may damage Sponda's buildings and impact tenants, with heatwaves leading to higher operational costs. Mitigation costs are lower than the baseline scenario.	▼		

Baseline scenario

Risks	Impacts	Opportunities	Impacts
Market: Change in market demand and customer preferences & Increased costs of energy and materials Demand for green buildings is high among customers and investors, and Sponda risks its reputation and business if it fails to meet these demands. While energy and material prices are expected to rise, the future cost and availability of alternative energy sources are uncertain.		Resources: Improved energy efficiency Energy efficiency is seen as a gateway for taking larger steps in climate-friendly investments and building strategies. It is seen as a competitive advantage for Sponda's business.	
Policy: Increasing climate-related building regulation 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.		Resources: Shift to renewable energy sources Shift to renewable energy sources is already happening and there is high demand and awareness in the market. There lies a high potential to both, reducing our greenhouse gas emissions and increasing the asset value of our properties.	
Climate-related social risks and impacts on human health: Higher temperatures 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.		Market: Access to capital and incentives Ensuring that our portfolio meets and exceeds the latest sustainability requirements, mitigates risks, increases the value of our properties, and helps us secure access to capital.	

Emission Scenario 2: Stabilising emissions (IPCC RCP 6.0)

Risks	Impacts	Opportunities	Impacts
Market: Change in market demand and customer preferences The market lacks policies and ambition for sustainability, and customer behavior shows limited willingness to pay for low-carbon business premises, except in niche markets.	▼▼	Resources: Improved energy efficiency Energy efficiency remains crucial for buildings during extreme heatwaves to maintain indoor comfort, but the competitive advantage is primarily driven by financial gain rather than sustainability differentiation.	▲
Policy: Increasing regulation regarding buildings' emissions reductions and energy efficiency & Uncertainty of the regulatory landscape Building emission regulations are less extensive, but some energy efficiency regulations are implemented in Nordic countries. Climate policies are limited, but Nordic countries prioritise adaptation. Energy efficiency remains financially relevant.	▼	Products and services: Shift in customer preferences Customers' willingness to pay for low-carbon business premises is, for long, limited due to slower behavioural change. Behavioural change will accelerate when severe climate change impacts materialise stronger and more frequently.	▲▲
Climate-related social risks and impacts on human health: Increased frequency and severity of extreme weather events and variability in weather patterns & Higher temperatures Extreme weather events become more common and pose a risk to Sponda's buildings. Fluctuations in weather and temperatures may result in increased cooling costs and potential negative impacts on tenant health. Additionally, shorter snow cover duration and increased precipitation can harm building structures.	▲▲	Market: Access to capital and incentives Policy incentives for climate are insufficient, but physical climate risks increase, leading to higher value for climate-resilient buildings and improved access to capital for investors.	▼

Mitigation Procedures:

- Sponda's Science Based Targets aligned climate roadmap
- Sponda's sustainability programme and roadmap
- Sponda's Energy Efficiency Programme 2030
- Compliance with EU sustainability regulation and Finnish energy and environmental legislation
- Sponda's design guidelines
- LEED and BREEAM certified buildings
- Investing in renewable energy production
- Carrying out asset level climate risk assessments and implementing recommended adaptation solutions
- Technical and Environmental Due Diligence

- ▲ Risk or opportunity grows compared to baseline
- ▲▲ Risk or opportunity significantly grows compared to baseline
- ▼ Risk or opportunity decreases compared to baseline
- ▼▼ Risk or opportunity significantly decreases compared to baseline

Stakeholder co-operation

EXPECTATIONS TOWARDS SPONDA*

Society and the authorities <ul style="list-style-type: none"> Compliance with legal and other regulatory requirements Maintenance and development of the built environment 	<ul style="list-style-type: none"> Responsible and transparent operations Payment of taxes Supporting the climate targets of municipalities and cities
Personnel <ul style="list-style-type: none"> Desirable employer with a strong reputation Safe working conditions Culture for open dialogue 	<ul style="list-style-type: none"> Opportunities for personal development at work Equal and non-discriminatory treatment
Customers <ul style="list-style-type: none"> High-quality energy-efficient business premises Responding to changing spatial needs and working methods Facility services 	<ul style="list-style-type: none"> Excellent customer service Operating in a sustainable manner Enable customers to make easy sustainability actions Long-term customer relationships
Media <ul style="list-style-type: none"> Active, open and responsive communications 	<ul style="list-style-type: none"> Reliable information provided on the company
Suppliers <ul style="list-style-type: none"> Equal treatment of suppliers Compliance with agreements 	<ul style="list-style-type: none"> Clear processes and operating models Long-term supplier relationships
Other stakeholders** <ul style="list-style-type: none"> Providing opportunities for internships and thesis projects 	<ul style="list-style-type: none"> Collaboration with different organisations in the field and participation in the industry's research and development activities

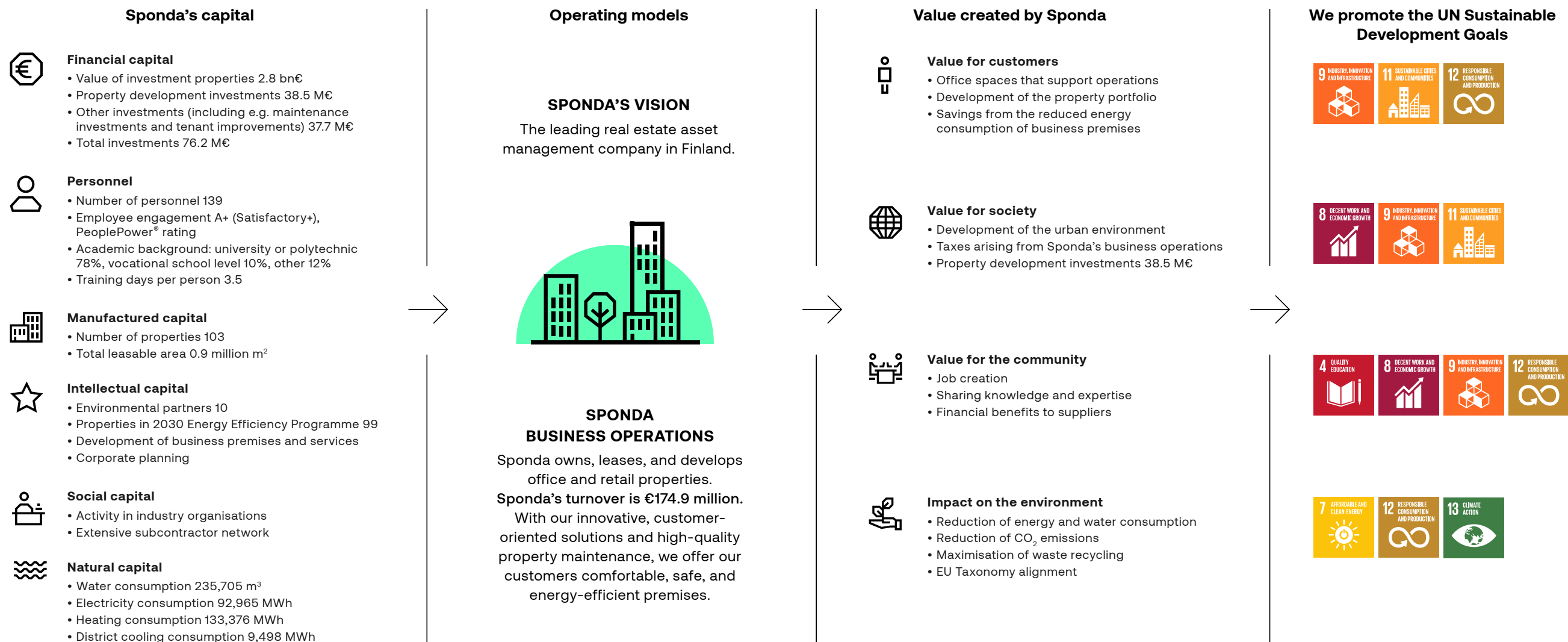
SPONDA'S ACTIONS IN 2022

Society and the authorities <ul style="list-style-type: none"> Complying with all applicable legislation and monitoring legislative developments Reducing life-cycle emissions in new construction and major renovation projects Reform of Sponda's ESG programme 	<ul style="list-style-type: none"> Advancing Sponda's climate and energy-efficiency targets Measuring and increasing taxonomy-aligned turnover, Capex and Opex Commitment to the Science Based Target initiative
Personnel <ul style="list-style-type: none"> Increased Employee Net Promoter Score (eNPS) Versatile actions to ensure safety at work Training provided based on specific needs 	<ul style="list-style-type: none"> Complying with the Code of Conduct and supporting policies. Compliance training for all new employees Positive feedback received on open atmosphere Several persons promoted to new roles
Customers <ul style="list-style-type: none"> Continuous listening to customers' wishes and needs and developing the real estate portfolio accordingly Providing high-class, sustainable and energy-efficient premises and information on energy consumption through Sponda's extranet services 	<ul style="list-style-type: none"> Promoting customer experience through strategic development Development of indoor air quality operation model and guidelines
Media <ul style="list-style-type: none"> Communication about the development of the market situation in a post-pandemic climate Proactive communication about Sponda's sustainability efforts and achievements 	<ul style="list-style-type: none"> Promotion of culturally and historically significant real estate properties to the media and the general public Active communication on development projects and business premises market.
Suppliers <ul style="list-style-type: none"> The Code of Business Conduct as part of agreements ESG audits performed to ensure compliance with Sponda policies 	<ul style="list-style-type: none"> Supplier cooperation and clear criteria for supplier selection Training and orientation with Sponda's operating models and policies
Other stakeholders** <ul style="list-style-type: none"> Offering eight internship roles through a trainee programme Active communications on development projects and business premises market 	<ul style="list-style-type: none"> Active participation and promoting carbon neutrality together with the organisations representing the real estate industry (e.g., FIGBC, Rakli and FiBS)

*Sponda has defined the central stakeholders and their most important expectations based on a materiality analysis and previous stakeholder analyses.

**Other stakeholders, such as educational institutions and various research and development organisations.

How we create value



Sponda and the EU Taxonomy for sustainable activities

The 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 year, companies subject to the Non-Financial Reporting Directive are required to review what portion of their financial activities are aligned with the Taxonomy regulations related to climate change mitigation or adaptation (Taxonomy alignment). Sponda welcomes this significant development and decided to voluntarily undertake Taxonomy reporting, even though the company is currently not required to do so¹.

Sponda reviewed its entire business to map out what proportion of its operations are Taxonomy-eligible and -aligned in terms of climate change mitigation. Nearly all Sponda's revenue comes from managing and renting out real estate, which is covered under activity 7.7 Acquisition and ownership of buildings. New construction and renovation projects (activities 7.1 and 7.2), as well as certain investments in energy efficiency and clean technology (activities 7.3–7.6), make up Sponda's Taxonomy-eligible Capex. Sponda's Taxonomy-eligible Opex consists of maintenance costs and small repairs.

As of 2022, 25% of Sponda's assets and their turnover are Taxonomy-aligned i.e. are within the top 15% of the national building stock expressed as operational Primary Energy Demand and have climate risk assessment carried out. We are constantly introducing new measures to improve the energy efficiency of our assets and to increase the Taxonomy-aligned share. This can be seen in investments in activities 7.2–7.6. We aim to build existing and upcoming projects in accordance with the Taxonomy criteria (activities 7.1–7.2).

The identified Taxonomy-eligible and -aligned activities are listed in the accompanying table. To calculate the percentages, we identified Taxonomy-eligible and Taxonomy-aligned revenue streams, Capex projects, and Opex accounts, and divided these sums by consolidated financial information figures² for the KPIs' denominators. To avoid double counting, the assessment was conducted on the asset level where possible. Where an asset had several energy performance certificates (EPC), the assessment was done by square meters of the EPC.

To ensure compliance with the Minimum Social Safeguards, Sponda has conducted a human rights gap analysis and Due Diligence assessment covering its own operation and supply chain.

Activity	Eligible ³			Aligned ⁴		
	Revenue	Capex	Opex	Revenue	Capex	Opex
	100%	100%	94%	25%	28%	18%
 7.1 Construction of new buildings	-	20%	-	-	17%	-
 7.2 Renovation of existing buildings	-	6%	-	-	1%	-
 7.3 Installation, maintenance and repair of energy efficiency equipment	-	11%	-	-	0%	-
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	-	0%	-	-	0%	-
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	-	1%	-	-	1%	-
7.6 Installation, maintenance and repair of renewable energy technologies	-	3%	-	-	3%	-
 7.7 Acquisition and ownership of buildings	100%	59%	94%	25%	6%	18%
	Non-eligible			Non-aligned		
	0%	0%	6%	75%	72%	82%
Total	100%	100%	100%	100%	100%	100%

¹ Sponda does not fall under the scope of the Non-Financial Reporting Directive

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

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

⁴ Economic activities can be seen to be aligned under Climate Change Mitigation environmental objective.

Sustainability programme

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

Sustainability programme 2020–2022

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

Eight themes across economic, social and environmental responsibility

In 2019 we launched our 2020–2022 sustainability programme, which we developed in close collaboration with our stakeholders. The core objective was to develop sustainable and vibrant urban environments focused around eight themes identified as being 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

We defined targets for each theme, supported by long-term energy efficiency and climate targets set until 2030.

To further progress our ESG strategy, in 2022, we created a new sustainability programme and roadmap for 2023–2025. The programme is presented on page [37](#).

Ensuring best practices in everything we do

The Russian invasion of Ukraine and the impact it had on the global political and economic environment meant that our work on transparency, good governance, and risk management proved valuable in 2022. Thanks to good and flexible internal processes, we were able to respond quickly to our stakeholders' inquiries about their value chains.

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 to all new collaboration contracts. Whatever we are procuring and whoever we are working with, Sponda insists on the highest standards.

In 2022, we worked towards deepening our understanding of our suppliers' backgrounds by developing our 'Know your client and partner' process further. Moreover, we audited suppliers operating in industries where labour-related risks had been identified.

Responsible action in an energy crisis

The energy crisis in Europe impacted us and our stakeholders. We were able to mitigate risks related to the soaring price of energy thanks to our hedging policy and

our previous investments in energy efficiency and local, renewable energy. For example, we have supported the construction of energy company Helen's new wind farm. We also implemented extra energy saving measures in our properties, which contributed to securing the availability of electricity to Finnish society. In addition, we provided energy saving guidance to our tenants and advice on what to do during a possible power outage.

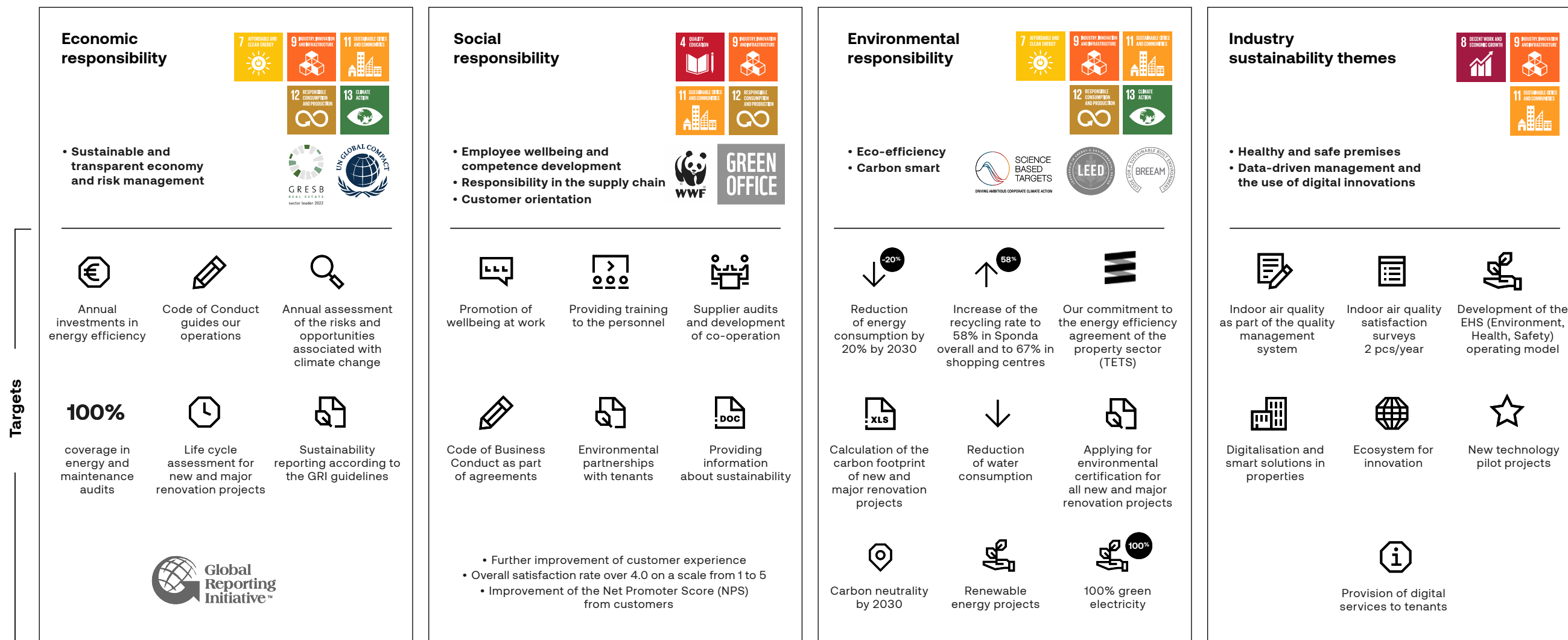
We continued to make significant progress in environmental sustainability in 2022, reaching important milestones in energy efficiency and climate action. We exceeded the target level of our Energy Efficiency Programme and we remain ahead of schedule with our climate targets.

Our climate targets were validated by the Science-Based Targets initiative in early 2022. We continued to develop our climate-related reporting according to recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). Together with organisations representing the industry (FiGBC, Rakli and FiBS) we advanced the carbon neutrality of the property sector and the whole of Finland.

Unsurprisingly, water consumption increased in our properties as Covid-19 restrictions were lifted, which saw restaurants operating normally and people returning to offices. Our Environmental Partnership Programme with our tenants continued with existing partners. Our waste recycling practices remained unchanged, but our calculated recycling rate was reduced by new EU legislation on the calculation method.

We obtained environmental certifications for eight properties. One of these was the first completed BREEAM RFO (refurbishment and fit-out) to achieve Excellent level in Finland. All five of our shopping centres are environmentally certified. We continue to progress environmental certifications across our properties as we improve the sustainability of our assets.

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.



As the global political and economic environment changed in 2022, our systematic work to develop our ‘Know your client and partner’ policy and internal processes proved effective. Good governance and efficient collaboration enabled us to react quickly to stakeholder enquiries regarding their value chains. We conducted screenings of all our tenants to ensure we were compliant with all sanctions against Russia.

We continued our work on updating our business continuity plan. We assessed our business risks and opportunities related to climate change and report on them in this review, following the recommendations of the Task Force on Climate-related Financial Disclosures. We have developed the risk assessment process towards a continuous, scenario-based mapping that also supports management and decision-making.

In addition, we started a comprehensive due diligence assessment of our potential and actual adverse human rights impacts. The assessment was conducted by an external partner. Our tenants represent various industries,

and some of them have complex global supply chains, which presents challenges to auditing processes.

How we manage this theme

We train all our new employees on our Code of Conduct, its supporting policies, and other compliance topics. We also train all employees on new and updated policies. We offer training on our Code of Business Conduct to all partners who govern our operations. Professional property management ensures the proper maintenance and legal compliance of our properties.

Our repeated, excellent results in GRESB Real Estate 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.



Property: Tulli Business Park, Åkerlundinkatu 11, Tampere

Long-term objective	Objective for the year	Status	Results in 2022
Increasing investments in energy efficiency	Proportion of annual energy efficiency investments of all maintenance Capex investments	●	<ul style="list-style-type: none"> 17% of all maintenance Capex investments improved energy efficiency
Systematic property maintenance and development of operations	100% coverage in energy and maintenance audits	●	<ul style="list-style-type: none"> Coverage was 100%
We support profitable business through investments that aim for long lifecycles	LCA and LCC* calculations for new and major renovation projects	●	<ul style="list-style-type: none"> LCA and LCC calculations are part of all new development projects. Targets for reducing lifecycle emissions are set for each construction project
Developing the operating model, control and monitoring of property maintenance services	Deepening cooperation in accordance with the Property Management Agreement	●	<ul style="list-style-type: none"> Monthly meeting practices for operational reporting are in place. Agreed KPI's are followed during the meetings. Strategic oversight and guidance is provided and progress of the cooperation monitored in regular steering group meetings. Cooperation was promoted via different measures, including through partnership days, training and events
As part of the Group's decision-making, Sponda regularly assesses the risks and opportunities related to climate change	Annual corporate risk and climate change assessment	●	<ul style="list-style-type: none"> Climate risk and opportunity assessment carried out. Property-specific climate risk assessments were also carried out in the portfolio
Participating in international sustainability assessment	Staying at the five-star level in the GRESB sustainability assessment	●	<ul style="list-style-type: none"> Full five-star rating and four Sector Leader recognitions
Employee commitment to the ethical guidelines	Mandatory training for all employees regarding Code of Conduct and supporting policies	●	<ul style="list-style-type: none"> Compliance training was held for all employees. KYC (Know your partner) policy, process and tools were being developed to support ethical guidelines and minimise risk

*Life Cycle Assessment and Life-Cycle Costing

● Accomplished ● Partly accomplished ● Not accomplished



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.



After two years of remote and hybrid work, we focussed on nurturing our sense of community at Sponda. We invited colleagues to meet each other at the office and organised social events and activities. We believe we can increase the wellbeing of our people and achieve better results when we know our colleagues and trust each other.



We support our personnel's wellbeing through our equality plan, health and safety steering group, health care steering group, comprehensive occupational health services and recreational benefits.

We implemented a new system for defining objectives and key results. With the new system, we are aiming to increase transparency and understanding of shared and team-specific objectives. This supports employees' ability to perform in their work and creates clarity in going forward. In addition, we supported competence development by providing trainings to our employees and investing in leadership coaching for those in leadership positions.

To promote health and wellbeing, we organised days focused on specific topics such as health and safety. We also started a volunteering programme giving each employee the opportunity to spend up to two workdays a year doing volunteer work. Concrete action to combat environmental or social issues proved meaningful to many of our volunteers.

We conducted a comprehensive Employee Engagement Survey, Wellbeing Diagnostics Survey, and smaller pulse surveys on different topics. The Employee Engagement

Survey conducted in early 2023 showed minor decline from previous results. However, employees' willingness to recommend Sponda (eNPS) increased from 24 to 33.

How we manage this theme

We measure how we lead and manage our employees by conducting an annual personnel survey and a pulse survey and by conducting employee exit interviews. Based on the feedback, we develop our ways of working to improve employee engagement. We support our personnel's wellbeing through our equality and equity plan, health and safety steering group, health care steering groups, comprehensive occupational health services, and recreational benefits. We ensure that our human resource practices comply with the local legislation, collective bargaining agreement, and Sponda's human resource policy.

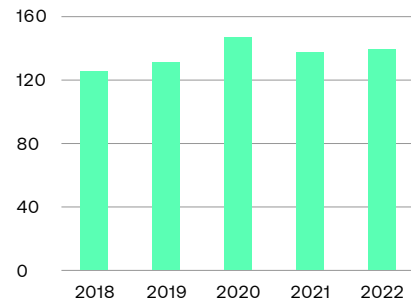
We engage our employees in the development of sustainability with the help of the WWF Green Office environmental system. Our management approach promotes the UN Sustainable development Goal 4.



Employees

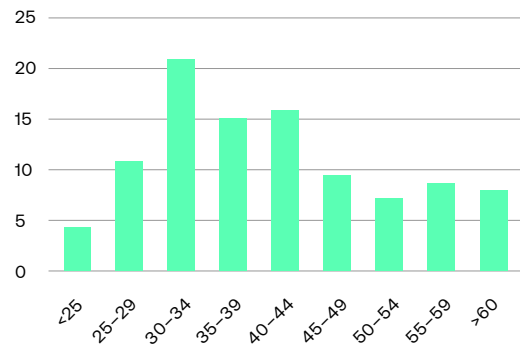
31 Dec 2022

Persons

**Employees by age**

31 Dec 2022

%



Long-term objective	Objective for the year	Status	Results in 2022
Promotion of our personnel's wellbeing at work and reduction of employee turnover rate from the previous year	Employee turnover rate maintained at current level or decreased	●	<ul style="list-style-type: none"> Turnover rate increased slightly from previous year to 13.8% (2021: 9.61%). Employees gave positive feedback on Sponda's commitment to improve their wellbeing
Keeping absences due to illness at an acceptable level	Low level of absences from work due to illness	●	<ul style="list-style-type: none"> Sick leave rate remained low
Development of work ability management and related performance indicators	Improved work ability management	●	<ul style="list-style-type: none"> Line managers were trained further on employee work ability related topics with special focus on mental health
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	●	<ul style="list-style-type: none"> Training was targeted on the basis of the needs raised. Specialist training was also offered, as needed. Despite having the same training budget, the amount of training decreased to 3.5 days due to business priorities (2021: 4.9 days)
Measuring Employee Engagement	Employee Engagement to improve from 2021	●	<ul style="list-style-type: none"> Employee engagement levels remained at a high level in 2022, despite a minor decline from the results seen in 2021. However eNPS increased from 24 to 33

● Accomplished ● Partly accomplished ● Not accomplished

**Doing good for the community**

Our Community Engagement Programme enables our personnel to spend one or two workdays per year supporting good causes in the local community. We have, for example, collected litter from the shores of the Baltic Sea and helped to distribute food donations to those in need. Being able to use working hours for volunteer work not only contributes to our local communities but also inspires our people and demonstrates our company values.

[Read more >](#)

Responsibility in the supply chain

Our business partners play an important role in achieving 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 the grey economy.



Our most significant suppliers include building contractors, property maintenance partners, consultants, and designers. However, the majority of our business partners are tenants.

In 2022, we continued to develop our internal 'Know your client and partner' identification process, which aims to deepen our understanding of our business partners' backgrounds. Our efforts proved valuable following Russia's invasion of Ukraine and the subsequent EU-imposed sanctions against Russia. We were able to screen our business partners to ensure we were not in breach of any sanctions and offer our stakeholders information on their value chains.

Our Code of Business Conduct was updated in 2021 with items regarding human rights, and we have included it in all new agreements. 77% of our suppliers are now committed to our Code of Business Conduct. Through regular collaboration meetings with our partners, we ensure that agreements are put into practice. In 2022, we conducted eight supplier ESG audits in the construction and cleaning industries, where risks regarding labour exploitation and work permits had been identified.

We have worked persistently to build protections against rising electricity costs. As the price of energy soared across Europe, we were able to manage the increases thanks to our previous investments in energy efficiency and local, renewable energy.

How we manage this theme

Sponda's ethical principles are presented in the Code of Business Conduct, which governs the sustainability of our supply chain and to which we require 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 promote the 'Responsibility in the supply chain' theme and increase the transparency of collaboration through supplier audits, which we target at risk areas.

We verify the backgrounds of our suppliers to prevent the 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.



Property: Shopping Center Ratina, Vuolteenkatu 1, Tampere



We verify the backgrounds of our suppliers to prevent the grey economy and to ensure that human rights are respected and promoted throughout the supply chain.

We conducted

8

supplier ESG audits in the construction and cleaning industries

Long-term objective	Objective for the year	Status	Results in 2022
Supplier audits and development of co-operation meetings with key suppliers	Follow-up and monitoring of audit results	●	<ul style="list-style-type: none"> 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 programme and its targets
Suppliers' commitment to Sponda's Code of Business Conduct	85% of suppliers committed to Code of Business Conduct of the cost framework	◐	<ul style="list-style-type: none"> The Code of Business Conduct is included in new agreements. 77% of the cost framework suppliers covered at the end of 2022

● Accomplished ◐ Partly accomplished ○ Not accomplished



Harnessing roof tops for solar power

Forum shopping centre in central Helsinki is a good example of how we are improving the sustainability of our shopping centres. In 2022, we installed solar panels on its roof to provide clean energy to our tenants. Due to the current energy crisis, the project also has as a positive cost saving justification. Our plan is to continue to install solar power panels on the roofs of our properties in the Helsinki city centre.

[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.



Customer wellbeing and success are critical to Sponda. We constantly seek ways to improve the quality and level of our customer experience.

In 2022, the business outlook improved for many of our customers as Covid-19 restrictions were lifted. The number of visitors to our shopping centres grew – our Ratina shopping centre, for example, reached a record number of visitors. We supported our tenants and contributed to local communities by organising public events such as concerts in shopping centres, free of charge to visitors.

Remote and hybrid work continued for many of our office tenants, and we worked with them to help adapt their space to meet their new requirements. The office has become an increasingly important asset in attracting talent to businesses and supporting the wellbeing of their employees. Offices continue to be places where teams can foster a sense of community.

Based on the results of the 2021 customer satisfaction survey, we initiated an internal development project to

improve customer experience. We tracked our performance by conducting new customer satisfaction surveys and planned further actions. This year, we succeeded in increasing both our overall customer satisfaction score and Net Promoter Score.

How we manage this theme

We strive to continuously improve our collaboration with customers and measure our performance through customer satisfaction surveys and our Net Promoter Score. Our feedback channels and clear, timely communication between Sponda, our customers and our property managers support a positive customer experience.

We support customers throughout our relationship with them, from designing their facilities to advising them on how to use them sustainably. Through our extranet service we offer tenants information on energy use, as well as a range of other areas. We also support customers in their sustainability efforts through our partner, waste management company Lassila & Tikanoja. Our management approach promotes the UN Sustainable development Goals 9, 11 and 12.



Property: Mapbox, Mikonkatu 19, Helsinki

Our customers' overall satisfaction with office properties

3.8

(on scale 1 to 5)

Our customers' overall satisfaction with retail premises

4.0

(on scale 1 to 5)

In MOW, the net promoter score was once again excellent

66.7

(on scale -100 to +100)

Long-term objective	Objective for the year	Status	Results in 2022
Developing the customer experience further and delivering unmatched service and customer solutions	Overall customer satisfaction with lessor partnership over 4.0 on a scale of 1 to 5	●	<ul style="list-style-type: none"> Customers were particularly satisfied with the suitability of their premises as well as Sponda's professionalism and sustainability measures that were introduced. We were happy to reach the target customer satisfaction of over 4.0 in our shopping centres. However, on our office side, we only reached 3.8, leaving room for improvement. We will continue to develop and improve our customer work and services with the ambition to become an industry leader in the future
Improvement of the Net Promoter Score (NPS) and reaching top tier grade within our industry	Willingness to recommend Sponda has increased from the previous year	●	<ul style="list-style-type: none"> We were able to improve our NPS among our shopping centre tenants and reach also a good improvement among our office tenants. The NPS score in MOW coworking spaces was again an excellent 66.7. We still have some distance to go to meet our ambitious targets and will focus greater attention on ensuring our customers' are willing to recommend us
Providing better sustainability information through the website and extranet services	Updating and providing sustainability information	●	<ul style="list-style-type: none"> 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 a year	●	<ul style="list-style-type: none"> No new environmental partnerships were established, but cooperation continued with existing partners

● Accomplished ● Partly accomplished ● Not accomplished



Beyond Retro chose Forum

A forerunner in vintage and second-hand fashion, Beyond Retro opened its first store in Finland – and its first shop outside Sweden and the UK – in 2022. The company wanted its shop location to be sustainable, communal, and to have a relaxed atmosphere that catered to its customers' needs. Our Forum shopping centre met all its criteria. The business aligns with Forum's values and approach to sustainability.

[Read more >](#)

Eco-efficiency

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



We continued to decrease our energy consumption significantly. Our energy efficiency measures exceeded the target levels set in our Energy Efficiency Programme. In addition, the 2025 targets outlined for the Finnish property sector in the sector-specific energy efficiency agreement (TETS) were met by us in 2021, four years ahead of schedule.

Due to the ongoing energy crisis, we took part in the Finnish government's 'Down a degree' initiative encouraging companies to save energy. Our actions included



We continued to decrease our energy consumption significantly. Our energy efficiency measures exceeded the target levels set in our Energy Efficiency Programme.

optimising indoor temperatures in offices and commercial premises, adjusting outdoor and indoor lighting, and lowering temperature in non-essential premises such as corridors, stairwells, and garages.

We obtained new environmental certifications for eight properties. One of these was the first completed BREEAM RFO (refurbishment and fit-out) to achieve Excellent level in Finland. In addition, two-thirds of our properties received updated energy performance certificates, all of which were an improvement on their previous classifications.

While 2021 was characterised by remote work and Covid-19 restrictions, during 2022, our tenants returned to normal operations. Higher occupancy rates at our properties resulted in higher water consumption.

Although our recycling practices did not change, new EU legislation on the calculation of the data on waste decreased our calculated recycling rate. In our offices, the recycling rate increased from the 2021 level.

How we manage this theme

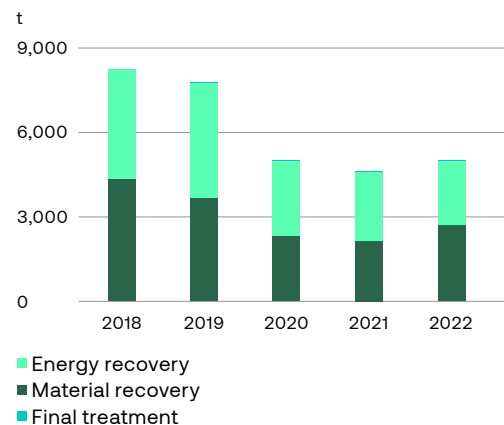
We manage eco-efficiency through our climate objectives and our Energy Efficiency Programme. Extending until 2030, it aims to reduce energy consumption at properties and decrease the carbon footprint in collaboration with the users. Targets have been defined for each property, and we monitor their progress on a monthly and quarterly basis.

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. In 2022, we also joined the sustainable demolition green deal agreement that aims to maximise the reuse and recycling of material from demolition projects in Finland. We actively seek environmental certificates for all our properties. Our management approach promotes the UN Sustainable Development Goals 7, 9, 11, 12 and 13.



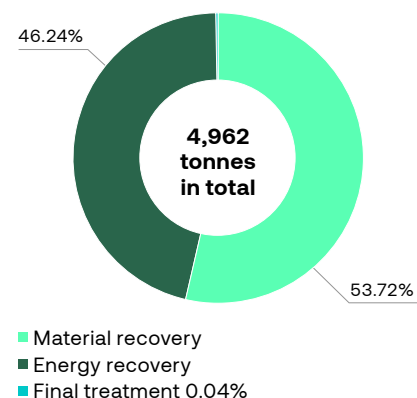
Lakiakangas 3 wind farm

Total amount of waste*



*Sponda's properties in Finland

Waste recovery rates 2022*



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

Long-term objective	Objective for the year	Status	Results in 2022
Reduction of energy consumption in properties by 20% by 2030 compared with average consumption in 2016–2018	6% reduction in energy consumption	●	• Energy consumption decreased by 9.7% 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 2022 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 fourfold, and we have reached all targets in the agreement for 2017–2025 already in 2021, ahead of schedule
Reduction of water consumption in the property portfolio	Reduce water consumption from the previous year	●	• Water consumption increased from the previous year by 8.6%
Increasing the recycling rate to 58% by 2022	Sponda general 58%, offices 50%, and shopping centres 67%	◐	• Sponda overall 53.7%, shopping centres 58.6%, and offices 49.5%. The recycling rate was partially reduced by changes in the calculation method
Environmental certifications will be obtained for all new building projects and renovation projects	At least two new certifications	●	• We achieved eight new certifications

● Accomplished ◐ Partly accomplished ● Not accomplished



Developing high-quality sustainable spaces at Mannerheimintie 14

Our development project in the heart of Helsinki aims for an extremely energy-efficient and adaptable new building, offering first-class office and retail space. The new building is designed to meet the highest environmental standards, targeting LEED Platinum certification, and a lifespan target of 100 years. When demolishing the existing building, the materials will be recycled or reused in accordance with the sustainable demolition green deal agreement. Demolition will result in almost no landfill waste.

[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.



Our aim is to reduce carbon emissions from existing buildings and to minimise emissions throughout our value chain. In early 2022, the Science Based Targets initiative (SBTi) validated the emission reduction targets we set in 2021. During the year, we reduced our emissions by 67.7% and exceeded our target. We use renewable electricity generated by wind power in all our properties. In 2022, we also switched to renewable district heat in four of our properties located in central Helsinki.

We also carried out an extensive energy efficiency plan in our shopping centre Ratina, in Tampere, that allows us to save almost 4,000 MWh a year in energy consumption. We installed rooftop solar panels in our shopping centre Forum in Helsinki. In 2023, our goal is to install more rooftop solar panels in some of our other Helsinki city centre properties.

We have continued to calculate carbon footprints for all our ongoing renovation and construction projects. We follow a low-carbon approach in our property development projects, starting with the design phase where the

greatest impact can be made. In 2022, we updated our guidelines for low-carbon design in property development projects.

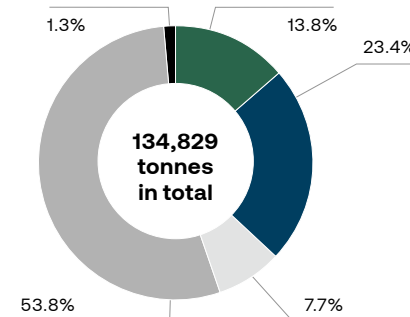
How we manage this theme

We have previously created a roadmap for our climate targets regarding the use-phase energy consumption of our buildings. The roadmap is presented on page 32 of this review. Our climate efforts are also guided by our SBTi-validated targets, 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.

Additionally, we have set emission reduction targets for our value chain. We are part of the Finnish Green Building Council's #BuildingLife project that promotes carbon neutrality. Our management approach promotes the UN Sustainable Development Goals 7, 11, 12 and 13.

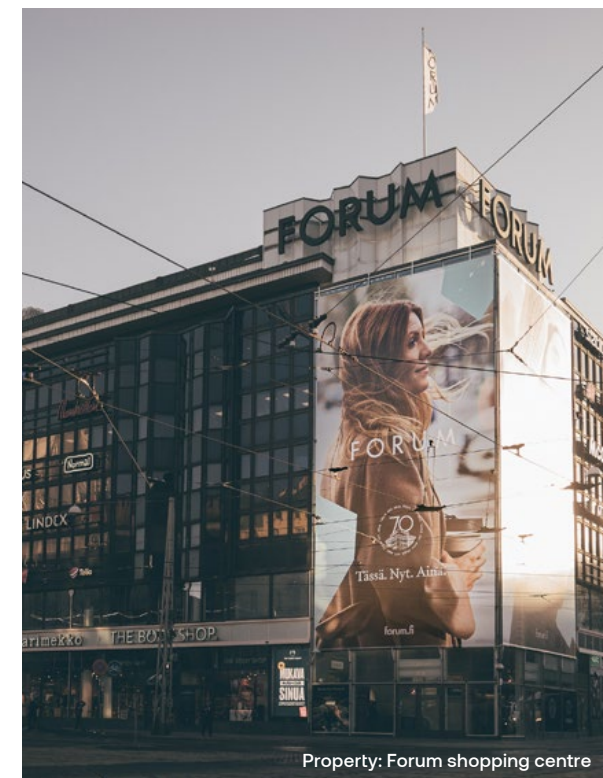
Sponda's carbon dioxide emissions 2022*

t CO₂



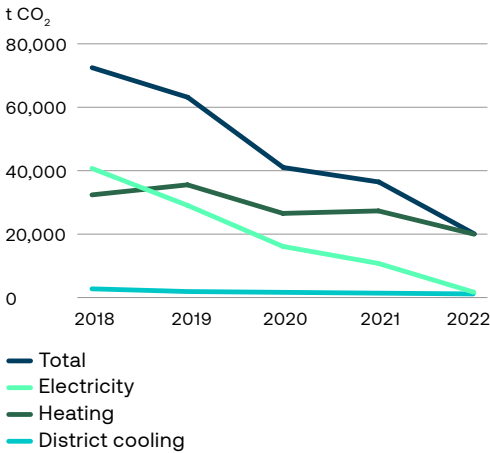
- Scope 2 Electricity - market based 0%
- Scope 2 District heating - market based
- Scope 2 District cooling - market based 0%
- Scope 3 Category 1: Purchased goods and services
- Scope 3 Category 3: Fuel and energy related actions
- Scope 3 Category 9: Visitor travel to shopping centres
- Scope 3 Others

*Sponda's properties in Finland



Property: Forum shopping centre

Carbon footprint from energy consumption*



*Sponda's properties in Finland

“
Our aim is to reduce carbon emissions from existing buildings and to minimise emissions throughout our value chain.

Our CO₂ emissions decreased by

67.7%

from the 2016–2018 average

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

9.7%

Long-term objective	Objective for the year	Status	Results in 2022
Sponda's properties will be carbon neutral in terms of energy consumption by 2030	66% reduction in CO ₂ emissions	●	• The target was exceeded, and our CO ₂ emissions decreased by 67.7% 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 takes into account the life cycle emissions and material efficiency of buildings. Carbon footprint was calculated in all ongoing projects
Promoting renewable energy projects	Implementing at least one significant renewable energy project	●	• Solar power plant on the roof of Forum. Several significant energy efficiency and heat pump projects were promoted during the year
Whole portfolio consists of 100% renewable electricity by 2022	100% of the portfolio consists of wind electricity	●	• 100% of Sponda's electricity was produced with wind power certified with Guarantees of Origin. Renewable district heating is in use for example in the Citycenter and Forum shopping centres

● Accomplished ● Partly accomplished ● Not accomplished

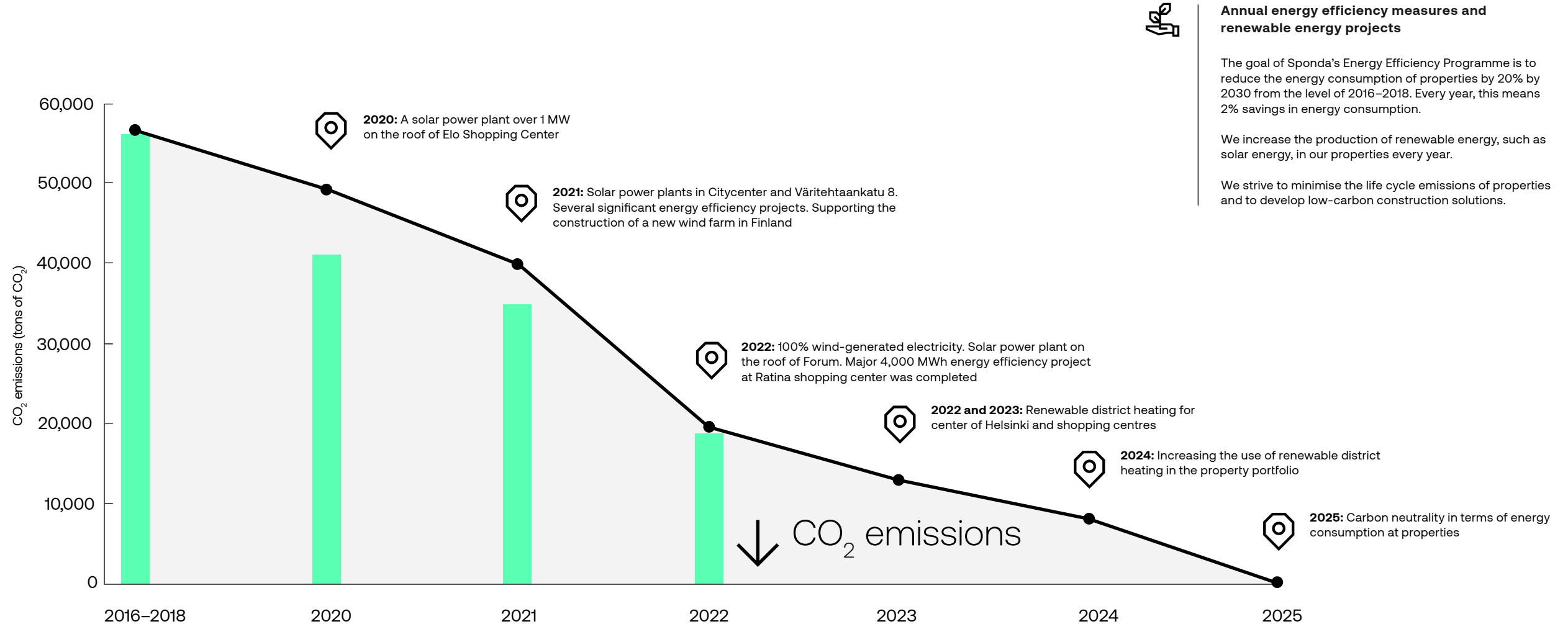


Transition to 100% green electricity

With the deployment of the Lakiakangas wind farm at the beginning of 2022, 100% of the purchased energy used in our properties is covered by emission-free wind power. We supported the construction of the new wind farm, contributing to the expansion of wind power in Finland and supporting national energy self-sufficiency. Our commitment to wind power is an important factor in achieving carbon neutral energy consumption across our properties by 2025.

[Read more >](#)

Sponda's Climate Roadmap Targets



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.



Established in 2021, our Environment, Health and Safety (EHS) organisation meets regularly to monitor and develop EHS reporting, processes and measures in a more structured and precise manner. The organisation has created an EHS operating model, the implementation of which progressed significantly in 2022. The operating model has already proven successful in improving documentation, risk management, safety, and the regulatory compliance of our premises.



To prevent incidents and minimise safety risks in our properties, we encourage our suppliers and contractors to not only report incidents but also safety observations and near-misses.

Our maintenance services were re-tendered in 2022, and the suppliers' EHS performance was evaluated as part of the tendering process. EHS responsibilities were also added to the new contracts.

During 2022, we conducted safety audits, risk assessments and indoor air quality satisfaction surveys in our properties. We also started to develop an indoor air quality operating model and guidelines with an external partner and continued to develop our Health and Safety policy. The development of common safety standards, processes and instructions will continue in 2023 with an external EHS consultant.

How we manage this theme

We promote high EHS standards and manage risks through our EHS operating model.

To prevent incidents and minimise safety risks in our properties, we encourage our suppliers and contractors to not only report incidents but also safety observations and near-misses. The observations are followed up in

regular service provider meetings and reported to the EHS Manager who ensures that they lead to corrective or preventive action.

Alongside legal and regulatory compliance, the daily EHS operations of our properties are managed by external property managers. They ensure that our suppliers and contractors follow our EHS requirements. Property managers are supported by our external, full-time EHS Manager who also provides them with regular training on EHS topics.

We monitor the health and safety of our properties during our EHS Steering Group's monthly meetings and through site audits, customer feedback, and indoor climate satisfaction surveys. The safety of our construction sites is managed by an appointed occupational health and safety coordinator.

Our management approach promotes the UN Sustainable Development Goals 9 and 11.



Property: Logmore, Korkeavuorenkatu 35, Helsinki

17

safety audits
were completed
in our properties

TR Safety
observation
level average
was excellent

96.2%

Long-term objective	Objective for the year	Status	Results in 2022
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	●	<ul style="list-style-type: none"> The process of handling identified indoor air quality issues was further developed. Operating model and guidelines will be finalised in 2023
Monitoring of indoor air quality and measurement of Sponda properties	At least two indoor air quality satisfaction surveys conducted	●	<ul style="list-style-type: none"> Indoor air satisfaction surveys were conducted in four properties
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. Zero accidents per year	◐	<ul style="list-style-type: none"> The work of the EHS organisation was structured and health & safety reporting practices were implemented. Health & safety policy was drafted and will be finalised and implemented at the beginning of 2023. 17 safety audits were completed in 2022. There were six accidents during the year
Improving health and safety on construction sites	0 accidents / site. TR Safety Observation level over 95/100	◐	<ul style="list-style-type: none"> One accident occurred which was properly investigated. TR level average was excellent 96.2%

● Accomplished ◐ Partly accomplished ◑ Not accomplished



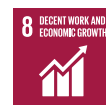
Naava combined an experiential showroom and a health-promoting work environment

Naava, a living green wall designer, had high expectations for the quality and functionality of its new premises. The company wanted to create an impressive showroom in central Helsinki and an indoor environment that would enhance the health and wellbeing of its people. Sponda's premises at Mannerheimintie 4 met the criteria, with an easily modified space that enjoys lots of natural light and is equipped with the latest technology. The premises has been WELL Health-Safety rated.

[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 to improve energy efficiency and good indoor air quality.



In 2022, we began to redesign our Enterprise Resource Planning (ERP) software, which is the digital core of our operations. The modernisation project will improve our ability to use data, prepare us for upcoming changes in ESG regulation and support future reporting needs.

We continued to test solutions based on the Internet of Things (IoT) in the maintenance and development of our properties. The pilot projects included solutions aiming to increase energy efficiency, enhance the use of building automation, and improve indoor air quality.



We are continuously looking for new partners who are willing to embrace innovation and try new sustainable technologies.

To improve the monitoring of our energy and water consumption, we implemented an energy management system with an AI-based recommendation feature. In addition to monitoring our consumption, the system makes suggestions for saving energy and water by comparing consumption data from a property to data gathered from similar properties and linking it to external factors, such as the weather.

An external partner performed a Building Automation System review in five of our buildings. The purpose of the project was to ensure that the property's Building Automation Systems (BAS) is operating in a manner that maximises energy efficiency. The review included remote analysis of energy-efficient sequences and setpoints, operational efficiency, and sensor calibration, as well as identifying opportunities to reduce energy use and improve operability. Adjustments to the automation systems were implemented based on the identified opportunities and recommendations. With the adjustments in place, we are expecting to save 3–5% of the

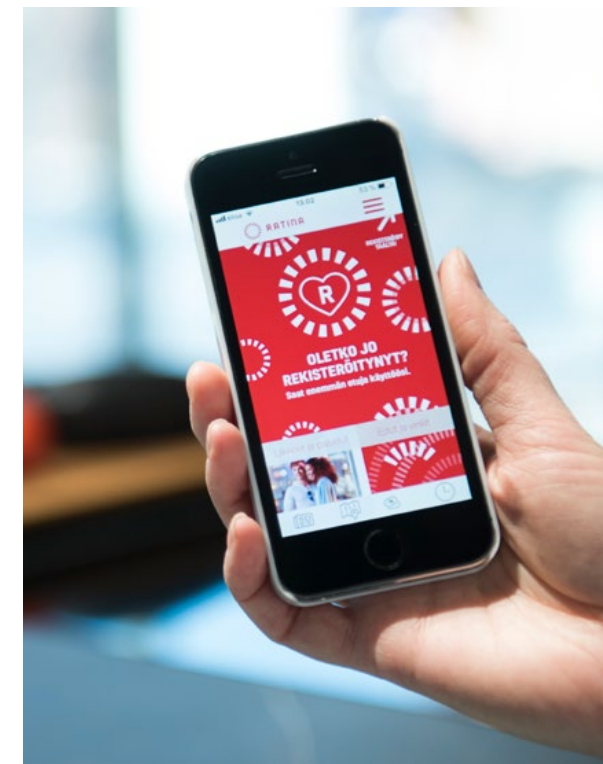
total energy consumption of these buildings. The work continues in 2023.

How we manage this theme

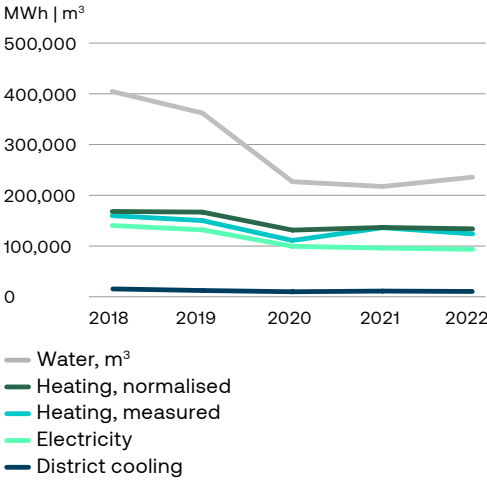
We develop data-driven management and the use of digital innovations in cooperation with various business partners. We are continuously looking for new partners who are willing to embrace innovation and try new sustainable technologies.

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 implement these innovations in our wider operations in the future.

Our management approach promotes the UN Sustainable Development Goal 8.



Electricity, heating, water and district cooling consumption*



*Sponda's properties in Finland

EG Ines

AI-based building automation analysis and control system EG Ines was introduced in all properties

Long-term objective	Objective for the year	Status	Results in 2022
Increasing the number of pilot projects that promote digitalisation and smart solutions in property maintenance	Annual increase in pilot projects	●	<ul style="list-style-type: none">• We continued to carry out pilots both to improve the energy efficiency of buildings and to monitor indoor air quality. A Building Automation System (BAS) review was carried out to five assets and the project continues in 2023
Building ecosystems that promote innovation	Partnership with suppliers	●	<ul style="list-style-type: none">• Developing as part of Sponda's supplier collaboration. For example, KPI for new innovations has been included in the contracts for property maintenance and building automation services



Energy savings in collaboration with tenants

Due to the energy crisis in Europe, we challenged our tenants to participate in energy saving initiatives in their respective premises. The joint measures were targeted at outside lighting and advertising screens, indoor temperatures and optimising the use of appliances and systems at the premises, for example. Our long-term efforts to improve energy efficiency and use of smart building technology provided solid grounds for finding extra energy savings.

[Read more >](#)

● Accomplished ● Partly accomplished ● Not accomplished

New sustainability programme 2023–2025

Our sustainability programme created in 2019 reached its final year in 2022. To maintain our high standard of creating value for our stakeholders in the future, we developed a new sustainability programme and roadmap leading us to the year 2025.

Sustainability remains one of the cornerstones of Sponda's business strategy and approach to risk management. We believe a sustainable business is more resilient in a changing world where stakeholders' expectations towards companies are growing. We closely monitor changes in the operating environment and review our plans to adapt to them.

During our sustainability programme for 2020–2022, we experienced a global pandemic, a war in Europe, an energy crisis and new regulation coming into force. These all had an impact on our business and the businesses of our tenants and underscored the importance of responsible operations, a robust framework for the management of sustainability, and preparedness for unexpected changes.

Our ambition is to be a sustainability leader in our sector. We have been recognised as such for ten consecutive years in the GRESB Real Estate Assessment. However, we intend to do more. The creation of our new sustainability programme and roadmap will help us to achieve even greater success in the run up to 2025.

Creating sustainable urban spaces

The purpose of our sustainability work is to create sustainable urban spaces and we planned our new programme and roadmap in close collaboration with our stakeholders. This included conducting a [materiality assessment](#) with an external partner that surveyed and interviewed our most important stakeholders.

Based on our stakeholders' views and our business objectives, we identified four main themes. Under each theme, we defined focus areas, objectives and a roadmap of actions that will enable us to achieve our goals by 2025. The four themes identified as the most material and important for our business are:

- **Our properties make a difference.** We are creating the net-zero buildings of the future by reducing emissions together with our partners. We look for ways to increase circularity and biodiversity in urban spaces.
- **Spaces bring us together.** Our properties are the cornerstones of a safe, healthy, and sustainable community. We make daily sustainability actions easy for our tenants and promote active collaboration.

- **People make it happen.** We put the health, safety, and wellbeing of our employees first. Our people can grow in an open and inclusive working culture.
- **Building on a progressive foundation.** We lead the industry in sustainability. We develop sustainable practices and strive to safeguard human rights together with our partners.

The first three themes cover environmental and social sustainability. Theme four covers governance and runs through all other themes too.

Compared to our 2020–2022 sustainability programme, the new programme emphasises our impacts on nature more. In 2023, we will create a biodiversity strategy, which will guide our action to help prevent nature loss. We have also been working towards our 2030 energy efficiency and climate targets. However, given we are currently expected to meet those targets ahead of schedule, we have decided to revise our own goals and are aiming to achieve carbon neutrality from energy use by 2025, five years earlier than originally planned. Moreover, we will aim to increase our number of suppliers that have set their own emission reduction targets.

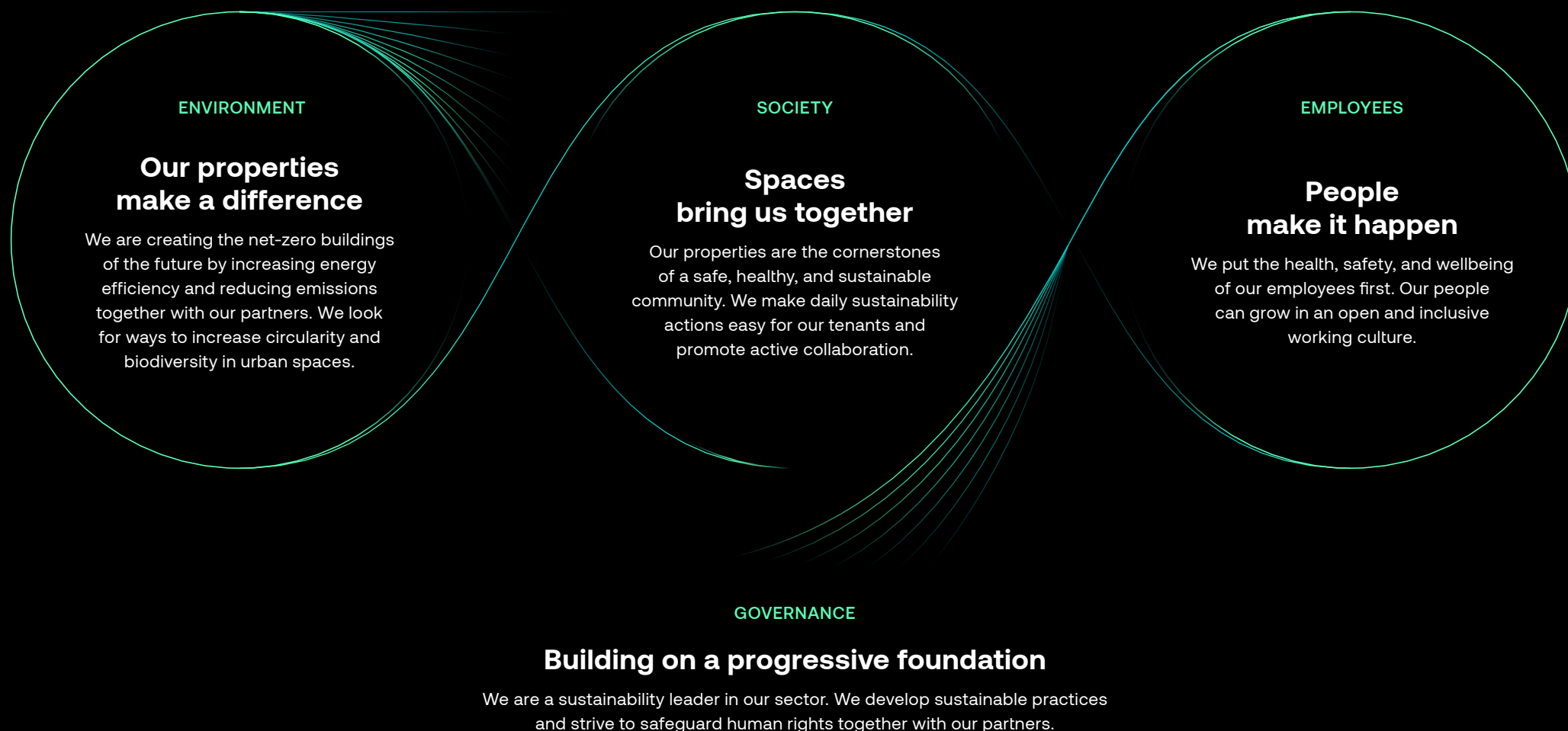
When it comes to social sustainability, our new programme features new performance indicators related to safety, community engagement, and diverse representation in management roles. We will continue to support our tenants' sustainability efforts through active collaboration.

The programme also emphasises the management of human rights risks and impacts. We will continue to assess corporate risks continuously to enable swift decision making and mitigation of risks if changes occur in our operating environment. For example, through the identification of areas where the risk of human rights violations is high, we can target audits more efficiently and ensure our business partners respect human rights.

The [new sustainability programme](#) was deployed in early 2023.

Creating sustainable urban spaces

Sustainability programme 2023-2025





Key figures and calculation principles of reporting

Scope and principles of the report

Sponda reports on its sustainability in accordance with 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 2022, 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 "Sustainability at Sponda" 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 2022 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 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 Consolidated Financial Statements are IFRS (International Financial Reporting Standards) compliant.

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 subsidiar-

ies 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 [49](#).

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.¹ 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.²

Energy and water consumption, as well as greenhouse gas emissions, have also been presented as specific key figures proportionate to the gross floor area (GFAM²). 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.

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 three 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 99 (100) of Sponda's wholly or partially owned real estate companies were subject to energy consumption monitoring in 2022 (2021), representing 100 (100) per cent

¹ 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.

² 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.

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 (99) properties, covering 100 (99) per cent of Sponda's wholly owned properties.

Water

Water consumption monitoring extended to 98 (97) of properties owned by Sponda in 2022, representing 99 (96) per cent of Sponda's property portfolio. Of these, 96 (95) are subject to hourly monitoring, while consumption at 2 (2) properties is monitored by means of manual meter reading.

Waste

Information on waste covers all properties for which the responsibility to arrange waste management lies with a Sponda-owned property or mutual real estate company. The monitoring included 99 (100) properties, representing 100 (100) per cent of the properties owned by Sponda at the end of 2022. 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 green-

house gas emissions was zero during the reporting period. CO₂ 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 CO₂/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.

CO₂ 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 CO₂ emissions for 2022 is based on the latest specific emission factors reported by energy suppliers (from 2021 or 2022). Actual average emission factors for energy procured by Sponda 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. CO₂ 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 wind power) and on-site produced renewable electricity.

For the sake of comparison, Sponda's total CO₂ 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.³ 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.

Personnel

All key indicators and data reported concerning personnel are Sponda group-level (including Sponda Real Estate). Personnel related data is based on data in the HR systems. The collective labour agreement covers all personnel in Finland excluding the Executive Board. Training days are calculated so that one training day equals six hours of training, as per Tax Administration guidelines.

Fixed-term employment relationships are typically 3 to 6 months or longer project-based assignments or traineeships. For comparison data between employee groups, is only for groups consisting of a minimum of five females and five males. The salary and rewarding comparison figures are calculated based on how many per cent the average compensation for women is of the corresponding compensation for men.

Sponda uses the most commonly used LTIF accident frequency (Lost Time Incident Frequency) in Finland to measure the accident frequency. It describes the number of accidents leading to absenteeism in proportion to a million working hours (LTIF = number of accidents leading to absenteeism * 1,000,000 / worked hours).

³ The emissions caused by travel to shopping centers 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.

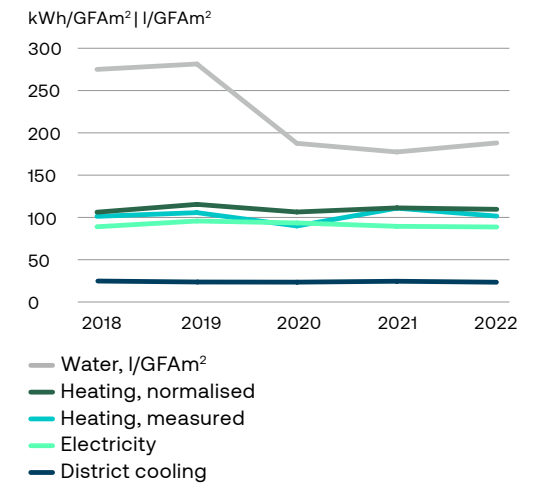
Environmental responsibility key figures

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

	2022	2021	2020	2019	2018	Change, 2021–2022, %	Number of properties 2022
Total energy consumption, all properties, MWh	235,839	241,879	238,627	309,846	323,322	-2.5%	99
Total energy consumption, all properties, GJ	849,021	870,764	859,058	1,115,447	1,163,960	-2.5%	99
Total energy consumption, like-for-like properties, MWh	230,768	234,742	224,716	243,002		-1.7%	97
Total energy consumption, like-for-like properties, GJ	830,764	845,072	808,977	874,809		-1.7%	97
Electricity, all properties, MWh	92,965	95,397	98,884	131,638	140,297	-2.5%	99
Tenants' electricity purchased by landlord, MWh	27,922	28,976	29,910	33,688		-3.6%	
Electricity consumption in common areas, MWh	65,043	66,421	68,974	97,950		-2.1%	
Electricity purchased by tenants, MWh	5,816	6,021	4,101	3,322		-3.4%	
Electricity, like-for-like properties, MWh	90,063	91,272	93,166	105,848		-1.3%	97
Heating, normalised, all properties, MWh	133,376	136,165	130,891	166,684	167,972	-2.0%	98
Heating, normalised, like-for-like properties, MWh	131,448	133,739	123,097	122,678		-1.7%	97
Heating, measured, all properties, MWh	123,454	135,761	110,326	149,884	159,642	-9.1%	98
Heating, measured, like-for-like properties, MWh	121,688	133,422	103,825	122,678		-8.8%	97
District cooling, all properties, MWh	9,498	10,317	8,851	11,525	15,053	-7.9%	24
District cooling, like-for-like properties, MWh	9,256	9,731	8,452	8,585		-4.9%	23
Water, all properties, 1,000,000 liters*	236	217	227	363	406	8.6%	98
Water, like-for-like properties, 1,000,000 liters	220	207	209	291		6.4%	95

* Supplied from a municipal or city water supply network.

Electricity, heating, water and district cooling consumption intensity*



*Sponda's properties in Finland.

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

	2022	2021	2020	2019	2018
Energy intensity, kWh/GFAm ² /year	204.0	208.9	207.1	223.8	200.5
Electricity intensity, kWh/GFAm ² /year	87.8	88.6	92.7	102.9	88.1
Heating intensity, normalised, kWh/GFAm ² /year	108.7	110.4	105.5	114.8	105.3
Heating intensity, measured, kWh/GFAm ² /year	100.7	110.1	89.0	105.0	100.4
District cooling intensity, kWh/GFAm ² /year	22.6	24.0	22.7	23.2	24.3
Water intensity, ltr/GFAm ² /year	187.1	176.4	186.6	281.1	274.2

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

	Office and logistics properties			Shopping centres		
	2022	2021	Change, %	2022	2021	Change, %
Total energy consumption by main segment, MWh	143,223	131,530	8.9%	87,545	95,871	-8.7%
Electricity, MWh	50,148	48,243	3.9%	39,915	42,474	-6.0%
Heating, normalised, MWh	88,662	80,025	10.8%	42,787	47,402	-9.7%
Heating, measured, MWh	82,109	79,916	2.7%	39,580	47,229	-16.2%
District cooling, MWh	4,413	3,261	35.3%	4,843	5,995	-19.2%
Water, m ³	120,637	108,250	11.4%	99,726	93,082	7.1%

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

	Office and logistics properties			Shopping centres		
	2022	2021	Change, %	2022	2021	Change, %
Energy intensity by main segment, kWh/GFAm ² /year	178.4	179.4	-0.6%	247.7	255.4	-3.0%
Electricity intensity, kWh/GFAm ² /year	71.8	71.8	0.0%	115.1	115.1	0.0%
Heating intensity, normalised, kWh/GFAm ² /year	104.8	104.5	0.3%	117.5	122.8	-4.3%
Heating intensity, measured, kWh/GFAm ² /year	97.0	104.3	-7.0%	108.7	122.4	-11.2%
District cooling intensity, kWh/GFAm ² /year	18.1	17.7	2.3%	29.3	32.1	-8.6%
Water intensity, ltr/GFAm ² /year	147.7	145.5	1.5%	274.0	241.2	13.6%

Energy and water consumption of Sponda's head office

	2022	2021	2020	2019	2018	Change 2021-2022, %
Total energy consumption, MWh	1,241.5	1,102.9	1,080.3	1,077	1,087	12.6%
Electricity, MWh	328.3	284.0	321.3	342	331	15.6%
Heating, normalised, MWh	804.3	733.7	697.5	685	657	9.6%
Heating, measured, MWh	740.4	732.1	596.5	623	637	1.1%
District cooling, MWh	108.9	85.2	61.5	50	100	27.8%
Water, m ³	1,738.6	1,041.0	1,349.5	1,512	1,177	67.0%

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

	2022	2021	2020	2019	2018
Energy intensity, kWh/GFAm ² /year	210.6	187.1	183.3	182.7	184.4
Electricity intensity, kWh/GFAm ² /year	55.7	48.2	54.5	58.1	56.2
Heating intensity, normalised, kWh/GFAm ² /year	136.4	124.5	118.3	116.2	111.4
Heating intensity, measured, kWh/GFAm ² /year	125.6	124.2	101.2	105.7	108.0
District cooling intensity, kWh/GFAm ² /year	18.5	14.5	10.4	8.4	16.9
Water intensity, ltr/GFAm ² /year	294.9	176.6	228.9	256.5	199.7

Sponda's Science Based Targets

	Base year (2019)	Target year (2030)	2021		2022	
		Emission reduction target	%, reductions from base year		%, reductions from base year	
Scope 1 emissions (tCO ₂ e)	0	0	0		0	
Scope 2 emissions (tCO ₂ e)	59,723	32,131 -46.2%	36,067	-39.6%	35,454	-40.6%
Scope 1+2 emissions (tCO ₂ e)	59,723	32,131 -46.2%	36,067	-39.6%	35,454	-40.6%
Scope 3 emissions (tCO ₂ 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

	2022	2021	2020	2019	2018
Purchased electricity					
Market-based emission factor, kg CO ₂ /MWh	0	97	157	213	284
Renewables, %	100	57	40	19	15
Non-renewables, %	0	16	27	37	45
Nuclear power, %	0	27	33	44	40
Location-based emission factor, kg CO ₂ /MWh	89	131	141	141	141
Heating					
Market-based emission factor, kg CO ₂ /MWh	140	192	209	211	186
Renewables, %	43	26	21	20	18
Non-renewables, %	57	74	79	80	82
Location-based emission factor, kg CO ₂ /MWh	123	141	154	154	154
District cooling					
Market-based emission factor, kg CO ₂ /MWh	0	0	18	18	18
Renewables, %	100	97	94	94	94
Non-renewables, %	-	3	6	6	6

The share of renewable energy of Sponda's total energy usage 67.4%

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 ₂)			Carbon dioxide emission intensity from energy consumption of Sponda's properties in Finland by main segment (kg CO ₂ /GFAm ² /year)		
	2022	2021	Change, %	2022	2021	Change, %
Office, commercial and logistics properties	14,875	24,506	-39%	18.2	33.5	-46%
Shopping centres	3,417	9,100	-62%	16.5	23.7	-31%

Indirect CO₂ emissions (Scope 2): Energy consumption of properties located in Finland

t CO ₂	2022	2021	2020	2019	2018	Change 2021–2022, %
Electricity – market-based*	0	9,270	14,743	27,984	39,882	-100.0%
District heating – market-based	18,658	26,148	25,344	34,549	31,313	-28.6%
District cooling – market-based	0	0	0	211	1,084	0%
Total Scope 2 – market-based	18,658	35,417	40,086	62,744	72,278	-47.3%
Total Scope 2 – market-based, like-for-like	18,292	33,606	37,789	50,433		-45.6%
Total Scope 2 – location-based	24,679	31,696	31,807	44,019	50,798	-22.1%

* 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

	2022	2021	2020	2019	2018	Change 2021–2022, %
Number of properties included in Sponda's Energy Efficiency Programme at the end of the year	99	99	72	80	102	0.0%
Share of properties included in the programme, % of the total property portfolio	100	98	74	83	87	2.0%
Annual energy saving achieved by the energy efficiency programme, MWh	-5,408	4,471	-13,761	-329	-365	182.7%
Annual energy saving achieved by the energy efficiency programme, GJ	-19,468	16,097	-49,540	-1,189	-1,313	182.7%
Number of energy reviews conducted per year	95	94	71	71	101	1.1%

Data for 2021 and 2022 are based on the Spondas' Energy Efficiency Programme 2030 and data for 2018–2020 on the Energy Efficiency Programme 2020.

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

kg CO ₂ /GFAm ² /year	2022	2021	2020	2019	2018	Change 2021–2022, %
Total CO ₂ intensity from head office energy consumption	25.9	23.3	23.6	23.7	18.9	11.2%
CO ₂ intensity from electricity	0.0	0.0	0.0	0.5	0.1	0%
CO ₂ intensity from heating	25.9	23.3	23.4	23.0	17.6	11.2%
CO ₂ intensity from district cooling	0.0	0.00	0.2	0.2	1.2	0%

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

kg CO ₂ /GFAm ² /year	2022	2021	2020	2019	2018	Change 2021–2022, %
Total CO ₂ intensity	17.9	29.6	33.8	46.3	45.1	-39.5%
CO ₂ intensity from electricity	0.0	8.3	13.6	21.8	23.6	-100.0%
CO ₂ intensity from heating	17.9	21.2	20.2	24.1	19.7	-15.5%
CO ₂ intensity from district cooling	0.0	0.0	0.0	0.4	1.8	0%

Carbon footprint from energy consumption in Sponda's head office

t CO ₂	2022	2021	2020	2019	2018	Change 2021–2022, %
Total carbon footprint, including certificates*	152.8	137.2	139.2	139.6	111.3	11.4%
Total carbon footprint, excluding certificates**	229.9	203.1	219.2	221.8	207.0	13.2%
Electricity	0.0	0	80.0	85.3	96.0	0%
Heating	152.8	137.2	138.1	135.6	103.8	11.4%
District cooling	0.0	0	1.1	0.9	7.2	0%
CO ₂ emission reductions from Guarantee of Origin certificates	-77.1	-65.9	-80.0	-82.2	-95.7	17.1%

*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 ₂ e	2022	2021	Change 2021–2022, %
Total	116,171	100,463	15%
Category 1: Purchased goods and services	31,493	27,338	15%
Water consumption	2	1	72%
Construction and Development	19,456	16,197	20%
Facility Management	7,465	6,985	7%
Sponda's own actions	4,570	4,155	10%
Category 3: Fuel and energy related actions	10,369	11,270	-10%
Category 5: Waste generated in operation	221	203	9%
Category 6: Business travel	26	11	132%
Category 7: Employee commuting	113	100	13%
Category 8: Upstream leased assets	16	20	-18%
Category 9: Visitor travel to shopping centres	72,566	60,122	21%
Category 13: Downstream leased assets	1,366	1,399	0%

Waste recovery rates of Sponda's properties in Finland

%	2022	2021	2020	2019	2018
Overall waste recovery rate	100.0%	99.9%	100.0%	99.9%	100.0%
Energy recovery	46.2%	46.2%	46.0%	47.0%	52.2%
Material recovery	53.7%	53.7%	54.0%	52.9%	47.8%
Final treatment	0.0%	0.1%	0.0%	0.1%	0.0%

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

	2022		2021	
	%	t	%	t
Total like-for-like waste weight		4,962		4,579
Energy recovery, like-for-like	46.2%	2,295	46.5%	2,129
Material recovery, like-for-like	53.7%	2,666	53.5%	2,450
Final treatment, like-for-like	0.0%	2	0.0%	-

Waste volumes by main segment of Sponda's properties in Finland in 2022

t	Office and logistics properties	Shopping centres
Energy recovery	1,336	958
Material recovery	1,312	1,354
Final treatment	1.7	0.1

Waste treatment of Sponda's properties in Finland

t	2022	2021
Total	4,962	4,583
Non-hazardous waste total	4,956	4,579
Energy recovery	2,291	2,116
Material recovery	2,663	2,459
Final treatment	1.7	3.7
Hazardous waste total	6.5	4.44
Energy recovery	3.2	3.6
Material recovery	3.1	0.8
Final treatment	0.2	0.1

All waste is treated off-site.

Waste volumes of Sponda's properties in Finland

t	2022	2021	2020	2019	2018
Total	4,962	4,583	4,957	7,709	8,193
Energy recovery	2,295	2,120	2,279	3,626	4,278
Material recovery	2,666	2,459	2,676	4,075	3,915
Biowaste	918	913	1,051	1,717	1,528
Paper	131	154	179	282	296
Paperboard	931	845	902	1,418	1,464
Cardboard	115	102	85	94	100
Glass	126	96	93	119	112
Metal	144	115	115	154	135
Plastic	81	75	68	55	14
Sludge	36	38	50	75	112
Other waste	181	120	128	155	147
Hazardous waste	3	1	5	7	7
Final treatment	2	4	2	7	0

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

Waste volumes and recovery rates of Sponda's head office

	2022		2021		2020		2019		2018	
	%	t	%	t	%	t	%	t	%	t
Total		50.1		40.5		34.0		66.0		65.6
Energy recovery	27.6%	13.8	33%	13.3	37%	12.5	31%	20.3	47%	30.7
Material recovery	72.4%	36.3	67%	27.3	63%	21.5	69%	45.5	53%	34.7
Final treatment	0%	0.0	0%	0.0	0%	0.0	0%	0.2	0%	0.1

Social responsibility key figures

Key figures for the employees

	2022	2021	2020	2019		2018	
	Group	Group	Group	Group	SRE*	Group	SRE*
Employees at the year-end	139	138	147	131	123	125	117
Employees on average	140	142	144	136	127	119	110
Average age at the year-end	41.03	41.17	41.38	41.79	42.29	43.23	43.67
Sick leaves, days per employee on average	4.7	2.14	3.84	7.80	4.88	4.98	4.87
Sick leaves, % of working hours	1.9	0.82	1.6	1.44	1.35		2.03
Training days per employee on average**	3.5	4.87	2.20	0.90	0.96	1.56	1.56
Training hours per employee	20.7	29.19	13.20	5.42	5.74	9.33	9.33
Training, % of working hours	1.4	1.63	0.75	0.30	0.31	-	0.59

*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 2022

	%
Percentage of employees covered by collective labour agreements*	100.0
Turnover, Finland (Group)	13.8

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

Days of training by employee group 2022

	Total	Men	Women	% of working hours	
				Men	Women
Professional	52.2	6.75	45.45	0.53	0.75
Manager	157.61	44.5	113.1	0.88	1.94
Middle Management	143.83	56.4	87.4	1.11	1.92
Total	353.64	107.7	246.0	1.27	

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

Employee Engagement Survey, Group

Scale 1–100			
Commitment index	73.1	75.3	80.1
Leadership index	74.9	77.5	78.4
Performance index	60.2	62.0	60.8
Engagement index	78.2	80.4	82.4
Meaningfulness index*	72.4	76.0	

Scale -100 - +100

eNPS	33	24	27
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*Meaningfulness index included for the second time.

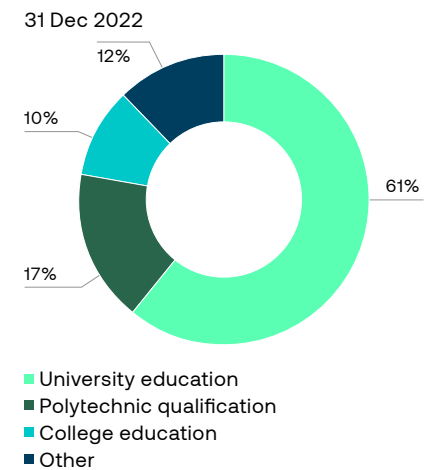
Employee Groups

Persons	2022	2021	2020
Administration*	60	47	47
Property Development	28	25	25
Investments	4	13	17
Retail and Shopping Centres	-	19	20
Asset Management	9	7	6
Retail & Office and Coworking**	38	27	32

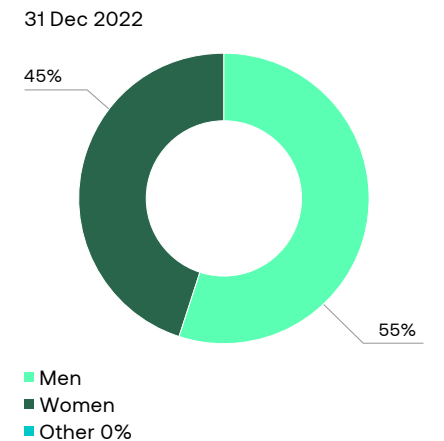
*Includes Portfolio Management team which was previously paired with Investments.

**Retail and Shopping Centres combined to Office unit.

Educational structure



Gender ratio



Employees leaving in 2022, Finland

Age group	Total	Men	Women
20–24	3	1	2
25–29	1	0	1
30–34	6	1	5
35–39	1	0	1
40–44	3	3	0
45–49	2	1	1
50–54	2	1	1
over 55	2	2	0
Total	20	9	11

Occupational safety and security, Finland 2022

Accident frequency	4.4
Occupational diseases	0
Fatalities	0
Number of discrimination cases, their handling and related corrective action, amount of cases	0

Employees

	Total	Men	Women	Other
Number of employees	139	62	77	0
Type of employment				
Permanent employees	130	56	74	0
Temporary employees*	9	6	3	0
Non-guaranteed hours employees**	3	0	3	0
Full-time employees	130	57	73	0
Part-time employees	9	5	4	0

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

**Non-guaranteed hours agreements only based on employee's wish.

Employees hired in 2022, Finland

Age group	Total	Men	Women
20–24	7	4	3
25–29	3	0	3
30–34	5	5	0
35–39	3	1	2
40–44	1	1	0
45–49	1	0	1
50–54	0	0	0
over 55	2	1	1
Total	22	12	10

Comparison of salaries and rewarding of men and women**Comparison group I, Professional**

The salary of women as % of the corresponding salary of men	Basic salary	Rewarding
2022	89.09	104.60
2021	88.18	101.43
2020	93.61	95.35

Comparison group II, Manager

The salary of women as % of the corresponding salary of men	Basic salary	Rewarding
2022	93.70	86.39
2021	88.18	101.43
2020	93.61	95.35

Comparison group III, Middle Management

The salary of women as % of the corresponding salary of men	Basic salary	Rewarding
2022	92.34	104.90
2021	91.37	93.83
2020	86.93	72.32

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.

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 sustainability information for the reporting period 1 January 2022 to 31 December 2022, disclosed in Company's Sustainability Review 2022 (hereinafter the Selected sustainability information).

Selected sustainability information

The selected sustainability information within the scope of assurance covers:

- Environmental responsibility indicators and construction and real estate sector specific indicators as identified in the GRI Index in the Company's Sustainability Review 2022.

Management's responsibility

The Management of the Company is responsible for preparing the Selected sustainability information in accordance with the reporting criteria as set out in the Company's reporting instructions (described in Company's Sustainability Review 2022), the GRI Standards of the Global Reporting Initiative and the G4 Construction, Real Estate Sector Disclosures of the Global Reporting Initiative. The Management of the Company 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 (IESBA code), 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 (ISQC) 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 senior management of the Company.
- Interviewing employees responsible for collecting and reporting the Selected information at the Group level as well as at the site level.
- Assessing how 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 1 January 2022 to 31 December 2022 is 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 2023

PricewaterhouseCoopers Oy

Tiina Puukkonen
Partner, Authorised Public Accountant (KHT)
ESG Reporting & Assurance

GRI index

The review applies to all three Universal Standards. Reported Topic Standards have been selected based on Sponda's material topics.

		Location	Included/ Partly included	External Assurance	SDG	Comments
General Disclosures (2017)						
Organisation						
2-1	Organisational details	Sponda in brief, p. 4; Back cover; https://sponda.fi/en/about-us/sponda-as-a-company/ ;	●			Korkeavuorenkatu 45, 00130 Helsinki, Finland
2-2	Entities included in the organisation's sustainability reporting	Scope and principles of the report, pp. 40–41	●			
2-3	Reporting period, frequency and contact point	Scope and principles of the report, pp. 40–41	●			
2-4	Restatements of information	GRI index	●			No changes to report.
2-5	External assurance	Independent Practitioner's Limited Assurance Report, p. 49	●			
Activities and workers						
2-6	Activities, value chain and other business relationships	Sponda in brief, p. 4; Review by the CEO, pp. 6–7; Responsibility in the supply chain, pp. 24–25; https://sponda.fi/en/about-us/sponda-as-a-company/	●			
2-7	Employees	Employee wellbeing and competence development, pp. 22–23; Social responsibility key figures, pp. 47–48; GRI index	●		8, 10	The reported information on employees was retrieved from the PersonecHR and Nepton systems.
2-8	Workers who are not employees	GRI index	●			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.
Governance						
2-9	Governance structure and composition	Financial statement, p. 5	●			Financial statements will be available on the website of the Finnish Trade Register in June 2023.
2-10	Nomination and selection of the highest governance body					Will be reported in 2023 review.
2-11	Chair of the highest governance body	Financial statement, p. 5	●			Financial statements will be available on the website of the Finnish Trade Register in June 2023.
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability at Sponda, p. 10	●			
2-13	Delegation of responsibility for managing impacts	Sustainability at Sponda, p. 10	●			
2-14	Role of the highest governance body in sustainability reporting	GRI index	●			The company's senior management approves the report
2-15	Conflicts of interest	Sustainability at Sponda, p. 9; Financial statement, pp. 43–44	●			
2-16	Communication of critical concerns	Sustainability at Sponda, p. 9	●			

		Location	Included/ Partly included	External Assurance	SDG	Comments
2-17	Collective knowledge of the highest governance body		●			Sponda's management team and Board of Directors are regularly kept up-to-date on sustainable development through sustainability reporting. In addition, Sponda's management has participated in various sustainability trainings, covering topics such as regulatory changes, human rights, and climate change.
2-18	Evaluation of the performance of the highest governance body					Will be reported in 2023 review.
2-19	Remuneration policies	Financial statement, p. 42	●			Financial statements will be available on the website of the Finnish Trade Register in June 2023.
2-20	Process to determine remuneration	Financial statement, p. 42	●			Financial statements will be available on the website of the Finnish Trade Register in June 2023.
2-21	Annual total compensation ratio	Financial statement, p. 42	●			Financial statements will be available on the website of the Finnish Trade Register in June 2023.
Strategy, policies and practices						
2-22	Statement on sustainable development strategy	Review by the CEO, pp. 6–7	●			
2-23	Policy commitments	Sustainability at Sponda, pp. 9–10; Sustainable and transparent economy and risk management, p. 20; Employee wellbeing and competence development, p. 22; Responsibility in the supply chain, p. 24; Eco-efficiency, p. 28; Carbon smart, p. 30; Healthy and safe premises, p. 33	●		8	Description of Sponda's sustainability management approach
2-24	Embedding policy commitments	Sustainability at Sponda, pp. 9–10; Sustainable and transparent economy and risk management, p. 20; Employee wellbeing and competence development, p. 22; Responsibility in the supply chain, p. 24; Eco-efficiency, p. 28; Carbon smart, p. 30; Healthy and safe premises, p. 33	●			Description of Sponda's sustainability management approach
2-25	Processes to remediate negative impacts	Sustainability at Sponda, p. 9	●			
2-26	Mechanisms for seeking advice and raising concerns	Sustainability at Sponda, p. 9	●			
2-27	Compliance with laws and regulations	GRI index	●			No incidents during 2022
2-28	Membership associations	Sustainability programme 2020–2022, p. 19	●			
Stakeholder engagement						
2-29	Approach to stakeholder engagement	Sustainability at Sponda, pp. 9–10; Stakeholder co-operation, p. 14	●			
2-30	Collective bargaining agreements	Social responsibility key figures, p. 47	●		8	
GRI 3: Material Topics (2021)						
3-1	Process to determine material topics	New sustainability programme 2023–2025, p. 37; https://sponda.fi/en/materiality-analysis/	●			
3-2	List of material topics	New sustainability programme 2023–2025, p. 37; https://sponda.fi/en/materiality-analysis/	●			
3-3	Management of material topics	Sustainability at Sponda, p. 10; Sustainability programme 2020–2022, pp. 18–19; Sustainable and transparent economy and risk management, pp. 20–21; Employee wellbeing and competence development, pp. 22–23; Responsibility in the supply chain, pp. 24–25; Customer orientation, pp. 26–27; Eco-efficiency, pp. 28–29; Carbon smart, pp. 30–32; Healthy and safe premises, pp. 33–34; Data-driven management and the use of digital innovations, pp. 35–36	●			Description of Sponda's sustainability management approach

		Location	Included/ Partly included	External Assurance	SDG	Comments
Economic standarts						
GRI 201: Economic performance (2016)						
201-2	Financial implications and other risks and opportunities due to climate change	Sponda's climate-related risks and opportunities, pp. 12–13	●		7, 9, 13	
GRI 203: Indirect economic impacts (2016)						
203-1	Infrastructure investments and services supported	How we create value, p. 15; Sustainable and transparent economy and risk management, p. 20; Customer orientation, p. 26; Healthy and safe premises, p. 33; Data-driven management and the use of digital innovations, p. 35	●		9, 11, 12	
GRI 205: Anti-corruption (2016)						
205-2	Communication and training about anti-corruption policies and procedures	Sustainability at Sponda, p. 9; Sustainable and transparent economy and risk management, p. 21	●			
205-3	Confirmed incidents of corruption and actions taken	GRI index	◐			In 2022 there were no incidents. Description of Sponda's sustainability management approach
Environmental standarts						
GRI 302: Energy (2016)						
302-1	Energy consumption within the organisation	Sponda in Brief, p. 4; Scope and principles of the report, pp. 40–41; Environmental responsibility key figures, pp. 42–46	●	Yes	7, 11, 13	
302-3	Energy intensity	Scope and principles of the report, p. 41; Environmental responsibility key figures, p. 43	●	Yes	7	
302-4	Reduction of energy consumption	Eco-efficiency, p. 29; Carbon smart, pp. 30–31; Scope and principles of the report, pp. 40–41; Environmental responsibility key figures, pp. 42–46	●	Yes	7, 13	
302-5	Reductions in energy requirements of products and services	Eco-efficiency, p. 29; Scope and principles of the report, pp. 40–41; Environmental responsibility key figures, pp. 42–46	●	Yes	7, 13	
GRI 303: Water and Effluents (2018)						
303-1	Interactions with water as a shared resource	Eco-efficiency, p. 29; Scope and principles of the report, pp. 40–41	●		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. 40–41	●		11, 12	Wastewater is treated in accordance with laws and regulations.
303-5	Water consumption	Eco-efficiency, p. 29; Scope and principles of the report, pp. 40–41; Environmental responsibility key figures, pp. 42–46	●	Yes	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.

		Location	Included/ Partly included	External Assurance	SDG	Comments
GRI 305: Emissions (2016)						
305-1	Direct (Scope 1) GHG emissions	Carbon smart, pp. 30–32; Scope and principles of the report, p. 41; Environmental responsibility key figures, pp. 43–45	●	Yes	13	
305-2	Energy indirect (Scope 2) GHG emissions	Carbon smart, pp. 30–32; Scope and principles of the report, p. 41; Environmental responsibility key figures, pp. 43–45	●	Yes	13	
305-3	Other indirect (Scope 3) GHG emissions	Carbon smart, pp. 30–32; Scope and principles of the report, p. 41; Environmental responsibility key figures, pp. 43–45	●	Yes	13	
305-4	GHG emissions intensity	Carbon smart, pp. 30–32; Scope and principles of the report, p. 41; Environmental responsibility key figures, pp. 43–45	●	Yes	13	
305-5	Reduction of GHG emissions	Carbon smart, pp. 30–32; Scope and principles of the report, p. 41; Environmental responsibility key figures, pp. 43–45	●	Yes	13	
GRI 306: Waste (2020)						
306-1	Waste generation and significant waste-related impacts	Customer orientation, p. 26	◐		12	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. 28; Scope and principles of the report, pp. 40–41; Environmental responsibility key figures, p. 46	◐		12	A third party takes care of waste treatment (Lassila & Tikanoja).
306-4	Waste diverted from disposal	Sponda in brief, p. 4; Eco-efficiency, p. 28; Scope and principles of the report, pp. 40–41; Environmental responsibility key figures, p. 46	◐	Yes	12	
GRI 308: Supplier environmental assessment						
308-1	New suppliers that were screened using environmental criteria	Sustainability programme 2020–2022, p. 18; Responsibility in the supply chain, pp. 24–25	◐		8, 12, 13	
Social standards						
GRI 401: Employment (2016)						
401-1	New employee hires and employee turnover	Social responsibility key figures, pp. 47–48	●		8	
GRI 403: Occupational health and safety (2018)						
403-1	Occupational health and safety management system	Healthy and safe premises, p. 33	◐		8	
403-2	Hazard identification, risk assessment, and incident investigation	Employee wellbeing and competence development, p. 22; Responsibility in the supply chain, p. 24; Healthy and safe premises, p. 33	◐		8	
403-3	Occupational health services	Employee wellbeing and competence development, p. 22	◐		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. 22	◐		4, 8, 11	

		Location	Included/ Partly included	External Assurance	SDG	Comments
403-5	Worker training on occupational health and safety	Employee wellbeing and competence development, p. 22	●		8	
403-6	Promotion of worker health	Employee wellbeing and competence development, p. 22	●		4, 8, 11	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Responsibility in the supply chain, p. 24; Healthy and safe premises, p. 33; https://sponda.fi/en/code-of-conduct-and-code-of-business-conduct/	●		8	
403-9	Work-related injuries	Employee wellbeing and competence development, p. 22; Social responsibility key figures, p. 48	●		8, 11	
GRI 404: Training and education (2016)						
404-1	Average hours of training per year per employee	Social responsibility key figures, p. 47	●		4, 8	
404-2	Programs for upgrading employee skills and transition assistance programs	Employee wellbeing and competence development, pp. 22–23;	●		8	
404-3	Percentage of employees receiving regular performance and career development reviews	Employee wellbeing and competence development, pp. 22–23;	●		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.
GRI 405: Diversity and equal opportunity (2016)						
405-2	Ratio of basic salary and remuneration of women to men	Social responsibility key figures, p. 48	●		5	
GRI 414: Supplier social assessment (2016)						
414-1	New suppliers that were screened using social criteria	Sustainability programme, p. 18; Responsibility in the supply chain, p. 24	●		8	
GRI - Construction and real estate sector disclosures						
CRE1	Building energy intensity	Scope and principles of the report, pp. 40–41; Environmental responsibility key figures, pp. 43–44	●	Yes	13	
CRE2	Building water intensity	Scope and principles of the report, p. 41; Environmental responsibility key figures, p. 43	●	Yes	12	
CRE3	Greenhouse gas intensity of building's energy consumption	Carbon smart, pp. 30–32; Scope and principles of the report, p. 41; Environmental responsibility key figures, pp. 44–45	●	Yes	7, 13	
CRE8	Certificates	Sponda in brief, p. 4; Highlights of 2022, p. 5; Review by the CEO p. 6; Eco-efficiency, p. 28; Scope and principles of the report, p. 40; Environmental key figures, pp. 44–45	●		7, 8, 12, 13	

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