

A professional woman with blonde hair, wearing a white button-down shirt, is looking over her shoulder towards the camera with a slight smile. She is positioned in the center-right of the frame, with a blurred background of green trees and a building.

Sustainability Report

20  
17

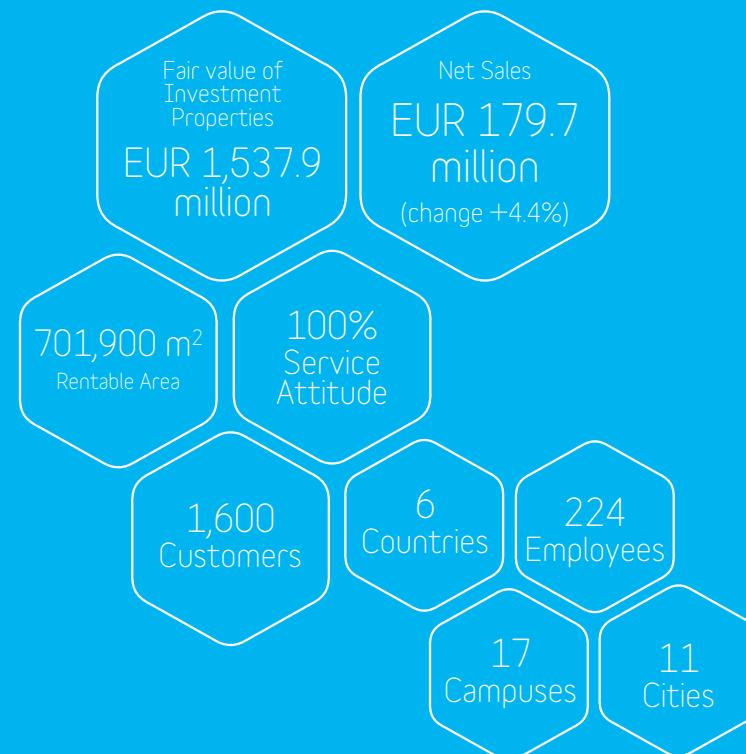
**TECHNOPOLIS**

# Sustainability Report 2017

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## Technopolis in Short



Technopolis is a shared workspace expert. We provide efficient and flexible offices, coworking spaces and everything that goes with them. Our services run from designing the workspace to reception, meeting solutions, restaurants and cleaning. We are obsessed with customer satisfaction and value creation. Our 17 campuses host 1,600 companies with 50,000 employees in six countries within the Nordic and Baltic Sea region. Technopolis Plc (TPS1V) is listed on Nasdaq Helsinki.

## CEO's Q&A

### Walking the Talk

Technopolis CEO Keith Silverang rode 13,500 km corresponding to 2,300 CO<sub>2</sub> savings. His total with cars was only 3000 km in 2017.



#### What does sustainability mean to Technopolis?

Sustainability is an integral part of any successful company's core business. At Technopolis, it is a day-to-day activity reflected in eco-efficient premises, motivated employees, services that support customer success, and a sense of community.

The world of work is undergoing major changes as the forces behind the shared economy intensify. We embrace these changes – in short, we develop, own and operate shared workspace campuses, with the emphasis on the word shared. The very idea of more and more people sharing the same space comfortably, efficiently and sustainably goes to the heart of sustainable thinking as well as the Technopolis business

strategy. These contribute to maintaining high occupancy and property values, but also to better sustainability performance and enhanced quality of life in the workplace.

#### The Shared Economy - what is it all about?

In a "shared" or "collaborative" economy, parties provide one another access to assets or services – whether for a fee or for free. The change is driven by the young and tech-oriented; there is evidence that millennials care less for ownership. The drivers behind the change are many, and they can be roughly categorized into technology, economic and societal drivers. Sustainability-related drivers range from hard facts such as the scarcity of natural resources

to those that are more community related – people's need to share and to feel connected; to be part of a community.

In short, shared life is the new normal and this also applies to workspaces. From our point of view this means that customers are demanding more flexibility, more efficiency and better employee productivity from workplaces. This is our sweet-spot and we have been an ambassador of this approach since Technopolis' got started.

#### Why do workspaces matter?

Workspaces increasingly offer companies a competitive advantage to attract the best talent. In the workspace sector, there's a real focus on trying to maximize human potential, performance, and

productivity. So we will continue to make sure that each campus provides not only efficiency, sustainability and flexibility, but also a vibrant community of companies and people that enjoy working together in an environment that supports productivity and well-being.

We are developing our service offering to match the increasing demand for shared work environments and mobile work, and we are investing in the continuous improvement of the customer experience. I'm confident that this commitment will ultimately enhance Technopolis' competitiveness and boost shareholder value.

**Keith Silverang, CEO**

#### About the Report

It is a priority for us to depict our environmental and social impacts in a transparent and meaningful way. In our report, sustainability is described in accordance with GRI (Global Reporting Initiative) Standards and CRESS (Construction and Real Estate Sector Supplement) and the third edition of the EPRA's Sustainability Best Practice Recommendations for reporting. We have also internally assessed and concluded that the content of our report contains relevant information in relation to the main matters of the Non-Financial Reporting Directive although this regulation does not apply to Technopolis.

Technopolis sees sustainability as a competitive advantage that influences our reputation and success, and as an investment in future prerequisites for operation. We hope that this vision is reflected in our report.

# Our Strategic Sustainability Approach



Sustainability is incorporated into Technopolis' corporate strategy and DNA – in a nutshell, our strategy is to create a sustainable competitive advantage by selling less space per person, but more efficiency, flexibility and services to customers. For us, sustainability is a day-to-day activity that is

reflected in eco-efficient premises, motivated employees, services that support success, and a sense of community.

We aim to focus our efforts on those items that are most relevant to us, and to convey the message in a framework that is easy to

grasp for internal and external stakeholders, in order to better steer and motivate actions.

This strategic approach takes into account the long-term perspective, the megatrends in our sector, and the customer experience philosophy that is at the heart of

our operations. We sustain our competitiveness over the long term by adapting to relevant social and environmental demands and the requirements of the community.

Driven by changes in work and growing demands from stakeholders, we cooperate with

our customers and partners to find meaningful measures to support their success, workspace well-being, and productivity. With this approach, we aim to enhance our own and our customers' competitive advantage through sustainability.

## Focus Areas

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Technopolis categorizes the impacts and measures of its Corporate Sustainability under three themes. The aim is to continuously develop the issues related to these themes.

### Shared Workspace

- Communities that support success, well-being and productivity  
Technopolis offers quality workspaces, versatile services and an inspiring community, that make the customer's business flexible and efficient. This way, Technopolis contributes to the profitable growth of its business and the community.

### Sustainable Efficiency

- Eco-efficient, healthy, and resilient spaces  
Technopolis offers its customers eco-efficient, healthy, and resilient spaces and services, by which it enhances its competitive advantage within the industry.

### Skills and Integrity

- Motivated and competent people with integrity  
An inspiring and positive corporate culture and purposeful work are at the center of Technopolis' talent engagement. Strong core values and ethics lay the foundation for the company's responsible business practices and ensure compliance with its Code of Conduct, robust corporate governance, risk management, and responsibility for the well-being and satisfaction of personnel. By operating ethically, Technopolis ensures transparent value creation for stakeholders in the long term.

The focus areas - Shared Workspace, Sustainable Efficiency, and Skills and Integrity - all include a set of targets and actions designed to guide the work.



# Corporate Sustainability Management



Technopolis' sustainability work is guided by its strategic sustainability approach and company values. In addition, the foundation of sustainability at Technopolis comprises the company's sustainability action plans, the Code of Conduct for employees and suppliers, the risk management policy, and annual plans related to personnel development and equality.

Technopolis has set targets for its selected key sustainability

indicators since 2011, and they were last updated in 2017. The strategic sustainability targets are discussed on pages 8–9. The effects, management practices, disclosures and objectives associated with the essential points of view of corporate sustainability are described in the table on pages 36–37 by theme. At Technopolis, sustainability activities are coordinated by the Sustainability Manager. The measures taken are distributed by function among Real Estate operations, HR, Finance &

Accounting, Investor Relations and Marketing. The Group Management Team monitors the achievement of the sustainability targets. The policies that guide sustainability are continuously monitored and developed. The Group Management Team and Board of Directors are responsible for ratifying Technopolis' Group-wide policies.

The management measures and systems are discussed in more detail in connection with the key

## Materiality Matrix



corporate sustainability themes and aspects.

### [Approved External Agreements and Principles](#)

Technopolis complied with the Finnish energy efficiency agreement for commercial properties (TETS) for the period 2011–2016. In 2017, Technopolis joined the new energy efficiency agreement period in Finland, which is scheduled over 2017–2025.

In accordance with its Code of Conduct, Technopolis also respects and supports, within its sphere of influence, the principles of the UN Universal Declaration of Human Rights, the ten principles of the Global Compact Initiative, the Convention on the Rights of the Child, and the ILO Declaration on Fundamental Principles and Rights at Work. The Code of Conduct is discussed in more detail on pages 28–31.

### [Assessment of Materiality Guides Operations and Reporting](#)

The content and structure of the sustainability report have been compiled on the basis of an assessment of materiality based on management discussions, stakeholder surveys, and views that emerged in stakeholder activities

and public debate. The points of view are grouped according to three corporate sustainability themes, and they cover the areas of view of economic, ecological and social responsibility.

The aim of the reporting is to increase the company's openness and transparency, thereby guaranteeing stakeholders better opportunities for assessing the operations and making decisions.

In 2016, the materiality matrix was refined based on interviews and management discussions. As a result of the assessment of materiality, the material items were narrowed and combined to nine essential points of view. In addition, with regard to the points of view, the part of the value chain in which Technopolis' influence occurs was also assessed. No major changes were implemented to the materiality matrix during 2017. The assessment of materiality corresponds with the requirements of the GRI Standards reporting guideline, and the material aspects in the industry were subsequently identified.

Themes and points of view that are essential to Technopolis are presented in the enclosed matrix, where the vertical axes illustrates the influence on stakeholders and the horizontal axis the current

or potential significance of Technopolis' impacts.

With regard to corporate sustainability, Technopolis has selected three main themes: Shared Workspace, Sustainable Efficiency, and Skills and Integrity. These themes have been the starting point in defining the content and extent

was 48%, and representatives of all stakeholder groups identified by Technopolis took part. In 2016 and 2017, the focus was put on interviews with selected stakeholders. We also carry out regular customer satisfaction surveys in order to follow up on the needs of our customers. The stakeholder groups and their main

Officer was elected to be the president of the Council at the end of the year. Technopolis is also a member of RAKLI (the Finnish Association of Building Owners and Construction Clients) and FIBS, Finland's leading corporate responsibility network.

## [The aim of the reporting is to increase the company's openness and transparency.](#)

of this of this sustainability report. The points of view of sustainability are reviewed on the basis of their weighting and significance.

### [Cooperation with Stakeholders to Develop Sustainability](#)

The purpose of Technopolis' cooperation with stakeholders is to collect information with which we can better respond to the needs, expectations, and questions of stakeholders regarding sustainability. In 2015, Technopolis carried out an anonymous sustainability survey among all stakeholders, requesting them to assess the significance of the points of view of economic, ecological and social responsibility. The survey response rate in 2015

topics of interest are presented on [Technopolis' website](#).

One of the results of the stakeholder discussions held in 2016 and 2017 was the effort put into carbon footprint calculation and reporting. As a consequence, in 2017, we participated in the CDP survey for the first time, and we also refined our target setting. Also during the year, we refined our energy targets and held extensive workshops with our internal real estate managers to come up with motivating targets that reflect our ambition level.

### [Memberships](#)

Technopolis is a member of Green Building Council Finland; Technopolis' Chief Real Estate

# Solid Results 2017

## Development of Main KPIs Related to Shared Workspace, Sustainable Efficiency and Skills & Integrity

The key sustainability results and ongoing actions of 2017 are presented here in the adjacent tables.

### Highlights of the year

The results of the sustainability activities were significant in 2017. One of the highlights was that we were first in Finland to launch and complete the LEED Volume Program for Existing Buildings. The Program enables cost-effective environmental certification of multiple buildings and spreads sustainability best practices across the real estate portfolio. The prototype received Platinum precertification level.

### New target setting

During 2017, we updated our energy, water and carbon target setting to match recent updates to regulations, our ambition level and portfolio performance. The

new targets are presented in the adjacent table.

### External Recognition

Technopolis participated in the GRESB (Global Real Estate Sustainability Benchmark) survey for the fourth year in a row, and was again awarded prestigious Green Star status. We also received the EPRA gold sBPR award, acknowledgment of our sustainability data disclosure. In addition we also participated in the CDP questionnaire for the first time and received a rating of B.

Technopolis also received excellent results in the personnel survey carried out in 2017 and in the beginning of 2018 the survey provider Corporate Spirit recognized us as one of the most inspiring workplaces in Finland. The acknowledgement is given only to the best performing companies attending to the survey.

## Targets

Shared Workspace	2017	2016	Target	KPI
<b>Communities that support success</b>				
Working on Technopolis campuses improves customer companies' image as an employer and their employee satisfaction	3.9	3.9	>4	Customer Satisfaction Survey Rating (1-5)
<b>Communities that create synergy</b>				
Networking possibilities	4.0	4.0	>4	Customer Satisfaction Survey Rating (1-5)

Sustainable Efficiency	2017	2016	Change % 2016-2017	Target 2025
<b>Carbon Dioxide Emissions (Energy)</b>				
Amount (CO <sub>2</sub> e kg/gross m <sup>2</sup> )	28	31	-10.6	-30%
<b>Energy</b>				
Total Consumption (kWh/gross m <sup>2</sup> )	209	211	-0.9	-10%
Building Energy Consumption (kWh/gross m <sup>2</sup> )	143	146	-1.7	-10%
<b>Water</b>				
Consumption (l/FTE/year)	5,397	5,495	-1.8	5000 (l/FTE/year)
<b>Waste</b>				
Waste utilization rate, %	67	72	-5%-points	75%
<b>Building Ratings and Labels</b>				
Coverage of LEED ratings (% ,m <sup>2</sup> )	43	40	3%-points	All major organic growth projects and all applicable existing buildings

Please read more about the calculation methods of the above environmental KPIs from the pages 17-21.



Skills & Integrity	2017	Target	KPI
<b>Motivated and Competent People</b>			
Employee satisfaction index target level is at least Good, AA.	AA	≥AA	Rating in Corporate Spirit Employee Engagement Survey.
<b>Unimpeachable conduct</b>			
Employees to complete the Code of Conduct e-learning module in 2017	95%	100%	Share of people (%) conducted the e-learning program
<b>Involvement in local community</b>			
Majority of own employees to participate in a community charity activity by 2019	<50%	≥50% by 2019	Share of people (%) participating to charity activity

## Ongoing Actions

Shared Workspace	Key actions 2017
Taking meaningful measures to enhance our customers' well-being and productivity on campuses	Carried out a feasibility analysis related to the use of WELL certification in the upcoming organic growth project to understand the benefits of the certification and to see how well the Technopolis Design Guidelines already match these new WELL requirements
Develop and maintain multiple channels to understand customer and other stakeholder needs	Discussions with stakeholders; Customer satisfaction measurement on several different levels and several channels used, we e.g. follow customer satisfaction through real time dashboards.
Sustainable Efficiency	Key actions 2017
Eco-efficient premises, Continuing property energy audits and technical energy efficiency investments and studies for energy efficient technologies	Bottom to top analysis carried out in connection with the new energy target-setting process to better understand the energy saving potential of our building stock.
Increasing the share of green electricity	Green electricity share increased in Baltic countries.
Continuing renewable energy pilots	Continued to carry out pilots, e.g. solar energy panel façade element in Oulu.
Skills & Integrity	Key actions 2017
Personnel, training and equal opportunity plans revised	Plans revised annually



# Shared Workspace

## Communities that Support Success, Well-being and Productivity

Technopolis offers quality workspaces, versatile services and an inspiring community, that make customers' business more efficient. This way, Technopolis contributes to the profitable growth of its business and communities.

In other words, our campuses are buzzing with activities and inspiring people. It is a priority for us that our customers get to know their neighbors, promote their business and have fun.

Our key focus areas under the Shared Workspace theme include customer satisfaction and well-being, activity in communities, and generation of economic value added for stakeholders.

The selected Shared Workspaces key performance indicators are presented on the next page.

We put great emphasis on the rising trend linked closely to our business: health and well-being in

the real estate sector. In the future, we will continue to look for better ways to measure customer well-being and productivity, as well as to find more meaningful measures to improve those.

### Customer Satisfaction and Well-being

A company's most important investments are its people and its offices. In a place of work, both are combined. The right people and the right work environment combine to make success possible. The Technopolis service concept combines office space with services

that support our customers' business operations. We provide efficient and flexible offices, coworking spaces and everything that goes with them. Our services run from designing the workspace to reception, meeting solutions, restaurants and cleaning.

Workplace solutions play a key role in enhancing employee engagement: studies such as the Steelcase Global Report 2016 show that workspace satisfaction strongly correlates with employee engagement. We help our customers to find the best partner for their working environment

projects to create an environment that is best suited to support each company's objectives.

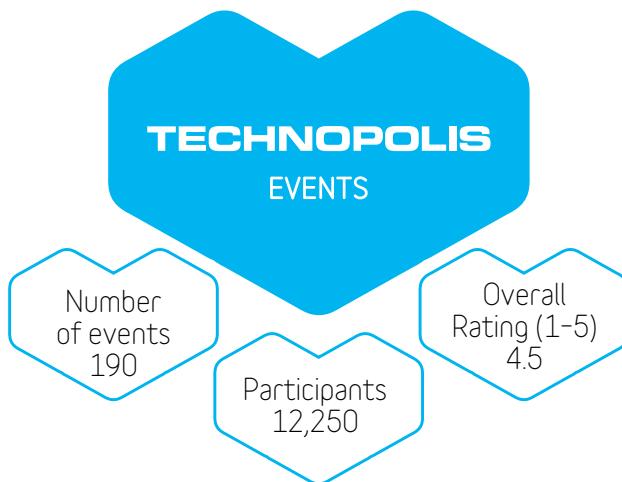
Our work environment bridges the gap between work life and private life. Working life services aim to improve the well-being at work and work comfort of our customers' employees. These services comprise high-quality restaurant, meeting and catering services, as well as well-being and personal services. Well-being services offered on Technopolis' campuses include gyms and medical care. Personal services facilitate combining work and personal life.



High workplace satisfaction positively correlates with high employee engagement.

Source: Steelcase Global Report 2016

## Technopolis Networking in 2017



### Shared Workspace

	2017	2016	Target	KPI
<b>Communities that support success</b>				
Working on Technopolis campuses improves customer companies' image as an employer and their employee satisfaction	3.9	3.9	>4	Customer Satisfaction Survey Rating (1-5)
<b>Communities that create synergy</b>				
Networking possibilities	4.0	4.0	>4	Customer Satisfaction Survey Rating (1-5)

### Well-being frameworks

We also took steps to find new ways to develop customer well-being and productivity, including feasibility studies of WELL certification and similar frameworks. In 2017, we did not carry out any certification processes in this area, but we developed our workspace solution services to better match the trend. In 2018, we will continue our work to find meaningful measures to improve customer wellbeing and productivity.

### Activity in Communities

Technopolis promotes a sense of community on its campuses by arranging various networking events. We measure the satisfaction of event participants carefully by collecting feedback. The ratings

given have been selected to be among the key indicators to be followed. B2B services aim to encourage customer companies to utilize each other's services. The purpose of our events is not to pitch or sell anything at the event itself, but simply to generate real-life engagement. We provide an opportunity for prospects and customers to meet with us and each other.

Technopolis events are a great way to find new contacts and ideas, as well as to have fun. Some events are for our customers only and some open for all. It is important to us to create and to maintain the feeling of Technopolis as a community.

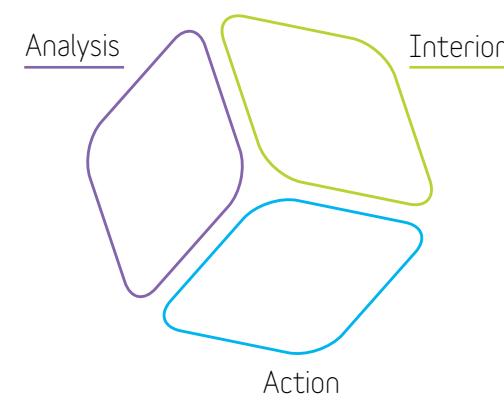
Technopolis aims to operate responsibly in its community and

wants to work actively to help communities to grow and prosper. Technopolis has a voluntary work program to support charity work, making it possible for every employee to use one working day a year for voluntary work.

### Generation of Economic Value Added

Technopolis generates added value with its properties, natural resources, personnel and its brand, which are merged into services in the Technopolis concept. Our slogan, "More than Squares," describes Technopolis' identity as a service company and the concept by which added value is generated. In accordance with its concept, Technopolis offers business environments that operate smoothly 24 hours a day and work

### Technopolis Workplace Solutions



We believe in the philosophy of Activity-Based Working. The activity-based design aims to improve office space efficiency focusing on the well-being of people at work.

## Technopolis Concept and Creating Added Value for Stakeholders

### Input

#### Natural Resources

Water  
Energy  
Materials

#### Personnel

Employees: 224  
Cities: 11  
Campuses: 17

#### Brand Equity

Product development

#### Finance

Equity: EUR 764.9 million  
Debt: EUR 954.9 million

### Shared Workspace



### Customer Experience Management

### Output

#### Environmental Impact

CO<sub>2</sub> emissions:  
28 kg/gross m<sup>2</sup>  
Energy consumption:  
209 kWh/gross m<sup>2</sup>  
LEED certifications: 25

#### Value for Customers

Excellent Space  
Well-being  
Customer Satisfaction

#### Impact on Society

Employment  
Taxes  
Donations

#### Value for Owners and Financiers

Earnings per share: 0.46 EUR  
Interest & fees paid:  
EUR 16.8 million

life services that offer assistance for work and free time. Furthermore, Technopolis campuses are filled with activities and inspiring people so that Technopolis' clients can enjoy a productive sense of community.

Technopolis is a vital community, and 50,000 people work on its office campuses. A growing independent community has formed around the one or two anchor customers on each campus, allowing customers to find customers and partners within the community. Following the expansion of the Technopolis chain, opportunities for finding customers and business partners have grown from campuses to new cities and countries.

The Technopolis brand is the result of more than three decades of business. It combines awareness of customers' and companies' established operating methods.

Customers are the company's key stakeholder group, and all of the company's operations aim at continuity and improving customer satisfaction. The purpose of the quarterly customer satisfaction survey is to develop business operations and to keep customer satisfaction at a high level.

The company's consumption of natural resources is mainly related to the heating, ventilation, cooling, lighting and socket electricity of properties, utility water as well as materials for

new construction projects. By optimizing these, the company can offer cost-effective, comfortable, healthy and safe workplaces to customers. The aim has been to mitigate the environmental impact of operations with environmentally friendly measures and investments. The company has chosen LEED certificates as the tool for managing and minimizing the environmental impact of its properties.

Technopolis' success is based on having skilled and motivated employees. You can read more about our people practises on pages 24–27.



# Sustainable Efficiency

We offer our customers eco-efficient, healthy, and resilient spaces and services, by which we aim to increase our competitive advantage within the industry. Actions related to sustainable efficiency ultimately benefit the customers and the shareholders. Developing the eco-efficiency, healthiness and resilience of spaces and services mediates environmental impacts and the pressure to increase maintenance fees. Furthermore, it ensures that the customer has a high-quality indoor environment via functional building systems, environmentally friendly cleaning, and healthy materials. This way, sustainable efficiency also maintains the occupancy rates and profitability of the locations, and can increase the value of the properties with technical investments.

## New Energy and Carbon targets

The energy consumption of buildings, their emissions, water consumption and waste are the most significant factors in terms of the eco-efficiency of Technopolis' operations, and therefore they were selected as the key objectives in the initial phase of sustainability activities.

During 2017, we updated our energy, water and carbon target setting to

match recent updates to regulations, our ambition level and portfolio performance. The new targets are presented in the table on page 8 as well as in the tables of this section. The baseline year for the targets is 2016. Our new carbon targets include Scope 1 and 2 emissions.

The target figures are based on bottom-up analysis, focusing on each campus' long term investment plan. Top-down method was also applied to match the target with external frameworks. For us, reviewing the targets is a continuous process, the targets, ambition level and the matching performance is to be analyzed annually. In connection to the renewal, our Energy Saving Road Map was updated i.e. what are the next steps to reach the new targets.

With this update Technopolis no longer follows up the targets set for the like-for-like property portfolio of 2011 as the portfolio covered less than 50% of Technopolis' current property portfolio.

## Building Ratings and Environmental Labels

In accordance with its strategic sustainability approach, Technopolis uses the LEED (Leadership in Energy and Environmental



Design) certification system as a tool for monitoring and developing the environmental performance of buildings. The rating is used to steer both new constructions and the management of existing buildings. All major organic growth projects are also certified, as well as all applicable existing buildings.

We have invested considerably in developing the environmental performance of our properties through design and construction

was accepted to the program due to its long-term commitment to sustainability and its numerous existing LEED certifications. With the Volume Program we can further unify our practices and carry out the certification process faster and more efficiently. Our first buildings under the Volume program are to be certified during 2018.

By the end of 2017, Technopolis had 25 LEED certified properties.

**For us, LEED certification is a way to communicate our commitment to sustainability to our customers, employees, investors and industry peers within a framework that is well-known and accepted.**

based on LEED building rating systems. One of the highlights of 2017 was that we were the first company in Finland to launch the LEED Volume Program for existing buildings. We were also the first in Europe and the second worldwide to start using the advanced, more stringent model (v4) for Volume certifications.

The Volume Program enables an efficient environmental certification of multiple buildings, as well as spreads the best sustainability practices across a real estate portfolio. Technopolis

In addition, one building on the Oslo and Espoo campuses has each been awarded the BREEAM certificate. This corresponds to 43% of the entire real estate stock measured by square meters.

The Green Office label awarded by WWF Finland has been chosen to improve the eco efficiency of the company's own offices. It has been determined that the Technopolis concept and services offered to customer are to be developed in accordance with Green Office. Technopolis' own offices in Finland, Tallinn, Oslo and in

## Environmental Certification

EPRA: Cert-Tot

### LEED Core & Shell

Site	Rating
Lõõtsa 5, Tallinn	Gold
Pulkovo 2, St. Petersburg	Gold
Ruoholahti 2, Helsinki	Gold
Vantaa 5B (F)	Gold
Vantaa 6 (G)	Gold
Viestikatu 7BC, Kuopio	Gold
Vilnius Ozas, Delta	Gold
Yliopistonrinne 2, Tampere	Gold
Yliopistonrinne 3-4, Tampere	Gold

### On-going projects (On track to achieve)

Lõõtsa 12, Tallinn	Platinum
Ruoholahti 3, Helsinki	Gold
Vilnius Ozas, Penta	Gold
Vantaa (H)	Gold

Total amount of major development projects on track to achieve LEED certification

100%

### BREEAM New construction

Portal, Oslo	Very Good
Innopoli 3D, Espoo	Good

### LEED EB: O&M

Site	Rating
Elektroniikkatie 4, Oulu	Gold
Elektroniikkatie 6, Oulu	Gold
Elektroniikkatie 8, Oulu	Gold
Innopoli 2, Espoo	Gold
Innopoli 3ABC, Espoo	Gold
Kontinkangas, Oulu	Gold
Lõõtsa 8A, Tallinn	Silver (v.4)
Peltola 1, Oulu	Gold
Peltola 2, Oulu	Gold
Peltola 3, Oulu	Silver
Ruoholahti 1, Helsinki	Gold
Vantaa campus	Gold
Vilnius Ozas, Alfa	Gold
Vilnius Ozas, Beta	Gold
Vilnius Ozas, Gama	Gold
Yliopistonrinne 1, Tampere	Gold

### Total amount (Cert. Tot) of m<sup>2</sup> %

LEED Gold	36%
LEED Silver	2%
BREEAM	5%
<b>Total</b>	<b>43%</b>

Vilnius have achieved a total of ten Green Office labels granted by WWF Finland.

## Environmental Impact of Real Estate Development

As mentioned above, we aim to minimize the environmental impact of new construction projects by designing and developing the projects in accordance with the international LEED certification. Maintaining the building as instructed in

building ratings, and carrying out post-construction inspections support the right way of utilizing eco-efficient systems and life-cycle responsibility during the building use.

In 2017 among other efforts, energy-efficient building systems and lighting solutions were installed at new projects, for example LED lights, energy efficient HVAC systems and BIM system to monitor and optimize energy consumption. In addition,

water efficient systems such as low-flow fixtures were chosen in order to save water and also to reduce

air volumes, filter choices, CO<sub>2</sub> monitoring of multi-user premises and construction-time purity

## Breakdown of Energy Usage and Renewable Energy

	2017	
EPRA Elec-Abs	MWh	%
Electricity from renewable sources	84,625	40%
Electricity from non-renewable sources	26,649	13%
District heating from renewable sources	25,333	12%
District heating from non-renewable sources	59,448	28%
Gas from non-renewable sources	7,234	3%
District Cooling	6,223	3%
On-site Energy production (renewable)	342	0%
<b>Total</b>	<b>209,854</b>	<b>100%</b>

## Own Offices, MWh

	2017	2016	2015
Electricity Consumption	813	1,029	692
Normalized Heat Consumption	702	953	566
District Cooling	37	23	19
Energy Intensity (KWh/gross m <sup>2</sup> )	221	293	296
CO <sub>2</sub> emissions (kg/gross sqm)	157	145	148
Water Consumption (m <sup>3</sup> )	1,265	1,501	1,461

Technopolis assured its key environmental indicators of 2017, please read more from the page 42.

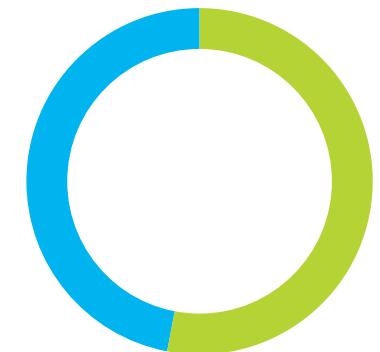
heating energy consumption. To maintain biodiversity, the LEED projects conserved green areas and open space whenever possible, took storm water management and on-site infiltration into account. The choice of locations aimed to avoid protected areas or areas where endangered species can be found.

Energy consumption of Technopolis' construction sites has been estimated to total 630 MWh. The carbon footprint of Technopolis' indirect energy consumption is estimated to total 110 metric tons with regard to construction sites.

## Healthiness, Safety, and Accessibility of Buildings

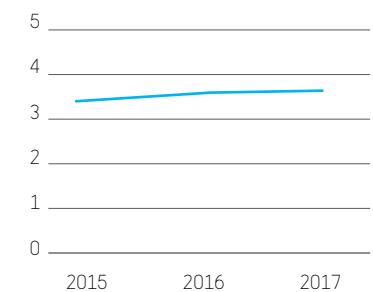
Technopolis supports the productivity and comfort of customer companies through the health, safety, and accessibility of its office campuses. New construction projects have already set purity class and indoor air quality targets in the construction phase, and investments are made in terms of quality regarding

## Energy Sources (Electricity and Heat)



Renewable Energy 53%  
Fossil Fuels and Nuclear 47%

## Indoor Air and Climate Satisfaction



Safety and accessibility are ensured in the design phase of all new Technopolis construction projects. Attention is paid among others to local regulations concerning bathrooms and parking spaces for disabled people, wheelchair ramps, and fire and rescue regulations, and regular updates of rescue plans.

## Energy

Technopolis' long-term plans support the lifecycle responsibility of the properties. We have been

## Energy (MWh)

Group Coverage rate 99.2%

	Finland			Norway			Sweden			Estonia			Lithuania			Russia			Total			EPRA sBPR
	2017	2016	2015	2017	2016	2015	2017 <sup>2)</sup>	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	EPRA sBPR
Energy																						
Total electricity Consumption <sup>1)</sup>	72,875	78,914	78,494	9,704	10,342	10,775	4,102	1,805	9,491	9,352	8,503	9,860	6,765	6,488	5,242	5,303	4,956	111,274	112,481	109,216	Elec-Abs	
Common area electricity <sup>1)</sup>	32,184	34,008	35,016	4,156	4,325	4,512	-	-	4,464	4,458	3,793	1,302	960	2,894	3,035	3,165	2,792	45,141	46,916	49,008		
Heat Consumption	65,164	75,110	65,035	4,904	5,193	5,099	2,423	958		3,102	2,490	2,421	4,936	4,728	3,843	80,529	88,480	76,399	DH-Abs			
Normalized Heat Consumption	69,416	81,239	77,383	4,904	5,193	5,099	2,423	958	7,234	7,369	7,377	3,102	2,490	2,421	4,936	4,728	3,843	92,015	101,977	96,123	DH-Abs	
District Cooling	567	647	591	3,629	3,793	3,895	2,027	1,057										6,223	5,498	4,486	DC-Abs	
Fuels (MWh)									7,234	7,369	7,377							7,234	7,369	7,377	Fuel-Abs	
On-site Energy production (renewable)	249	259							35	35		57	6					342	300			
Total Energy Consumption	143,107	152,315 <sup>3)</sup>	156,468	18,238	19,328	19,769	8,552	3,821	16,760	16,756	15,880	13,019	9,261	8,909	10,178	10,031	8,800	209,854	211,512 <sup>3)</sup>	209,826		
Total Energy Intensity (kWh/gross m <sup>2</sup> )	224	223 <sup>3)</sup>	220	171	181	185	223	199	175	176	167	170	183	176	236	233	204	209	211 <sup>3)</sup>	209	Energy-Int	
	0.4%			-5.6%			11.9%		-0.7%			-6.8%			1.5%			-0.9%	Intensity Change % 2017/2016			
																		-10%	Group Target by 2025			
Building Energy Consumption	102,416	107,409 <sup>3)</sup>	112,991	12,689	13,312	13,506	4,450	2,016	11,734	11,862	11,170	4,461	3,456	5,315	7,971	7,893	6,636	143,721	145,947 <sup>3)</sup>	161,352		
Energy Intensity, Building Energy (kWh/gross m <sup>2</sup> )	160	157 <sup>3)</sup>	159	119	125	126	116	105	123	125	118	58	68	105	185	183	154	143	146 <sup>3)</sup>		Energy-Int	
	19%			-4.6%			10.4%		-1.8%			-14.4%			10%			-1.7%	Intensity Change % 2017/2016			
																		-10%	Group Target by 2025			

The coverage of Energy indicators and associated GHG disclosure is 99.2% of Technopolis' gross m<sup>2</sup>. The share of estimated total consumption is under 1 %. Total energy consumption and energy intensity is calculated with weather corrected (normalized) heat consumption for Finland.

The energy intensity (our target) is calculated and presented in two ways: with total electricity consumption and with common area electricity consumption, both intensity indicators include and heating and district cooling for whole building area. The denominator in both of the indicators is gross area. The baseline year for the energy and carbon targets is 2016.

<sup>1)</sup>The total electricity consumption row includes the consumption in customer spaces. Part of the reported common area electricity is based on estimated consumption (extrapolation) as the common area electricity metering process was underway throughout 2017. Common area electricity from Gårda Campus in Sweden is not tracked due to tenant owned meters.

<sup>2)</sup> Acquired in 7/2016

<sup>3)</sup> One atypical divested property was removed from the intensity and total energy calculation of 2016 to make the target baseline comparable.

## Energy Like-for-Like (MWh)

Group Coverage rate 99.1%

	Finland			Norway			Estonia			Lithuania			Russia			Total				
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	EPRA sBPR	
Energy Like-for-Like																				
Electricity Consumption	64,729	66,219	9,704	10,342	9,491	9,352	6,360	6,765	5,242	5,303	95,526	97,981	Elec-LfL							
Common area electricity	28,061	28,467	4,156	4,325	4,464	4,458	865	960	3,035	3,165	40,581	41,375								
Heat Consumption	56,906	56,005	4,904	5,193			2,435	2,490	4,936	4,728	69,182	68,416	DH-LfL							
Normalized Heat Consumption	60,684	60,502	4,904	5,193	7,234	7,369	2,435	2,490	4,936	4,728	80,194	80,281	DH-LfL							
District Cooling	567	647	3,629	3,793							4,196	4,440	DC-LfL							
Fuels (MWh)					7,234	7369					7,234	7,369	Fuel LfL							
Total Energy Consumption	125,980	127,368	18,238	19,328	16,725	16,720	8,795	9,255	10,178	10,031	179,916	182,703								
Total Energy Intensity (kWh/gross m <sup>2</sup> )	147	149	171	181	175	175	174	183	236	233	210	213	Energy-Int			-15 %	Change % 2017/16			
Building Energy Consumption	89,311	89,615	12,689	13,312	18,933	19,195	3,300	3,450	7,971	7,893	132,205	133,465								
Energy Intensity, Building Energy (kWh/gross m <sup>2</sup> )	104	105	119	125	198	201	65	183	185	183	154	156	Energy-Int			-0.9 %	Change % 2017/16			

## Carbon Dioxide (tCO<sub>2</sub>e)

	Finland	Norway	Sweden	Estonia	Lithuania	Russia	Total	Group Coverage rate
<b>Scope 1 and 2</b>								
EPRA: GHG-Dir-Abs, GHG, Indir-Abs, GHG-Int	2017	2017	2017	2017	2017	2017	2017	2015 99.2%
Gas	0	0	0	1,440	0	0	1,440	1,435 -
Scope 1 total <sup>1)</sup>	0	0	0	1,440	0	0	1,440	1,435 -
Market based emissions								
Electricity	0	84	1,370	7,003	0	1,693	10,150	11,940 9,463
District Heating	13,224	212	114	0	837	1,594	15,983	19,987 21,870
District Cooling	14	86	48	0	0	0	148	275 270
Scope 2, total	13,238	383	1,532	7,003	837	3,288	26,281	32,203 31,603
<b>Total</b>	<b>13,238</b>	<b>383</b>	<b>1,532</b>	<b>8,442</b>	<b>837</b>	<b>3,288</b>	<b>27,721</b>	<b>33,638 31,603</b>
CO <sub>2</sub> emissions (kg/gross sqm)	20	4	40	88	11	76	28	31 <sup>2)</sup> 31
							-11	Change % 2017/16
							-30%	Group Target by 2025
Location based Scope 2 emissions								
Electricity	13,190	84	1,370	8,893	1,834	1,693	27,065	
District heating & cooling	11,482	153	119	1,440	326	1,594	15,114	
Total (Scope 1&2)	24,673	237	1,489	10,332	2,160	3,288	42,178	49,166
CO <sub>2</sub> emissions (kg/gross sqm)	38	2	39	108	28	76	42	48

Absolute emissions are calculated based on both, market and location based method. For our target setting (CO<sub>2</sub> intensity) we use market based emission factors, our target includes scope 1 and 2 emissions, the baseline of our target setting is 2016. The market based carbon footprint of Technopolis' direct consumption of purchased electricity and heating energy is based on measured, remotely read and partially manually read energy consumption readings and data provided by local energy companies on the production methods of the energy they delivered and their CO<sub>2</sub> effects, for few exceptions national average CO<sub>2</sub> emission factors are used. Please read more about the carbon footprint calculation methods from pages 34-35.

<sup>1)</sup> Biogenic Scope 1 CO<sub>2</sub> emissions were 0 as Technopolis did not combust any biomass.

<sup>2)</sup> One atypical property was removed from the intensity calculation of 2016 to make the target baseline comparable.

actively developing the energy efficiency of the existing real estate stock during the reporting period with active optimization measures and energy investments. During the year a bottom-to-top analysis was carried out in order to update our targets, in connection to this we updated our road map to reach the planned savings. The road map includes actions such as continuing energy audits, carrying

out different sets of analysis and reviewing the possibilities for new energy investments in our long term investment plans etc. We also want to ensure that our targets and actions are well in line with every day property management practices.

We will continue the practice to replicate opportunities for savings observed in the audits

in the real estate stock. Facility maintenance partners have been involved in energy saving measures, and the environmental goals of Technopolis have been implemented for them as part of the contractual reward structures.

Technopolis is a signatory in an energy efficiency agreement in Finland for commercial premises and has thereby committed to an

energy saving target of 7,5% by the end of 2025. We also have a company energy efficiency audit document in accordance with the Energy Efficiency Directive, supporting the energy efficiency agreement for commercial premises and audits within the property portfolio.

We seek at least an energy certificate level of B for our new construction projects if the building

does not have a restaurant or other special premises. With regard to other products and services, we aim, in accordance with our Green Procurement Guide, to purchase ICT equipment with a high energy efficiency class and to take into account the energy efficiency settings of the equipment in use.

Renewable energy is also a priority to us, in 2017 we established new

## Carbon dioxide Like-for-Like (tCO<sub>2</sub>e)

	Finland		Norway		Estonia		Lithuania		Russia		Total		Group Coverage rate <sup>1)</sup>
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
EPRA: GHG-LfL, GHG-Int													99.1%
Scope 1 (Gas)	0	0	0	0	1,440	1,435	0	0	0	0	1,440	1,435	
Electricity	0		84	0	7,003	8,763	0	862	1,693	1,713	8,780	11,337	
District Heating	11,676	12,117	212	225	0	0	658	722	1,594	1,527	14,141	14,591	
District Cooling	13.5	40.1	86.4	235.2	0.0	0.0	0.0	0.0	0.0	0.0	100	275	
Scope 2, total	11,690	12,157	383	460	7,003	8,763	658	1,584	3,288	3,240	23,021	26,204	
Total	11,690	12,157	383	460	8,442	10,198	658	1,584	3,288	3,240	24,461	27,639	
CO <sub>2</sub> emissions (kg/gross sqm)	21	22	4	4	88	107	13	31	76	75	29	32	
													Change % -11 2017/16

The Like-for-Like figures are calculated based on market based method.

<sup>1)</sup>Inside the LfL portfolio the reporting coverage is 99,1%

partnerships to increase the on-site solar energy.

Of the 209,854 MWh of energy used by Technopolis in 2017 53% was from renewable sources. In addition to procured energy we have on-site electricity production with solar panels amounting to 129 MWh. The on-site solar production more than doubled compared to last year.

The total energy intensity of the Group's properties was 209 kWh/gross square meters, decreasing by approximately 1% compared to 2016. The change in energy intensity over the period is due to investments, operational energy savings measures, as well as changes in occupancy rates and due to portfolio changes. Also the summer was cooler in 2017 than in the previous year, this decreased

our electricity consumption. The decrease in energy consumption in the Like-for-Like portfolio over the same period was 1.5%.

In 2017 it was officially announced that Technopolis reached its reduction target of 6% in the Finnish energy saving agreement for commercial properties over period 2008–2016. Technopolis has also joined the new energy efficiency agreement period in Finland, which is scheduled over 2017–2025.

In accordance with our new energy target setting we follow up the savings reached through energy investments and optimization throughout the group, in 2017 the calculated savings amounted approximately to 600 MWh. The target is to reach savings of 7.5% by 2025 compared to baseline

consumption of 2016. We are in the process of having more sophisticated analysis in place for the effects of our energy optimization measures.

### Carbon Dioxide Emissions

The market based carbon footprint of all Technopolis Group's properties including scope 1 and 2 emissions, was 28 kg/gross square meters and emissions totalled 27,721 metric tons (33,638t). Compared to the previous year, the carbon footprint of the energy consumption of Technopolis' properties per square meter decreased by 11%. The change was due to e.g. increased share of green electricity procured in Baltic countries.

Technopolis aims to reduce the carbon footprint of the direct energy consumption of

its properties by improving energy efficiency and using energy produced with renewable energy sources. Energy efficiency measures carried out in 2017 equal a reduction of approximately 105 metric tons of CO<sub>2</sub> emissions. Calculated by using Motiva's CO<sub>2</sub> factor for combined heat and power (176 kg CO<sub>2</sub>/MWh).

For the time being, Technopolis does not report other greenhouse gas emissions besides carbon dioxide or their potential climate warming effect.

### Water

The water intensity of all Technopolis Group's properties was 5,397 l/FTE/year and the total consumption 287,635 m<sup>3</sup>/year. The water consumption per user of all Technopolis Group buildings

decreased by about 2% compared to the previous year.

Water pressure measurements has been implemented in energy audits carried out in the existing real estate stock and opportunities for saving water were reviewed, and e.g. water efficient systems such as low-flow fixtures have been installed. Investments were made relating to the low water consumption also in new construction projects, and it is discussed in more detail under Environmental Impact of Real Estate Development.

### Waste

Technopolis continued having regular waste management monitoring and development meetings in 2017. The meetings were arranged quarterly, and they

## Water Consumption

	Finland	Norway	Sweden	Estonia	Lithuania	Russia	Total	Group Coverage rate
<b>EPRA: Water-abs, Water-Int</b>								
Water Consumption (m³)								
2015	142,811	24,665		23,325	25,078	26,769	242,648	
2016	175,572	24,001	8,913	26,791	24,409	25,773	285,578	
<b>2017</b>	<b>161,698</b>	<b>22,924</b>	<b>14,950</b>	<b>26,880</b>	<b>31,949</b>	<b>29,235</b>	<b>287,635</b>	
Water Intesity (l/FTE/day)	12.4	20.9	24.1	13.4	17.4	32.5	14.8	
Water Intensity (l/FTE/year)	4,539	7,641	8,794	4,902	6,348	11,879	5,397	
								Group Target Level 5,000 (l/FTE/year)
The share of estimated consumption is under 2.5%								Difference, 8% Current/Target

## Water Consumption Like-for-Like

	Finland		Norway		Estonia		Lithuania		Russia		Total		Group Coverage rate <sup>1)</sup>
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
<b>EPRA: Water-Lfl, Water-Int</b>													
Water Consumption (m³)	149,678	145,174	22,924	24,001	26,880	26,791	23,909	24,409	29,235	25,773	252,625	246,147	
Water Intensity (l/FTE/year)	4,923	5,196	7,641	8,000	4,902	4,489	6,827	6,396	11,879	10,426	5,632	5,699	

<sup>1)</sup> Inside the LfL portfolio the reporting coverage is 99,1%

identified development measures to prevent the generation of waste at our campuses and to promote sorting and reuse. The results of the waste indicator follow-up were used to support decision-making at the meetings. The Green Office system used by our own offices and some of the customers also provides guidelines for preventing waste and promoting the sorting of waste.

Waste management was actively developed during the reporting year. A detailed analysis on how to optimize especially waste transportation was carried out in Finland, in cooperation with our waste management partner. This has resulted in more efficient and environmentally friendly hauling intervals.

In new and existing buildings applying for LEED certifications, attention was paid to the accessibility and size of the waste facilities, the sufficiency of hauling intervals, sorting guidelines and practices, in addition to the collected waste fractions. In the building rating projects of existing properties, waste management was monitored and also audited.

Recycling rate, including the incineration of waste into energy, of properties was 67% in 2017, the number excludes construction sites. The recycling rate decreased compared to last year mainly due to divestments made in Finland (high recycling rate, compared to Baltic Rim portfolio) and due to increased landfilled waste in Saint Petersburg campus. Waste

management data was collected by disposal method and waste fraction in all operating countries in 2017. The disposal methods of waste generated in Technopolis locations vary by region according to the local waste management partner's operations.

Waste amounts by disposal method are presented in the graph

on the right. Here, recycled waste also includes reused waste and recovery of materials. In addition to energy waste, incinerated waste includes mixed waste suitable for mass burning and other incinerated waste, such as waste wood. Specially treated waste includes hazardous and toxic waste. Compostable waste includes bio waste. The amounts of waste by waste fraction are based on data for the properties' waste amounts provided by waste management partners.

The customers are mainly responsible for the special waste fractions caused by their operations, such as WEEE and toxic waste, even though Technopolis does arrange annual common WEEE and hazardous waste collections at the campuses. Technopolis has no data available for the amounts of WEEE and hazardous waste produced by customers. The amount of hazardous waste in 2017 in Technopolis Group was low, consisting mainly of batteries. Also, waste from leased IT hardware used by Technopolis and equipment related to printing services is not included in the waste amounts because the leasing partner takes care of their possible reuse and end of life cycle.

### Paper Consumption

As part of Technopolis' Green Office activities, information on the amount of paper consumed

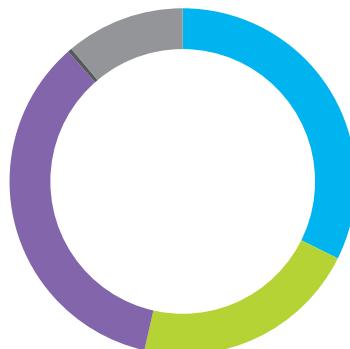
### Waste Amount by Disposal Method (t)

	Finland 2017	Norway 2017	Sweden 2017	Estonia 2017	Lithuania 2017	Russia 2017	Total 2017	Total 2016	Total 2015	Group Coverage rate
<b>EPRA: Waste-Abs</b>										
Reused, recycled and recovered	540	34	5	126	67	9	780	956	739	98.1%
Composted	356	31	0	21	0	0	408	437	480	
Specially treated <sup>1)</sup>	3	13	0	0	0	0	15	13	10	
Incinerated with energy recovery	931	143	22	186	0	0	1,282	1,366	630	
Landfilled	0	0	0	433	542	213	1,188	1,041	1,227	
<b>Total</b>	<b>1,829</b>	<b>220</b>	<b>27</b>	<b>766</b>	<b>609</b>	<b>221</b>	<b>3,673</b>	<b>3,813</b>	<b>3,086</b>	
Recycling Rate %	100%	94%	100%	44%	11%	4%	67%	72%	60%	
Waste Amount per Person (kg/FTE)	51	73	16	140	121	90	69	75	65	

The share of estimated consumption is under 1%.

<sup>1)</sup>Hazardous waste is reported under the Specially Treated category (the row equals the amount of hazardous waste). The rest of the categories are non-hazardous waste.

### Waste by Disposal Method



- Reused, recycled and recovered 32%
- Composted 21%
- Incinerated 35%
- Specially treated 0.4%
- Landfilled 11%

### Waste Amount by Disposal Method, Like-for-Like

EPRA: Waste-LfL	Group Lf-L 2017		Group L-f-L 2016	
	t	%	t	%
Reused, recycled and recovered	696	20%	801	24%
Composted	347	10%	327	10%
Specially treated <sup>1)</sup>	15	0%	13	0%
Incinerated with energy recovery	1,174	34%	1,165	35%
Landfilled	1,188	35%	1,041	31%
<b>Total</b>	<b>3,420</b>	<b>100%</b>	<b>3,347</b>	<b>100%</b>



was collected at the labeled offices in 2017. Our own offices use paper themselves, as well as sell it to customers. All paper procured by Technopolis is PEFC, FSC or Blue Angel certified. In addition, our own offices have duplex black & white printing as the default setting of printers, and electronic storage and data sharing is preferred to printing. Card readers that facilitate secure printing installed in photocopiers at the Finnish campuses have made paper consumption monitoring easier. During the reporting year Technopolis' own Finnish offices used 2,670 kg of paper, which is on the same level as in the previous year.

### Travel

Data on travel was collected from the travel expense report system of the Finnish operations and travel tickets obtained locally by other business units, and travel tickets obtained through Finnish travel agencies for trips purchased in Finland. The data includes trips made by plane, train and passenger car. The travel data does not include business travel made by passenger car by other than the Finnish units.

The total number of kilometers traveled amounted to 1,486,953 km during the reporting year, increasing by 9% from the previous year. The number of kilometers traveled per person increased by 21% from the previous year.

### CO<sub>2</sub> Emissions for Travel (Scope 3)

	Share of Business Travel			CO <sub>2</sub> Emissions, kg		
	2017	2016	2015	2017	2016	2015
Flights	88%	87%	86%	192,138	165,768	164,631
Train	6%	6%	7%	5,085	5,778	3,378
Car	6%	6%	7%	12,293	12,522	12,592
Total	100%	100%	100%	209,516	184,626	180,932

In terms of the environmental impact of traveling, CO<sub>2</sub> emissions were decided to be monitored due to the availability of related data, general interest, and as they are significant in contributing to the greenhouse effect. The assessment of CO<sub>2</sub> emissions due to travel used the CO<sub>2</sub> factors by method of travel for 2011 of LIPASTO, the calculation method of exhaust gas emissions and energy consumption of traffic in Finland realized by VTT. Technopolis does not currently collect data for goods transport kilometers and the effect of their emissions, as the transport of goods is not as essential in the Real Estate investment industry as the effects of travel by personnel. In procurements, however, the aim is to minimize the environmental impact of the transport of goods by making appropriate, planned purchases in large batches according to the Green Procurement Guide.

We aim to reduce the carbon dioxide emissions of travel, for example by offering our employees and customers an opportunity to use videoconferencing services instead of business trips. We also have specified a remote work policy and employees' computers are equipped with tools for remote communications. In addition, Technopolis car policy prohibits cars with CO<sub>2</sub> emissions of more than 140 g/km in terms of limited and unlimited company car benefits.

## Climate Change in the Focus From Carbon Footprint to Carbon Handprint

Technopolis aims to develop its service offering to be more environmentally friendly through green procurement and to provide customers with added value in their sustainability projects. Technopolis' videoconferencing services and coworking spaces, for example, save customers and visitors time and money and reduce the environmental impact of travel. Energy efficient lighting and carbon dioxide-based ventilation control are preferred in meeting rooms. Environmentally-labelled products are used for cleaning whenever possible, and a waterless cleaning option is available. On our Finnish campuses and on our Vilnius campus we offer electricity from 100% renewable energy sources.

We offer charging stations for electric vehicles to employees and customers at Finnish, Lithuanian, Norwegian and Estonian campuses, and are considering increasing the amount of charging stations at our campuses in the future. Moreover, the aim is to locate the new construction projects of Technopolis close to good traffic connections and services. The users of the sites are encouraged to use low-emission vehicles or bicycles through the provision of signposted parking places or charging stations, and bicycle racks. The Pulkovo campus in Russia also has a shuttle bus between the office campus and city center for employees.

We also walk the talk ourselves. We encourage our own personnel to cycle to work and to participate in fun campaigns such as Kilometrikisa (nation-wide cycling campaign in Finland). We also organized the annual [Tour de Technopolis](#) cycling event in 2017 which attracted over hundred Technopolis customers, partners and other cycling enthusiasts to participate.

Mapping of risks and opportunities related to climate change can be found on [our website](#).



## Motivated and Competent People

### Resourcing for Growth

We acknowledge that the key to our success is having the right talent in the right positions. During the year, a thorough strategy review process was carried out, and we were able to hire new people for key positions as we resourced for this strategic growth. In 2018, we will continue to seek the best people to support this path. When hiring new employees, we pay extra attention to finding people who truly share our values and are very committed to working towards our strategic goals. Most open positions are announced on our intranet, giving all current employees the possibility to apply.

### Developing the Top-Performing Team

We continued developing the skills and knowledge of our employees, especially in the areas of sales and customer service. These two topics were integrated when all employees working in customer service positions attended a training course in sales-minded customer service during autumn 2017. In addition to that, several other common classroom training and coaching sessions took place during the year, and many employees also had the possibility to take part in professional training courses and events outside of the company. The e-learning portal



was taken into full use during 2017, and now includes several training courses in four different learning paths.

#### Employee Satisfaction in Focus

Satisfied and motivated employees are at the core of our business, and therefore we measure the job satisfaction and commitment of our personnel with an extensive

companies attending to the survey. Based on the survey, our employees have a lot of faith in the future of the company, and they consider that collaboration between units works well and that the products and services that we offer are of high quality. On the development side, employees were critical of increased bureaucracy. After the survey, a comprehensive results review and discussion was organized in each business unit

**"Based on the survey, our employees have a lot of faith in the future of the company, and they consider that collaboration between units works well."**

employee engagement survey every two years. In the most recent personnel survey conducted in February 2017, our People Power Index was 71.9. This placed Technopolis higher than average in the comparison group and gave us an overall assessment of AA. Based on the survey results, Technopolis was recognized as one of the most inspiring workplaces in Finland by Corporate Spirit in the beginning of 2018. The acknowledgement is given only to the best performing

and function together with HR, in order to discuss the development areas and to make action plans. Additional conversations related to bureaucracy have taken place with each business unit leader. Several actions have been taken during 2017 at both business unit and company level, and the development work will continue further in 2018.

In addition to the employee engagement survey, we also

Gender Distribution



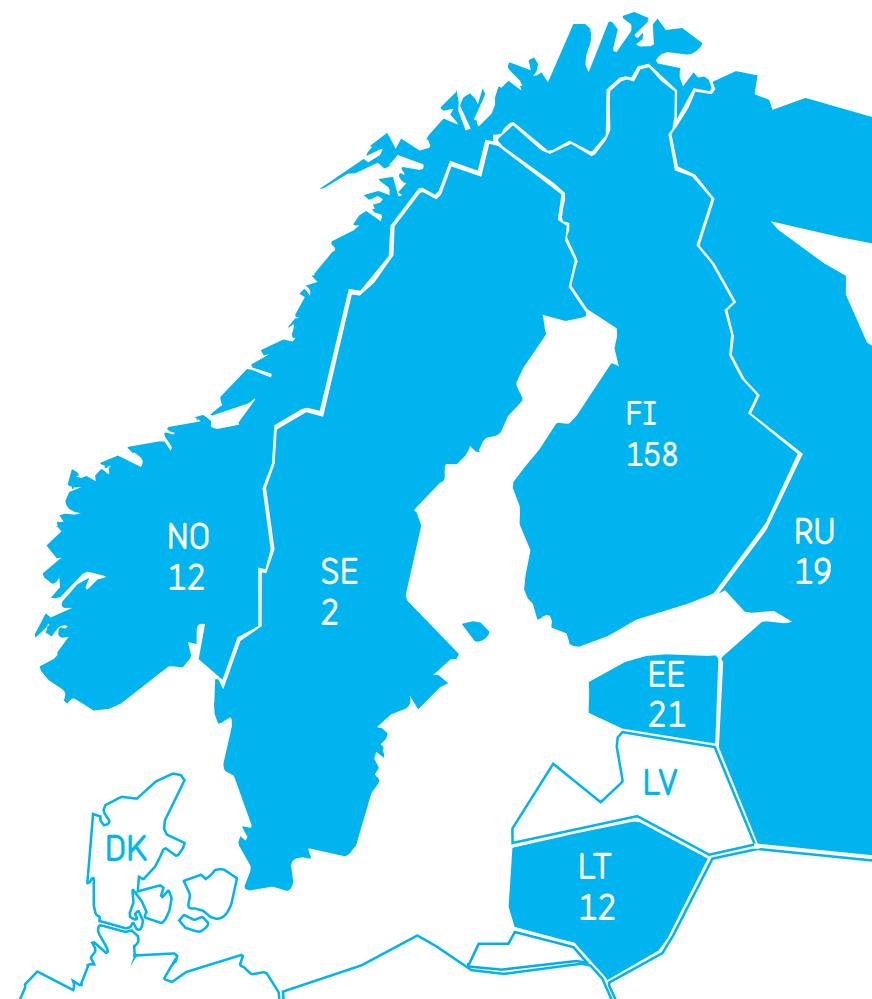
- Women, 75%
- Men, 25%

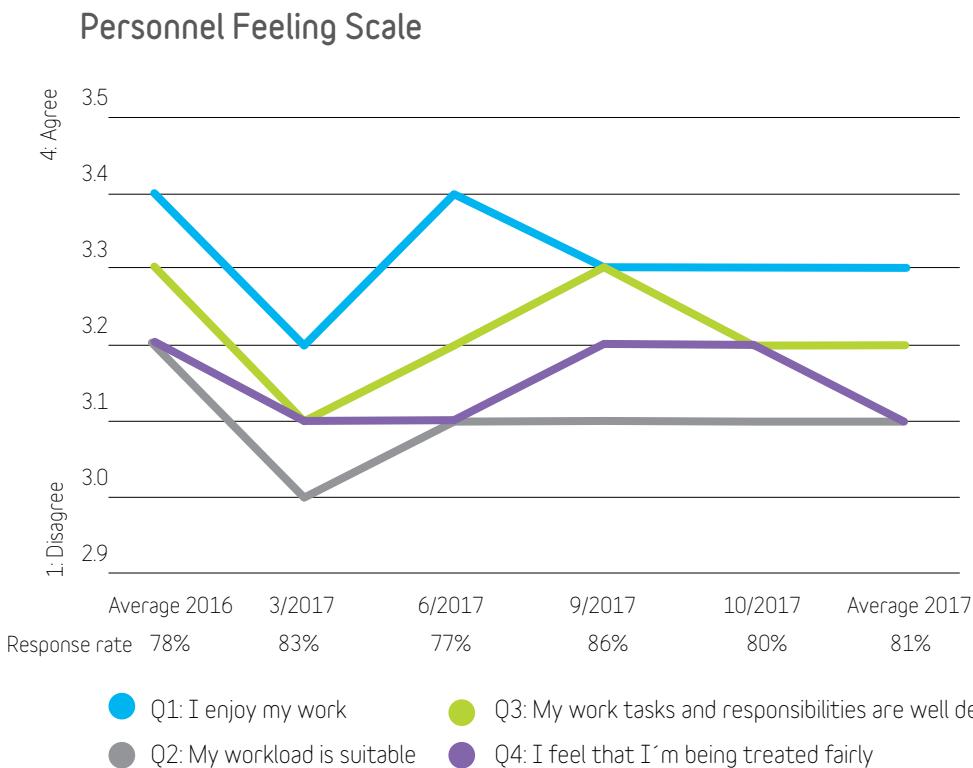
Average Age



- Under 30 years, 33
- 30-50 years, 157
- Over 50 years, 34

Employees by Country





monitor the job satisfaction of employees in the shorter term with a pulse survey called the "Personnel Feeling Scale." This survey, consisting of four questions, is sent to all employees once a quarter, and it provides a quick picture of the current work situation and job satisfaction of the entire organization and each unit. It gives the units' supervisors the possibility to react quickly to any notable changes in the results with the support of HR.

### Performance Management and Remuneration

All Technopolis employees have a performance appraisal discussion with their supervisors in January–February or at the beginning of their employment. Setting the objectives for the current year and reviewing past years performance are integral parts of the appraisal discussion, but other topics are also covered, such as responsibilities, career and personal development, well-being

and common values. Besides the annual appraisal discussions, all supervisors are encouraged to have continuous discussions with their team members throughout the year.

All Technopolis employees are included in an annual bonus system based on the company's results and personal performance. In addition to financial indicators, other key performance indicators include internal and external customer satisfaction measurements.

A personnel fund was established at the end of December 2016, and in February 2017 the employees in Finland were able to transfer all or part of their performance bonus to the personnel fund for the first time. The personnel fund invests

Technopolis Wellbeing Tour walking campaign was launched in October, in co-operation with the new occupational healthcare provider. All employees took part in this team competition, and with the help of activity trackers, virtually

*"In order to execute the strategic growth plans, we are paying specific attention to the well-being of employees to have a highly motivated team in place."*

the majority of the transferred bonuses in Technopolis shares.

### Well-being at Work

In order to execute the strategic growth plans, we are paying specific attention to the well-being of employees, to have a fully functioning and highly motivated team in place.

During 2017, we strengthened co-operation with occupational healthcare in Finland by reducing the number of healthcare providers to two and started co-operation with a new occupational healthcare provider that specializes in preventive healthcare. Our sick leave percentages are low on average, and our goal is to keep them low in the future, as well.

To increase the everyday activity level of our employees, the first

walked a route that passed through all Technopolis business units.

Work at Technopolis consists mainly of office and reception service work, with no major physical stress or specific risk of physical occupational accidents. We offer all our employees extensive occupational healthcare services, including specialist-level consultation. We also offer support for dental care, and support for sports and cultural activities to all regular employees and those employed for a longer fixed term or temporarily as full-time employees.

The merged occupational health and safety committee and the advisory board in charge of statutory employer–employee consultations is selected from among the personnel for two years at a time. With regard to occupational

health and safety, the committee reviews plans, developments and measures related to working conditions, occupational safety, and occupational health care services, such as the annually ratified occupational health and safety action plan. With regard to statutory employer–employee consultations, the committee reviews matters referred to in the Act on Cooperation within Undertakings pertaining to all Technopolis employees. Such matters include the principles and practices followed in recruitment, the equality plan, and the annually prepared personnel plan and training objectives.

The merged occupational health and safety committee and the advisory board in charge of statutory employer–employee consultations operates in Finland. Its operations cover about 70% of the personnel, in other countries we have similar functions in place, and as a whole these functions cover over 90% of the personnel. The aim has been to take diversified representation into account in the makeup of these panels.

## Personnel Key Figures

	2017	2016	2015
Total number of employees	224	242	247
Active	205	223	227
On long leave	19	19	20

## Employees by country

	2017	2016	2015
Finland	158	178	186
Norway	12	12	14
Sweden	2	1	-
Estonia	21	23	21
Lithuania	12	9	6
Russia	19	19	20

## Employment type

	2017	2016	2015
Permanent employees/ Fixed-term employees, %	93/7	93/7	91/9
Female/male percentage of fix-term work	69/31	64/35	-
Full-time employees/Part-time employees, %	96/4	96/4	96/4
Female/male percentage of part-time work	78/22	64/36	100/0

## Sex distribution

	2017	2016
Female/male percentage	75/25	74/26
GMT	20/80	20/80
Senior management	27/73	31/69
Middle management	61/39	56/44
Specialists	87/13	86/14
Other employees	93/7	93/7

## Years at Technopolis, Percentage of personnel

	2017	2016
Less than 2 years	25	27
2 years - less than 5 years	34	28
5 years - less than 15 years	37	40
At least 15 years	4	5

Personnel figures presented are 31 December figures

## Employee turnover during the year

	2017	2016	2015
New contracts including short-time substitutions, total	32	37	55
New employees of the total personnel, %	14	15	23
Employees left Technopolis, including short-time substitutions, total	46 <sup>2)</sup>	34 <sup>2)</sup>	35
Turnover rate, % <sup>1)</sup>	20 <sup>2)</sup>	14 <sup>2)</sup>	15

<sup>1)</sup> Turnover rate, % = Employees left Technopolis / Employees on average x 100

<sup>2)</sup> Does not include the employees transferring to new employer due to divestiture.

## Training days

	2017	2016	2015
Employees who took part in training, %	77	78	80
Training days during the year	625	592	655
Training days per employee	2.7	2.4	2.7
Training days by employment group, %			
Senior management <sup>3)</sup>	17	18	16
Middle management	38	29	39
Specialists	13	29	15
Other employees	32	24	30
Female/male percentage of training days	71/29	74/26	78/22

<sup>3)</sup> Senior management includes Group Management Team

## Sick days and work-related accidents

	2017	2016	2015
The absentee rate, %	1.9	1.8	-
Finland	1.5	1.7	2.0
Norway	5.3	3.1	4.7
Sweden	1.4	0	-
Estonia	1	0.7	0.9
Lithuania	2.2	0.6	0.5
Russia	3.8	3.2	2.8
Accidents during actual working hours (number)	6	7	2
Fatalities	0	0	0
Supply Chain (Contractors)			
Fatalities on Construction Sites	0	-	-
Accidents on Construction Sites <sup>4)</sup>	1	-	-

<sup>4)</sup> That resulted in at least one day's absence

# Integrity

Guided by Our Strong Values

## Drive

- We know exactly what our targets are.
- We empower our people to achieve them.
- We pursue our targets relentlessly.

## Service

- We're passionate about great service.
- We're hands-on with our customers.
- We seek to keep promises and exceed expectations.

## Integrity

- Our conduct is unimpeachable and sustainable.
- We play fair and by the rules.
- We judge and reward based on merit.



→ Please read more about our Corporate Governance practices in the Corporate Governance Statement

Values and ethics provide the foundation for Technopolis' responsible operations. By operating ethically, we ensure risk-free value creation for stakeholders in the long term. Drive, service and integrity are our three strong values that guide our operations. They are described in more detail in the figure above.

### Code of Conduct Lays the Foundation for Our Operations

Technopolis' Code of Conduct forms the basis of the sustainability of the company's business operations, environmental affairs and employee and stakeholder relations. The Code of Conduct is followed by all Technopolis functions, and each employee

is expected to adopt the ethical principles presented in the Code of Conduct and to commit to them. With the Supplier Code of Conduct, Technopolis aims to ensure that its suppliers and other partners comply with the Code of Conduct and the same quality requirements as Technopolis.

The strategic sustainability approach and Code of Conduct

are prepared and updated jointly by the CEO and the Legal and Sustainability functions. The company's Board of Directors reviews and approves the strategic sustainability approach and the Code of Conduct. The Code of Conduct is available in full to all employees in electronic form. Summaries of them are also available on our website.

### Code of Conduct Training

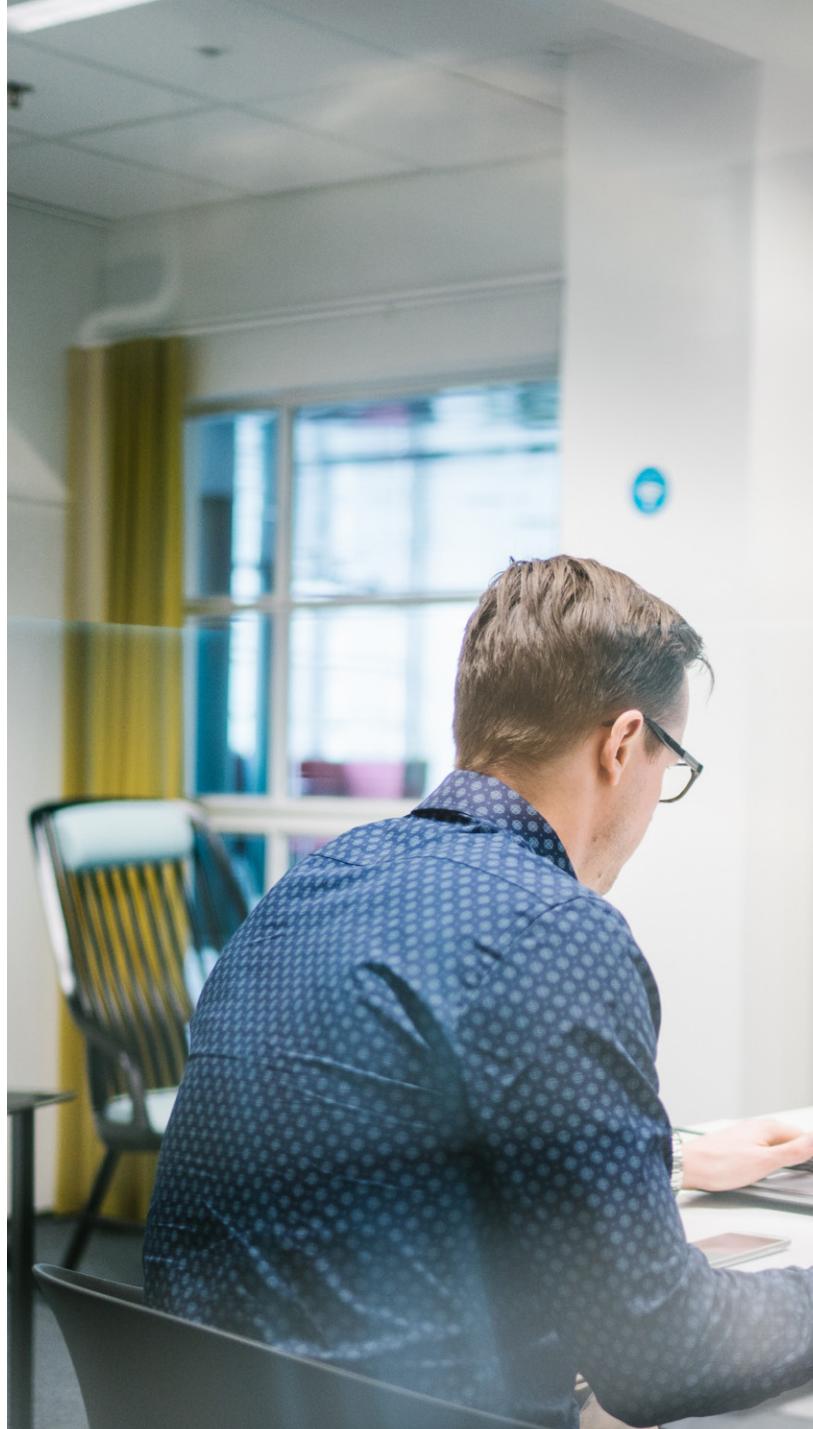
Every employee reviews the Code of Conduct for employees and the reporting channels available in case of breaches, either as part of the induction process or in connection with the annual performance review. The Code of Conduct e-learning program is used to help employees familiarize themselves with the Code. The tool is designed

to make the training as practical as possible and close to employees' everyday lives. The target for 2017 was to have all employees to undergo the e-training. By the end of 2017, 95% of the employees had undergone the training.

### Reporting of Breaches

We have appointed a Compliance Officer to oversee compliance of the company's operations with the Code of Conduct. Technopolis' compliance organization is also responsible for ensuring that the channels provided by the company for asking for advice confidentially and reporting any breaches are available. Observed breaches of the Code of Conduct are corrected without delay, and disciplinary action is taken.

Reports can be filed anonymously, and breaches are reviewed confidentially. From the beginning of 2017, there has been a web-based whistleblowing channel in place, and all reports are collected by a third party, external to the company. This increases the anonymity and reliability of the system. The Whistleblowing team reviews employees' reports of observed breaches and takes necessary actions. The breaches are reported to the Audit Committee as well as to the Board of Directors. During the reporting period, no questions or reports of breaches were submitted via the reporting channels.



## Current issues in 2017 – New EU General Data Protection Regulation

The new EU General Data Protection Regulation was adopted by a decision of the European Parliament and the European Council in April 2016, and the new provisions will apply from May 2018.

At Technopolis, preparation for the new regulation has started well in advance. We have started to update our data management, personal data processing practices and documentation of our processes in order to ensure that the processing of personal data in Technopolis takes place transparently, diligently and securely, as required by the Regulation.

Technopolis' customer and employee relationships are grounded on honesty, integrity and trust. It is important for us to take into account and respect data protection and privacy. We want to ensure with our good data management practices that we are able to provide our customers with high-quality services.



## Activity in communities

From employee:

**"It's great to be able to devote one work day to voluntary work, it really makes me proud of my employer."**

For few years, Technopolis has had in place a voluntary work program to support charity, making it possible for

every employee to use one work day a year for voluntary work. During the year, Technopolis employees competed in a spirit of fun to see who would carry out the best community action. We want to operate responsibly in our community and to work actively in order to help communities to grow and prosper. One way to do this is to take part in voluntary work and be involved in the local community through voluntary programs, with the aim of supporting local charity organizations and groups, and promoting and increasing the visibility of Technopolis in our community.

Employees could either develop their day-to-day skills in a new environment to give out their expertise and develop their job-related skills, or they could expose themselves to new challenges that would allow them to break out of their comfort zones and develop completely new skills.

Our target is to increase the share of participating employees.

## Anti-Discrimination

Technopolis promotes equal treatment in all fields of work, and has zero tolerance of harassment or discrimination of any kind. Once every two years, we carry out a group-wide equality survey, asking employees for their experiences of the fulfilment of equality at Technopolis with regard to training opportunities, career progress, and work-life balance, among other things. The survey was last carried out in 2016, with a response rate of 85%.

## Anti-Corruption and Election Campaigns

The Code of Conduct specifies that Technopolis and its employees are not allowed to pay, offer to pay, or receive bribes or illegal payments. Technopolis and its employees also do not offer any other undue personal benefits in order to promote or maintain the company's business or otherwise aim to influence the objective decision-making of the authorities, partners, or customers. Technopolis employees may not pursue personal gain from their relationship with the company's customers or partners.

In accordance with its Code of Conduct, Technopolis does not take part in sponsoring political parties or financing election campaigns.

No cases of bribery requiring action were observed or reported in 2017.

## Compliance with Laws and Regulations

Technopolis complies with good corporate governance, laws and other regulations pertaining to its business or the company's operations as a listed company. No fines or other penalties have been imposed on Technopolis for non-compliance with laws and regulations with regard to business operations, marketing, provisions, use of products and services in marketing, or breach of environmental legislation and regulations. Technopolis has not been part of legal proceedings related to restriction of competition and misuse of monopolistic

The Supplier Code of Conduct is of paramount importance to Technopolis when commencing or continuing business relationships. Technopolis aims, within the scope of its influence, to ensure that its suppliers and other partners comply with the Supplier Code of Conduct and the same quality requirements as Technopolis, as well as laws and regulations in force. So far, partners have not been provided with separate training on compliance with the Supplier Code of Conduct.

The Supplier Code of Conduct is attached to cooperation agreements whose annual total value exceeds EUR 50,000, and

**"The Supplier Code of Conduct is of paramount importance to Technopolis when commencing or continuing business relationships."**

position, and therefore no related actions have been taken, either.

## Procurement

Technopolis' suppliers are expected to review the Supplier Code of Conduct and reporting procedures to the extent presented on the website and as attachments in agreements, and to comply with them as part of the cooperation, both in terms of ethical choices and environmental friendliness.

it has been incorporated into supplier evaluation.

Technopolis does not accept the use of child or forced labor in its own or its partners' operations. As Technopolis operates in the real estate business, the risks of child and forced labor are considered minor, and no specific preventive measures have been taken in this regard. So far, impacts on society have not been assessed when choosing suppliers.

## Supplier Audit and Green Purchases

The major procurement contracts made by Technopolis with suppliers during the reporting period included the Supplier Code of Conduct. During the reporting period, Technopolis did not separately monitor the assessed suppliers' percentage share of total supplier transactions, or the payments made to them.

Technopolis' Green Procurement Guide is used in majority of its locations. The guide includes environmentally friendly procurement targets and supports the Green Office activities of the offices. These include using ICT equipment with Energy Star labels or similar markings, requiring data centers to have environmental plans, and increasing the utilization of waste to a minimum of 60%. Technopolis requires its cleaning, facility maintenance and restaurant partners to have quality or environmental plans and to use environmentally friendly products and methods where possible. In addition to the Green Procurement Guide, all the LEED EB building rating projects at existing buildings prepared site-specific green cleaning, waste management, and purchase plans during 2017.

During the reporting year, environmental friendliness was emphasized in tendering for cleaning services. All paper procured for use in Technopolis' own offices and sales to customers

in Finland and Estonia was 100% PEFC-, FSC- or Blue Angel-certified, and renovations and modernizations carried out in the properties were required to be according to environmental objectives. In addition, we updated the CO<sub>2</sub> emission limit to be 140 g/km for company cars in all of our business units.

# Financial Impacts in Value Chain

Financial impact between Technopolis and stakeholders are presented in the adjacent figure with the help of cash flows.

## Public Authorities & Tax Footprint

Technopolis has received subsidies for energy efficiency investments a total of EUR 16,000 from the Finnish government.

Technopolis' business operations generate tax revenues in the form of diverse taxes and tax-like fees. Regarding Technopolis' business operations in Finland, the company pays income tax on the taxable profit and property tax based

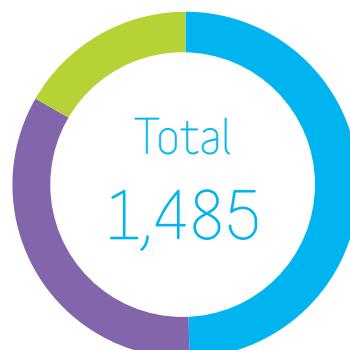
on its holdings. In addition, the company pays excise duties related to consumed electricity, and the company also carries part of the value added tax of services and acquisitions as an expense. In 2017, the income taxes generated from Technopolis' business operations totaled EUR 4.5 million. The difference between rendered and deducted value added tax was EUR 14.7 million.

Technopolis is a significant employer in its field of business. The company pays contributions related to pension and social security and remits taxes withheld in advance from salaries. In 2017 Technopolis rendered a total of

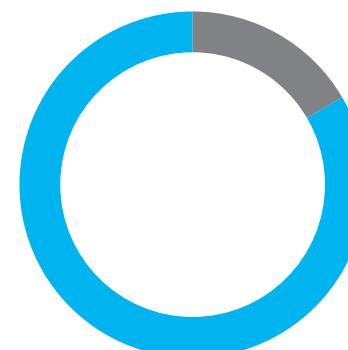
Money flows between Technopolis and different stakeholder groups, million euros

Stakeholder	Money flow	2017	2016
Financiers	Paid interests and other payments	16.8	17.0
Plc's stockholders	Shared dividends	18.8	17.8
Customers	Corporation's net sales	179.7	172.1
Cooperation partners		67.9	64.5
Personnel	Salaries and rewards	12.1	12.6
Public authorities	Tax footprint	25.3	22.9
Media, Marketing and Advertising		0.7	0.6
Subsidies for energy efficiency investments		0.05	0.1

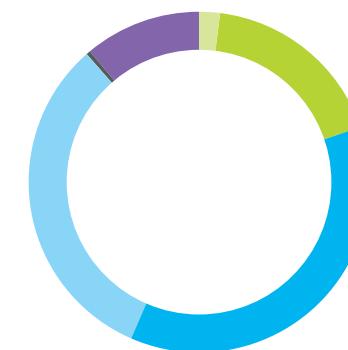
## Total Number of Partners 2017



## Tax Footprint Remitted Taxes



## Taxes Borne



- Personnel-related tax-like payments 0.5 M€
- Income tax 4.5 M€
- Deferred taxes 9.3 M€
- Property tax 8.1 M€
- Insurance taxes 0.1 M€
- Energy taxes 2.8 M€



EUR 3.3 million of withholding taxes from the salaries, fees and bonuses it paid.

Technopolis result calculated in accordance with the IFRS differs from the combined taxable profit of the Group companies. Thus, there is a significant difference between the profit pursuant to the IFRS consolidated financial statements and taxable profit. The impacts of the differences between the tax legislation and IFRS are taken into account in Technopolis' deferred taxes.

## Supply Chain

### Customers

Technopolis seeks a balanced, knowledge-intensive customer base for its campuses in order to facilitate interaction between customers and mitigate the customer and industry risk. Technopolis has a total of

approximately 1,600 customers from several industries, and 50,000 people work in Technopolis' spaces. The customer base is comprised of companies and organizations, many of which are oriented towards international growth. Technopolis' customer base is diversified in terms of geography and sectors.

### Partners

The company's business expenses totaled EUR 67.9 (64.5) million. Space related expenses were EUR 39.4 (39.5) million. Other business expenses were EUR 28.5 (25.0) million. Technopolis business units initiate a tendering process for property development projects on a local basis according to the goals set for the project under the supervision of the Group's Real Estate functions. Technopolis' overall investments totaled EUR 76.1 (118.3) million. Of these

investments EUR 8.5 (19.0) million was related to modernizations and other investments, EUR 5.8 (53.0) million to the acquisition of properties and EUR 61.7 (46.3) million was allocated to Organic growth projects.

Technopolis utilizes many supply chains in its operations. The supply chain partners are mainly selected according to country, but the aim is to internationally utilize partners familiar with the Technopolis concept. A significant share of Technopolis' partners operate in Finland, where most of the campuses are also located. The total number of partners was 1,485 in 2017, of which 737 operated in Finland, 500 in the Baltic Rim, and 248 in Scandinavia.

Technopolis has outsourced regular daily or weekly services such as cleaning, facility maintenance,

waste management, security, ICT and photocopy solutions, and travel services. Reoccurring services and services procured according to maintenance plans include diverse periodic and technical equipment maintenance services and audits. Technopolis also outsources services related to moving, printing of brochures and publications, leasing of space, and diverse specialist services as necessary.

In addition, there are several restaurant operators at Technopolis' campuses, offering daily restaurant, café and catering services to Technopolis, its customers, and visitors. Technopolis also has project-based design, developer, subcontractor, and project management partners in connection with construction projects. Among Technopolis' subcontractors, the partners involved in cleaning, facility

maintenance, and restaurant services operate in labor-intensive industries.

Technopolis purchases products from its suppliers both for the level of service space facilities and to be sold to customers as necessary. This includes e.g. furniture and other office supplies. The partners providing services to Technopolis mainly obtain the products and raw materials required for their operations via their own suppliers or manufacture them in-house. The majority of Technopolis' subcontractors are building contractors, resellers, and consultants.

# Reporting and Accounting Policies and Limitations

## Reporting Principles and Limitations

This is Technopolis' seventh annual Sustainability Report. The report aims to extensively describe the company's sustainability in its evolving business environment.

The report applies GRI Standards and Construction and Real Estate Sector Supplement (CRESS) recommendations for the content of sustainability reporting and reporting principles. The coverage of reporting with regard to the GRI Standards is presented at the end of the reporting as the GRI Content Index table on pages 38-41. Technopolis' Sustainability Report for 2017 complies with the GRI Standards "Core" level. The report also applies the EPRA's most recent, third edition, Sustainability Best Practice Recommendations for reporting. Selected environmental disclosures in the Sustainability Report for 2017 have been externally verified, more information on page 42.

The company's financial period is the calendar year. The report is published annually, and the information presented therein correspond with the financial period, January 1 – December 31. The next GRI-compliant responsibility report will be

published during the first quarter of 2019.

In addition to this Report, Technopolis reports environmental disclosures alongside its IFRS and EPRA financial information four times a year.

Previously reported environmental information has been, to a minor extent, specified including few manually read consumption figures. Also, the definition of the Like for Like portfolio used in environmental reporting has been changed to correspond to the definition used in financial reporting and hence the Like for Like portfolio has been changed.

Figures instructed by the Finnish Meteorological Institute for heating energy need, in use from June 1, 2013 for the climate comparison period of 1981–2010, and normalization factors for heating energy in 2013 have been used for normalized heat consumption.

## Calculation Principles and Limitations

The reporting on environmental responsibility complies with the most recent (the third edition) guidelines from EPRA

on the measurement units of the disclosures and description of consumption intensity. The reporting of environmental responsibility disclosures includes all of the investment properties owned by Technopolis except for the few cold leased premises. Co-owned properties are included in energy and water consumption and CO<sub>2</sub> emission based on energy consumption data and waste data. Share of ownership has not been taken into account. The Gårda campus, acquired in July 2016, is included in the environmental data from July 2016 on. The environmental data of Jyväskylä campus, divested in November 2017, is included in the data from the period 1–11/2017. The denominators used to calculate intensity figures have been adjusted accordingly.

With regard to energy, the disclosures are comprised of Technopolis' on-site produced and purchased electricity, heat, and cooling. With regard to the Finnish properties, electricity is purchased centrally (except Kuopio) and heating from local heat utilities. In Norway, Estonia, Russia, and Lithuania, electricity and heat are supplied by local companies, and the Estonian properties also use natural gas. Heat consumption

for international units is based on actual, metered consumption and has not been normalized.

In addition to customer spaces, consumption takes place in the common and technical areas of Technopolis properties. Technopolis reports both, its total energy use and its building energy use. Total Energy use is surveyed in order to obtain a comprehensive view of the ecological footprint, the consumption includes the consumption in customer spaces and technical and common areas. In most of the properties Technopolis procures the electricity for customer areas. In this report Technopolis reports for the first time also building energy use, which excludes the customer electricity but in addition to common and technical area electricity includes the district heating and cooling as well as gas used in all of the areas of the properties. As the common area electricity metering process is still on-going, a share of the reported common area electricity is based on estimated consumption.

The carbon dioxide disclosures scope 1 and 2 are based on the total energy consumption of all the spaces.

The energy disclosure includes consumption in all of the areas of the properties, and therefore the total area (gross sqm) of each property has been used in calculating total energy consumption and carbon dioxide emission intensity. When information of energy and carbon dioxide emission figures relate to Technopolis' own office space, they are calculated from the total consumption or emissions of the property on the basis of the ratio between gross area used by the company's own office and the gross area of the property. The location and gross area of some of the company's own offices have changed slightly during the last two years, which may influence the consumption figures for energy, water and CO<sub>2</sub> emissions.

In 2016, the reporting of CO<sub>2</sub> emissions was updated to be in line with the update of the GHG protocol Scope 2 guidance and hence from 2016 on we report both market and location based emissions. Also the emission factors used were updated due to these changes 2016 is not entirely comparable with earlier years. The data of years 2015 and 2014 was not retrospectively corrected.

For the Market based emission calculation, the CO<sub>2</sub> emission



calculations are based on the most recent data provided by local energy companies on the production methods of the energy they delivered and their CO<sub>2</sub> effects. With the following exceptions, for Pulkovo Campus in St.Petersburg and the Fornebu campus in Oslo (for electricity) CO<sub>2</sub> emission factors of the IEA, 2017 (International Energy Agency) were used and for the gas used by in Ülemiste campus in Tallinn, the Finnish emission factor for natural gas obtained from Statistics Finland was used.

For the Location based emission calculation the CO<sub>2</sub> emission calculations are based on the following factors. For Finland national average emission factors provided by Motiva were used. For Russia and Norway country-specific CO<sub>2</sub> emission factor of the IEA 2017, were used. For all other countries, the electricity related CO<sub>2</sub> emission calculations

could be based on data provided by local energy companies on the production methods of the energy they delivered and their CO<sub>2</sub> effects since all power was purchased from the same supplier, the location based CO<sub>2</sub> emissions of heating were based on IEA 2017 factors.

With regard to indirect carbon dioxide emissions, emissions caused by business travel by Technopolis employees have been reported (EPRA Scope 3) for all units, at the moment Technopolis does not report other scope 3 emissions.

For all CO<sub>2</sub> emission calculations, the source for the global warming potentials used is the IPCC Fifth Assessment Report (AR5-100 year).

With regard to waste and water consumption, the figures describe the total amounts and consumption of the properties. The numbers of

users have been estimated based on the number of access cards. The disclosures describing Technopolis' own amount of waste and water consumption have been calculated from these figures on the basis of the ratio between the number of Technopolis employees and number of all property users.

With regard to environmental disclosures, Technopolis reports both the consumption of all properties, and, for the sake of comparison, also figures for the like-for-like properties.

With regard to information for comparable properties, i.e. like-for like properties: In 2017 the definition of the Like for Like portfolio used in environmental reporting has been changed to correspond to the definition used in financial reporting and hence the Like for Like portfolio has been changed from previously reported. In this report the like-

for like comparison is made for the portfolio that has been consistently in operation, during the most recent two full reporting years.

The consumption figures are measured, remotely or manually read, figures reported by the in-house Facility Manager team, and partners. Share of estimated consumption is very low, some manually read meters with missing periods have been completed using known consumption from other periods.

The reporting covers all Technopolis' operations in all countries, and there are no specific grounds for limiting the extent of the report. The financial disclosures include all Technopolis properties where its holding is at least 50% and where it has operational control. Minority interests in properties where the holding is 20–50% have been taken into account in the economic disclosures.

## Reporting Organizations and Frameworks

**Global Reporting Initiative (GRI):** An organization that aims to make Corporate Social Responsibility Reporting a standardized part of the operations of businesses, similar to the disclosure financial statements.

**Construction and Real Estate Sector Supplement (CRESS):** A reporting guideline published by the GRI, aimed particularly at businesses in the construction and real estate sector.

**European Public Real Estate Association (EPRA):** An association that oversees the interests of European listed real estate companies, with the aim of creating functional accounting, reporting, and administrative practices that particularly fulfil the needs of the real estate industry.

# Management Approach Disclosures

	<b>Shared Workspace</b>	<b>Sustainable Efficiency</b>
Material topics and description of the management approach	<p>The material topics included to Shared Workspace theme are: Activity in Communities, Customer Satisfaction and Well-being and Generation of Economic Value Added for Stakeholders. The company manages these topics according to guidelines and objectives set in the Strategic Sustainability Approach and in other policies. Actions are coordinated on group level and distributed by functions. The purpose of the management approach is to enhance the positive sustainability impacts of our actions and to mitigate the possible negative effects.</p>	<p>The material topics included to Sustainable Efficiency theme are: Building Resilience, Eco-efficient Premises and Health and Safety. The company manages these topics according to guidelines and objectives set in the Strategic Sustainability Approach and in other policies. Actions are coordinated on group level and distributed by functions. The purpose of the management approach is to enhance the positive sustainability impacts of our actions and to mitigate the possible negative effects.</p>
Policies and commitments	<p>Strategic Sustainability Approach and sustainability action plan Concept Manual to ensure the uniformity of spaces and services. See pages 6-7</p>	<p>Strategic Sustainability Approach and sustainability action plan Energy audit Energy efficiency plan Design Guide Energy efficiency agreement for premises See pages 6-7</p>
Goals and targets	<p>Technopolis' strategic financial objectives are described in the Annual Report 2017 Development of a uniform Campus network. Annual separate objectives concerning Sales and Marketing, Real Estate functions, and Services and Events are set for customer satisfaction. Continuous development of events for customers and local communities and maintaining high event satisfaction. See page 8-9 for summary of sustainability targets.</p>	<p>Technopolis has specified objectives for energy consumption, water use, carbon dioxide emissions and sorting, utilizing and decreasing waste. The objectives and results are described under Sustainable Efficiency chapter of this report. See page 8-9 for summary of sustainability targets.</p>
Resources and responsibilities	<p>Chief Real Estate Officer is responsible for managing the integration and harmonization measures pursuant to the Concept Manual, and reports to the CEO. The Chief Real Estate Officer, the Director, Services, and the concept development team are responsible for concept development.</p>	<p>The Sustainability Manager is responsible for implementing the measures according to the strategic sustainability approach and sustainability action plan, and reports to the Group Management Team on the implementation of the action plan. The Facility Managers or partners responsible for the projects are responsible for implementing individual measures, such as energy efficiency investments or building ratings, but they are coordinated by the Sustainability Manager together with the managers in charge of Property Management and maintenance of Real Estate assets and the Real Estate Controller. Facility maintenance partners have been involved in energy saving measures, and the environmental goals of Technopolis have been implemented for them as part of the contractual reward structures.</p>
Grievance mechanisms	<p>See pages: 28-31</p>	<p>See pages: 28-31</p>
Specific actions	<p>During the reporting year, all office campuses were audited, harmonization measures were made and concept development was carried out. Customer satisfaction and decision-maker surveys events and other development of community. Five Star customer service program, which supports the customer service operation of employees when working with internal and external customers.</p>	<p>Updating the energy and carbon target setting. The other key actions during the reporting year are described on pages under Sustainable Efficiency chapter.</p>

<b>Skills &amp; Integrity</b>	<b>Skills</b>	<b>Integrity</b>
Material topics and description of the management approach	The material topics included to Skills & Integrity theme are: Employee Development and Engagement, Open and Compliant Communication and Code of Conduct and Compliance. The company manages these topics according to guidelines and objectives set in the Strategic Sustainability Approach and in other policies. Actions are coordinated on group level and distributed by functions. The purpose of the management approach is to enhance the positive sustainability impacts of our actions and to mitigate the possible negative effects.	The material topics included to Skills & Integrity theme are: Employee Development and Engagement, Open and Compliant Communication and Code of Conduct and Compliance. The company manages these topics according to guidelines and objectives set in the Strategic Sustainability Approach and in other policies. Actions are coordinated on group level and distributed by functions. The purpose of the management approach is to enhance the positive sustainability impacts of our actions and to mitigate the possible negative effects.
Policies and commitments	Strategic Sustainability Approach and sustainability action plan. Personnel plan; Training plan; Occupational health and safety action plan; Equality plan Code of Conduct for employees and suppliers Charity Policy See pages 6-7	Strategic Sustainability Approach and sustainability action plan. Code of Conduct Requiring Technopolis employees, supply chain, and partners to comply with the Codes of Conduct. Green Procurement Guide Risk management policy and monitoring tools See pages 6-7
Goals and targets	Committed and competent personnel See page 8-9 for summary of sustainability targets.	According to the Green Procurement Guide, the greener option of two products or services of the same price is to be chosen. See page 8-9 for summary of sustainability targets.
Resources and responsibilities	Head of HR is responsible for maintaining the personnel, training, and equality plans. Experts in charge HR matters are responsible for practical implementation.	The Board of Directors of Technopolis annually review strategy and values related to sustainability, approves the objectives, and monitors the achievement of the objectives. The Board approves the company's Codes of Conduct and, if necessary, reviews breaches of it. No breaches were observed during the reporting year 2017. The Sustainability Manager and the Chief Legal Officer are responsible for inducting and training the Codes of Conduct and the Green Procurement Guide, and they report to the Group Management Team and the CEO. The employees of the business units in charge of procurement are responsible for the practical measures. The responsibilities related to risk management are described on Technopolis website. The organization in charge of overseeing compliance with the Codes of Conduct ensures that the Codes of Conduct is up to date. In addition, it oversees that all of the company's activities are in line with the operating principles and requirements.
Grievance mechanisms	See pages: 28-31	See pages: 28-31
Specific actions	The company annually updates the key documents, carries out an equality survey once every two years, and regularly assesses the measures and practices of equal recruitment, career and salary development, and professional skill development.	Code of Conduct e-learning program. The actions related to risk management are described on Technopolis website.
	The other key actions during the reporting year are described under Motivated and Competent People chapter of this report.	The other key actions during the reporting year are described on pages under Integrity chapter of this report.

# GRI Index

## GRI Standards Reporting scope in accordance with "Core"

GRI Standard number	EPRA sBPR	Assurance (A)	Content	Page	Additional information
<b>General Disclosures</b>					
102-1			Name of the organization	SR 2	
102-2			Activities, brands, products, and services	SR 2	No banned products or services offered.
102-3			Location of headquarters		<a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
102-4			Location of operations	AR 2-3	
102-5			Ownership and legal form	SR 2	
102-6			Markets served	AR 2-3	
102-7			Scale of the organization	SR 2	See also CGS  Most of the personnel figures are not presented on country level as most regions have less than 20 employees. Data is gathered from the HR system.
102-8			Information on employees and other workers	SR 24-27	
102-9			Supply chain	SR 32	
102-10			Significant changes to the organization and its supply chain	SR 34-35	
102-11			Precautionary Principle or approach	SR 2, 26, 34-35	
102-12			Subscribed or endorsed externally developed principles or initiatives	SR 6-7	
102-13			Memberships in associations and advocacy organizations	SR 6-7	
102-14			CEO's review	SR 3	
102-15			Key impacts, risks, and opportunities		<a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
102-16			Values and Code of Conduct	SR 28-29	
102-17			Mechanisms for advice and concerns about ethics	SR 24-27	
102-18			Governance structure	CGS 2-3	

102-19		Delegating authority	SR 6-7
102-20		Executive-level responsibility for sustainability topics	SR 6-7
102-21		Consulting stakeholders	SR 6-7
		Composition of the highest governance body and its committees	CGS 5, 7
102-22	Gov-Board	Chair of the highest governance body	CGS 5, 7
102-23		Nominating and selecting the highest governance body	CGS 4, 7-8
102-24	Gov-Selec	Avoiding conflicts of interest	SR 24-27
102-25	Gov-Col	Role of the highest governance body in setting purpose, values and strategy	SR 6-7; CGS
102-26		Collective knowledge of highest governance body	SR 6-7
102-27		Evaluating the highest governance body's performance	CGS 4
102-28		Identifying and managing sustainability impacts	SR 6-7
102-29		Effectiveness of risk management processes	CGS 10-11
102-30		Review of sustainability topics	SR 6-7
102-31		Highest governance body's role in sustainability reporting	CGS 6-7
102-32		Communicating critical concerns	SR 24-27
102-33		Nature and total number of critical concerns	SR 24-27
102-34		Remuneration policies	CGS 8 <a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
102-35		Process for determining remuneration	CGS 8 <a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
102-36		Stakeholders' involvement in remuneration	CGS 8 <a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
102-37		List of stakeholder groups	<a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
102-40			Technopolis' employees are not directly subject to a labor agreement, with regard to periods of notice and other key factors related to employment, the provisions of the Employment Contracts Act and other legislation and other company specifically agreed procedures are followed.
102-41		Coverage of collective bargaining agreements	

102-42	Identifying and selecting stakeholders	SR 6-7	<a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
102-43	Approach to stakeholder engagement	SR 6-7	
102-44	Key topics and concerns raised	SR 6-8, AR 16	<a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
102-45	Entities included in the consolidated financial statements	SR 2, CGS	
102-46	Defining report content and topic boundaries	SR 34-35	
102-47	List of material topics	SR 6	
102-48	Restatements of information	SR 34-35	
102-49	Changes in reporting	SR 34-35	
102-50	Reporting period	SR 34-35	
102-51	Date of most recent report	SR 34	
102-52	Reporting cycle	SR 34-35	
102-53	Contact point for ordering the report or questions regarding its contents	Sustainability Manager	
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Manager	
102-55	GRI content index	SR 38-41	
102-56	External assurance	SR 42	
<b>Management Approach</b>			
103-1	Explanation of the material topic and its boundary	SR 6-7	See also chapters: Shared Workspace, Sustainable Efficiency, Skills&Integrity
103-2	The management approach and its components	SR 36-37	
103-3	Evaluation of the management approach	SR 36-37	
<b>ECONOMIC RESPONSIBILITY</b>			
<b>Economic Performance</b>			
201-1	Direct economic value generated and distributed	SR 32-33	
201-2	Financial implications and other risks and opportunities due to climate change		<a href="#">Climate change risks &amp; opportunities</a>
201-3	Coverage of the organization's defined benefit plan obligations	SR 36-37	

201-4	Financial assistance received from government	SR 32
<b>Indirect Economic Impacts</b>		
203-2	Significant indirect economic impacts	SR 30-31
<b>Anti-corruption</b>		
205-1	Operations assessed for risks related to corruption	No special audits related to ethical nature of business operations performed in 2017
205-2	Communication and training about anti-corruption policies and procedures	SR 28-31
205-3	Confirmed incidents of corruption and actions taken	SR 31
<b>Anti-competitive Behavior</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SR 31
<b>ENVIRONMENTAL RESPONSIBILITY</b>		
<b>Energy</b>		
302-1	Elec-Abs, DH&C-Abs, Fuels-Abs Elec- LfL, DH&C-LfL, Fuels-LfL A	Energy consumption within the organization
302-2		Energy consumption outside of the organization
CRE1	Energy-Int A	Energy intensity of buildings
302-3		Energy intensity
302-4		Reduction of energy consumption
302-5		Reductions in energy requirements of products and services

<b>Water</b>				
303-1	Water-Abs Water-LfL	A	Water withdrawal by source	SR 19-20
CRE2	Water-Int	A	Water intensity of buildings	SR 19-20
<b>Biodiversity</b>				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value		SR 16	Innopoli 3 property in Espoo is located in the vicinity of the Laajalahti in Espoo Natura 2000 protected area, also a plot with a size of approx. 14,655 m <sup>2</sup> is owned in the vicinity of the same area. The demands of the Natura 2000 area and bird nesting period are taken into account during construction and operation.
<b>Emissions</b>				
305-1	GHG-Dir-Abs GHG-Dir-LfL	A	Direct (Scope 1) GHG emissions	SR 18-19
305-2	GHG-Indir-Abs GHG-Indir-LfL	A	Energy indirect (Scope 2) GHG emissions	SR 18-19
305-3	GHG-Indir-Abs	A	Other indirect (Scope 3) GHG emissions	SR 22
305-4	GHG emissions intensity		SR 18-19	Scope 3 CO <sub>2</sub> emissions cover only the emissions from business travel. Biogenic Scope 3 CO <sub>2</sub> emissions are not assessed.
CRE3	GHG-Int	A	GHG emissions intensity of buildings	SR 18-19
305-5	Reduction of GHG emissions		SR 19	
<b>Effluents and Waste</b>				
306-2	Waste-Abs Waste-LfL	A	Waste by type and disposal method	SR 19-21
<b>Environmental compliance</b>				
307-1	Non-compliance with environmental laws and regulations			SR 31
<b>Supplier Environmental Assessment</b>				
308-1	New suppliers that were screened using environmental criteria			SR 31
308-2	Negative environmental impacts in the supply chain and actions taken			SR 15; 31
<b>Land Degradation, Contamination and Remediation</b>				
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land			In connection with organic growth projects approx. 2,500 m <sup>3</sup> of soil was removed in 2017.
<b>Product responsibility</b>				
CRE8	Cert-tot	A	Type and number of sustainability certification, rating, and labeling schemes for new	SR 15
<b>SOCIAL RESPONSIBILITY</b>				
<b>Employment</b>				
401-1	Emp-Turnover	New employee hires and employee turnover		SR 27
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			Technopolis offers its full-time employees lunch benefits and, depending on the task a company phone and company car.

## Labour/Management Relations

		The periods of notice agreed upon in the employment contracts vary between two weeks and three months. The most commonly applied minimum period of notice is one month. Local policies corresponding to collective labor contracts are compiled in the joint Technopolis administrative guidelines available to the employees.
402-1	Minimum notice periods regarding operational changes	

## Occupational Health and Safety

	Workers representation in formal joint management-worker health and safety committees	SR 27
403-1		
403-2 H&S-Emp	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR 28

As the total number of accidents is under 10 it is not material to use the breakdowns suggested in the GRI standards.

Percentage of the organization operating with verified compliance with an internationally recognized health and safety management system.

No such system in place

## Training and Education

404-1	Emp-Training	Average hours of training per year per employee	SR 27
404-2		Programs for upgrading employee skills	SR 24-27
404-3 Emp-Dev		Percentage of employees receiving regular performance and career development reviews	SR 26

## Diversity and Equal Opportunity

405-1	Diversi-ty-Emp	Diversity of governance bodies and employees	SR 25-26, CGS 6-7
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## Non-Discrimination

406-1		Incidents of discrimination and corrective actions taken	SR 31	No notices of discrimination.
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## Local Communities

413-1	Comty-Eng	Operations with local community engagement, impact assessments, and development programs	SR 10-14	No impact assessment made.
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## Supplier Social Assessment

414-1		New suppliers that were screened using social criteria	SR 31	In addition to our Supplier Code of Conduct process, suppliers aren't screened using social criteria.
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## Public Policy

415-1		Political contributions	SR 31
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## Customer Health and Safety

416-1	H&S-Asset	Assessment of the health and safety impacts of product and service categories	SR 16
416-2	H&S-Comp	Incidents of non-compliance concerning the health and safety impacts of products and services	None according to best of our knowledge.

## Local Communities

CRE7		Number of persons displaced and/or resettled by development	The Technopolis construction sites have not caused relocation of residents.
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## Socioeconomic Compliance

419-1		Non-compliance with laws and regulations in the social and economic area	SR 31
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# Independent Assurance Report

## To the Management of Technopolis Oyj

We have been engaged by the Management of Technopolis Oyj (hereafter Technopolis) to provide limited assurance on the environmental indicators from the reporting period 1 Jan -31 Dec 2017 presented in Technopolis's Sustainability Report 2017 (hereafter Environmental Information).

The Environmental Information subject to assurance consists of the following indicators;

- The indicators presented in the tables presented in the "Sustainable Efficiency" chapter;
- Energy (GRI 302-1, CRE1),
- Water (GRI 303-1, CRE2),
- Emissions (GRI 305-1, GRI 305-2, GRI 305-3, CRE3), and
- Effluents and Waste (GRI 306-2)
- Product responsibility (CRE8)

GRI Sustainability Reporting Standards and EPRA Sustainability Best Practices Recommendations Guidelines (Third version September 2017) were used as the

assurance criteria (hereafter GRI Standards and EPRA sBPR).

## Inherent limitations on the engagement

The inherent limitations on accuracy and completeness of data related to the Environmental Information are to be taken into account when reading our assurance report. The presented Environmental Information is to be considered in connection with the explanatory information on data collection, consolidation and assessments provided by Technopolis.

The Management of Technopolis is responsible for the measuring, preparation and presentation of the Environmental Information in accordance with the GRI Standards and EPRA sBPR.

Our responsibility is to express an independent conclusion on the Environmental Information. We have conducted the engagement in accordance with ISAE 3000 (Revised). To the fullest extent permitted by law, we accept no

responsibility to any party other than Technopolis for our work, for this assurance report, or for the conclusions we have reached.

We are independent from the company according to the ethical requirements in Finland and we have complied with other ethical requirements, which apply to the engagement conducted.

We apply the International Standard on Quality Control 1 (ISQC 1) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Summary of the work performed

A limited assurance engagement consists primarily of making inquiries of persons responsible for the preparation of the Environmental Information presented, and applying analytical and other appropriate evidence gathering procedures.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower.

In our engagement we have performed the following procedures:

Interviews with the persons responsible for the reporting of the Environmental Information;

An assessment of conformity with the reporting principles GRI Standards and EPRA sBPR in the presentation of the Environmental Information;

An assessment of data management processes, information systems and working methods used to gather and consolidate the Environmental Information;

A review of the presented Environmental Information with an assessment of information quality and reporting boundary definitions;

Assessment of data accuracy and completeness through a review of the original documents and systems on a sample basis;

A visit to one of Technopolis's sites.

## Conclusions

Based on the assurance procedures performed, nothing has come to our attention that causes us to believe that the information subject to the assurance engagement is not prepared in accordance with the GRI Standards and EPRA sBPR in all material respects.

Helsinki, 15 February 2018  
KPMG Oy Ab

Lasse Holopainen  
APA

Tomas Otterström  
*Partner, Advisory*



# TECHNOPOLIS

[www.technopolis.fi](http://www.technopolis.fi)

