



TECHNOPOLIS

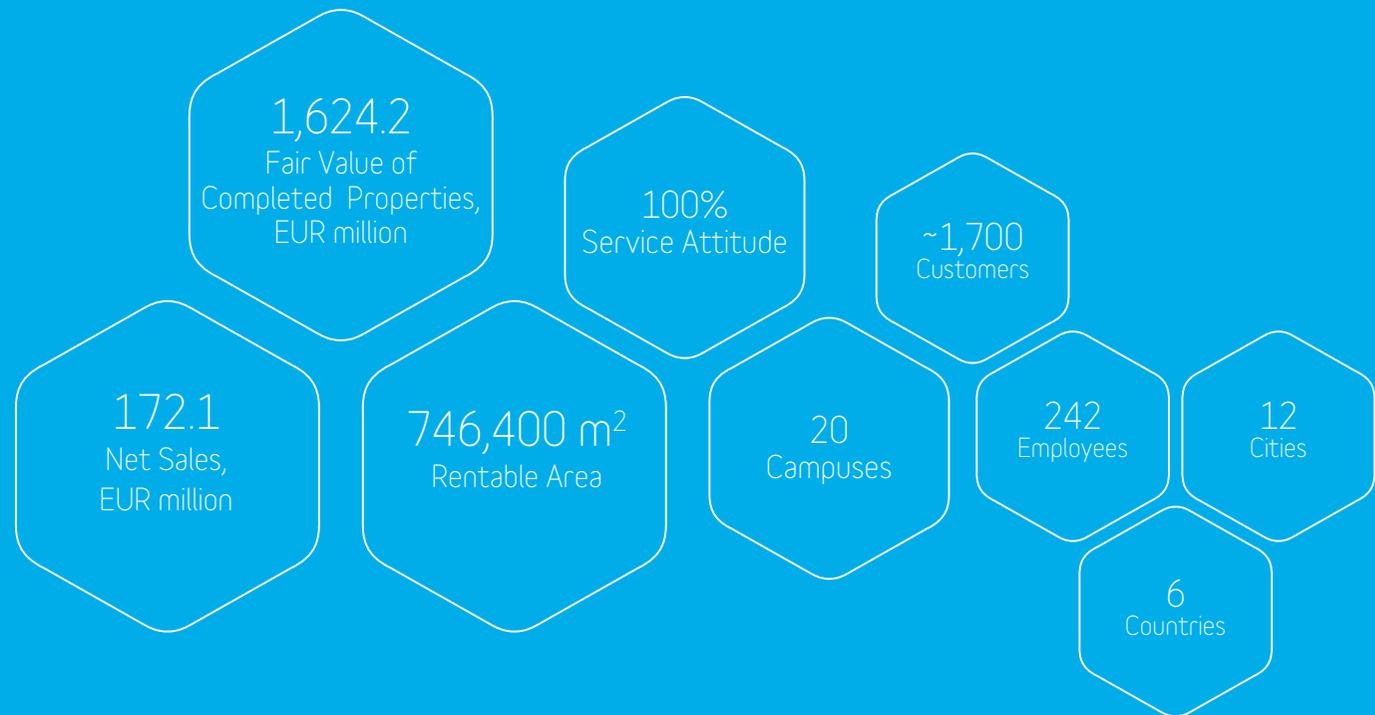
Sustainability Report 2016

**TECHNOPOLIS**

# Sustainability Report 2016

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Technopolis provides the best addresses for success in six countries in the Nordic-Baltic region. The company develops, owns and operates a chain of 20 smart business parks that combine services with flexible and modern office space. The company's core value is to continuously exceed customer expectations by providing outstanding solutions to 1,700 companies and their 50,000 employees in Finland, Sweden, Norway, Estonia, Russia and Lithuania. The Technopolis Plc share (TPS1V) is listed on Nasdaq Helsinki.

The space and services offered by Technopolis enable efficient and pleasant work environment. The premises can be easily altered to match the customer's needs in terms of size and services.

## From the CEO



Sustainability is part of any successful company's business competence. At Technopolis, it is a day-to-day activity that is reflected in the form of eco-efficient premises, motivated employees, services that support success, and a sense of community. The very idea of more and more people sharing the same space comfortably, efficiently and

### Offering sustainable spaces and services is fundamental to our business

sustainably goes to the heart of sustainable thinking as well as the Technopolis business strategy. These contribute to maintaining

high occupancy rates and property values, but also to better sustainability performance and enhanced quality of life in the workplace. Constantly evolving customer needs and business environment require the company's continuous renewal. We develop our service offering to match the increasing need for shared work environments and mobile work and invest in the continuous development of the customer experience.

In 2016, we updated our strategic sustainability approach. The renewal aimed 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, to better steer and motivate actions. The strategic approach was updated with an eye for the long-term perspective, the megatrends in our sector, and the customer approach that is at the heart of our operations. With this approach our aim is to enhance

our own and our customers' competitive advantage through sustainability.

A responsible company matches the expectations of the company and its stakeholders. The national and EU-level regulation of emissions, energy efficiency and non-financial reporting is increasing. Carbon footprint is increasingly a part of risk management for a growing number of investors. Our aim is of course to proactively to prepare for these increasingly stringent requirements, but also to transform sustainability thinking into a competitive asset for Technopolis.

**Keith Silverang**  
CEO

### About the Report

It is a priority to us to depict our environmental and social impacts in a transparent and meaningful way. In our report, sustainability is described in accordance with the GRI G4 (Global Reporting Initiative) and CRESS (Construction and Real Estate Sector Supplement) and EPRA's Sustainability Best Practice Recommendations for reporting.

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 Sustainability DNA



## Our Values: Drive, Service, Integrity

Sustainability is incorporated into Technopolis' corporate strategy and DNA – in a nutshell, our strategy is to create sustainable competitive advantage by selling less space per person but more efficiency, flexibility and services to customers. In 2016, we updated our strategic sustainability approach, the main tool steering our sustainability efforts.

The renewal aimed 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, to better steer and motivate actions.

The strategic approach was updated with an eye for the long-term perspective, the

megatrends in our sector and the customer approach that is at the heart of our operations.

We sustain our ability to prosper 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.

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.

With this approach, we aim to enhance our own and our customers' competitive advantage through sustainability.

### Focus Areas

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

**Smart Parks** – Communities that support success, well-being and productivity

Technopolis offers smart business environments focused on workspace quality that make customers' businesses more efficient, combined with versatile services related to space, the working environment, and the working life and community. This way, Technopolis contributes to the profitable long-term growth of its business and communities.

**Sustainable Efficiency** – Eco-efficient, healthy, and resilient spaces

Technopolis offers its customers eco-efficient, healthy, and resilient spaces and services, by which Technopolis increases 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. Values and ethics lay the foundation for the company's responsible business practices and ensure compliance with the Code of Conduct, good 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 – Smart Parks, Sustainable Efficiency, and Skills and Integrity – all include a set of targets and actions designed to guide the work.

# Corporate Sustainability Management

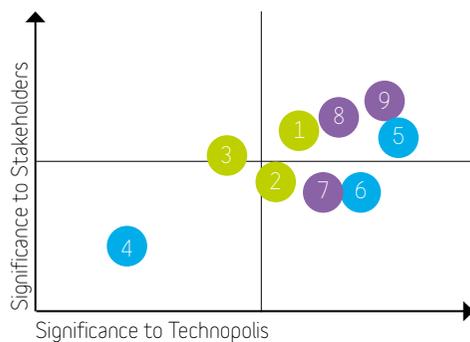
Technopolis' sustainability work is guided by its sustainability strategy and company values. In addition, the foundation of sustainability at Technopolis comprises the company's sustainability action plan, the Code of Conduct for employees and suppliers, risk management policy, and annual plans related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

Technopolis has set targets for its select key sustainability indicators since 2011, and they have been updated in 2016. The strategic sustainability targets are discussed on pages 6-7. The effects, management practices, indicators 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 Communications. 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 Corporate Sustainability themes and aspects.

## Materiality Matrix



- 1 Building Resilience
- 2 Eco-efficient Premises
- 3 Health and Safety
- 4 Activity in Communities
- 5 Customer Satisfaction and Well-being
- 6 Generation of Economic Value Added for Stakeholders
- 7 Employee Development and Engagement
- 8 Open and Compliant Communication
- 9 Code of Conduct and Compliance

● Sustainable Efficiency ● Smart Parks ● Skills & Integrity

## Approved External Agreements and Principles

Technopolis complies with the Finnish energy efficiency agreement for commercial properties (TETS) established at the beginning of 2011 (2011–2016).

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 30-33.

## Assessment of Materiality Guides Operations and Reporting

The content and structure of the Corporate Sustainability report have been compiled on the basis of an assessment of materiality based on stakeholder survey and views that emerged in stakeholder activities and public debate. In 2015 we held a web based survey and in 2016 interviews were conducted with selected stakeholders. The survey response rate in 2015 was 48% and representatives of all stakeholder groups as identified by Technopolis took part. The groups are presented on pages 8-9. The stakeholder survey process is described in more detail on page 11. In addition to the stakeholder survey, 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 the stakeholders better opportunities for assessing the operations and making decisions.

In 2016 the materiality matrix was refined based on the 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. The assessment of materiality corresponds with the requirements of the GRI G4 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 axis illustrates the significance to stakeholders and the horizontal axis the current or potential impact on Technopolis. The significance to external stakeholders has been assessed as a whole so the weight of individual groups of stakeholders is not reflected in the matrix.

With regard to responsibility, Technopolis has selected three main themes: Smart Parks, Sustainable Efficiency and Skills & Integrity. These themes have been the starting point in defining the content and extent of this of this Sustainability Report. The points of view of sustainability are reviewed on the basis of their weight and significance.

# Solid Results 2016

## Development of Main KPIs Related to Smart Parks, Sustainable Efficiency and Skills & Integrity

With the strategic sustainability approach renewal, the related key KPIs were updated. The key results and ongoing actions are presented here.

### Smart Parks

In our new approach more focus has been given to our customers' health and wellbeing. New key indicators, presented in the adjacent table, were chosen to measure this.

#### Ongoing actions

- Taking meaningful measures to enhance our customers well-being and productivity on campuses
- Develop and maintain multiple channels to understand customer and other stakeholder needs

### Sustainable Efficiency

The results of the environmental activities were significant in 2016. 5 new LEED ratings were achieved in the property portfolio. The implementation of the savings targets has also progressed successfully. We have achieved significant savings in terms of energy consumption and carbon footprint. Quarterly

reported figures for like-for-like buildings (baseline 2011) prove the right direction of operations with regard to the set objectives.

#### New target setting

In connection with renewing our sustainability strategy, we started a process to update our energy reduction and carbon footprint target setting; the work will continue in 2017. Influenced by recent updates to regulations, we detected a need to update our ambition level and look at our carbon footprint in a more extensive way. Until new targets are in place we will use the existing energy and carbon targets to measure our performance, these are presented in the adjacent table.

#### Ongoing actions

##### Eco-efficient premises

- Continuing property energy audits and technical energy efficiency investments and studies for energy efficient technologies
- Increasing the share of green electricity
- Continuing renewable energy pilots

##### Building resilience

- Improving recycling on campuses and construction sites and waste cooperation with restaurants
- Increasing customer and partner cooperation

### Smart Parks

	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		>4 Customer Satisfaction Survey Rating (1-5)
<b>Communities that create synergy</b>			
Networking possibilities	4		>4 Customer Satisfaction Survey Rating (1-5)

### Sustainable Efficiency

	2016	2015	2011	Change % 2011-2016	Target 2020
<b>Carbon Dioxide Emissions (energy)</b>					
Amount (CO <sub>2</sub> e kg/gross m <sup>2</sup> )	40	39	80	-49	-60%
<b>Energy</b>					
Consumption (kWh/gross m <sup>2</sup> )	233	221	246	-5	-12%
<b>Waste</b>					
Waste utilisation rate, %	72	60	58	14%-points	75%
<b>Building Ratings and Labels</b>					
Number of LEED Ratings	25	20	1		All major organic growth projects and all applicable existing buildings

The targets for reduction of energy consumption and emissions are set for like-for-like real estate from base year 2011 to year 2020.

Water intensity (m<sup>3</sup>/person) was removed from the quarterly followed figures in the end of 2016 as the calculation method for number of people was updated, and hence 2011 and 2016 are incomparable. A new reduction target will be established in 2017.



## Skills & Integrity

### Ongoing Target

Employee satisfaction index target level is at least Good, AA in Corporate Spirit Employee Engagement Survey.

Technopolis monitors the job satisfaction and commitment of its personnel with an extensive employee engagement survey every two years. In the most recent personnel survey, Technopolis received an overall assessment of AA+

Targets for 2017 - 2018:

### Unimpeachable conduct

- 100 % of employees to complete the Code of Conduct e-learning in 2017

### Involvement in local community

- Majority of own employees to participate to community charity activity by 2019

### Ongoing actions

- Personnel, training and equal opportunity plans revised annually
- Further actions to promote diversity
- Sustainability criteria to be integrated in acquisition process

## External Recognition

Technopolis participated in the GRESB (Global Real Estate Sustainability Benchmark) survey for the third year in a row and was again awarded with the prestigious Green Star status. The success in GRESB was greatly based on Technopolis' devotion to ensure the eco-efficiency of its building operations. We did particularly well in the New Construction and Major Renovations category reaching one of the highest scores compared to our peers. Technopolis also received the EPRA silver sBPR award, an acknowledgment for its sustainability data disclosure.

Technopolis was recognized as one of the most inspiring workplaces in Finland based on a study by Corporate Spirit. Related to the result, the leading Finnish business daily *Kauppalehti* gave Technopolis an award as the most financially successful and inspiring workplace.

# Stakeholder Cooperation & Financial Impacts

Financiers:  
Paid interests and other payments

EUR 17.0 million



Plc's stockholders:  
Shared dividends

EUR 17.8 million



Customers:  
Corporation's net sales

EUR 172.1 million



Cooperation partners:  
EUR 64.5 million



Personnel:  
Salaries and rewards

EUR 12.6 million



Public authorities:  
Tax footprint

EUR 22.9 million



Media, Marketing  
and Advertising:

EUR 0.6 million



Subsidies for energy  
efficiency investments:

EUR 0.1 million



## Stakeholders

Technopolis has identified parties that can influence achieving the company's objectives and on which its operations have significant effects as its stakeholders. These stakeholders and the financial impact between Technopolis and said stakeholders are presented in the adjacent figure with the help of cash flows.

In addition, analysts have been recognized as an essential stakeholder to Technopolis. There were no cash flows regarding them, however.

## Ownership Structure

The three largest shareholder groups in the Technopolis Group in terms of shareholding are public sector organizations, foreign and nominee-registered parties, and households. The two largest shareholders, holding a total of 34% of the company, are Finnish pension insurance companies. On December 31, 2016, shares outstanding totaled 158,793,662, of which the company held 1,947,571 shares.

## Financiers

At the end of 2016, Technopolis had long-term interest-bearing liabilities from credit institutions worth EUR 825.8 (725.4) million. Technopolis' interest and other financing-related expenses during the year were EUR 25.4 (28.2) million and the average interest rate paid by the company was 2.34% (2.60%).

## Employees

Technopolis paid its employees a total of EUR 12.6 (13.0) million in salaries, fees and bonuses, EUR 1.8 (1.9) million in pension expenses, and EUR 0.9 (1.0) million in other indirect employee expenses.

## 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 1,700 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.

## Public Authorities & Tax Footprint

Technopolis has received subsidies for energy efficiency investments a total of EUR 130,249 from the Finnish government via local centers for Economic Development, Transport and the Environment.

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 2016, the income taxes generated from Technopolis' business operations totaled EUR 6.8 million. The difference between rendered and deducted value added tax was EUR 17.6 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 2016, Technopolis rendered a total of EUR 3.5 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.

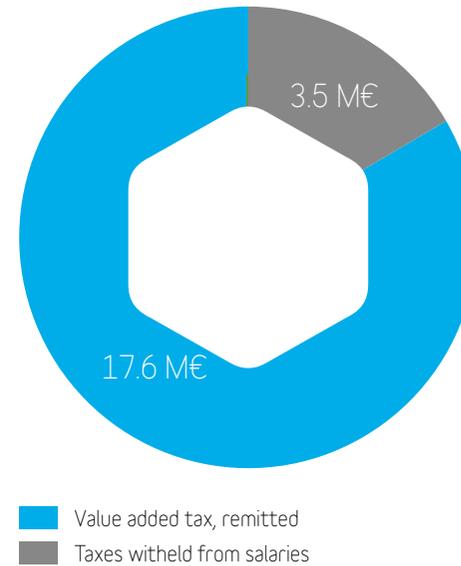
## Partners

The company's business expenses totaled EUR 64.5 (62.2) million. Space-related expenses were EUR 39.5 (38.9) million. Other business expenses were EUR 25.0 (23.3) million. All Technopolis business units make their purchases related to maintenance and cleaning on a local basis, however in Finland the company has a centralized partnership model that includes comprehensive facility maintenance.

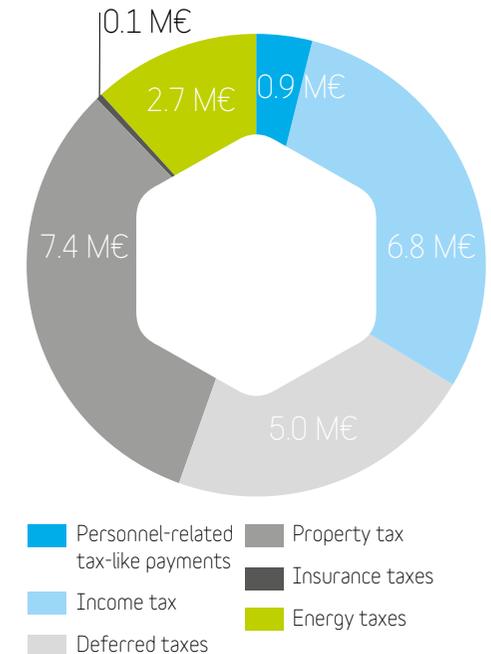
Technopolis business units initiate a tendering process for property development projects on a local basis according to the goals set for the project under the supervision of the Group's Real Estate functions. Technopolis' overall investments totaled EUR 221.0 (89.0) million. Of these investments EUR 78.4 (58.2) million was related to property development, EUR 11.8 (29.2) million to renovations and EUR 129.0 (0.0) million to the acquisition of new properties. In addition, EUR 1.8 (1.6) million was allocated to other investments, mainly service production. 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

## Tax Footprint

### Remitted Taxes



### Taxes Borne



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 1,779 in 2016, of which 910 operated in Finland, 633 in the Baltic Rim, and 236 in Scandinavia, the numbers exclude Gårda campus in Sweden, acquired in July 2016.

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.

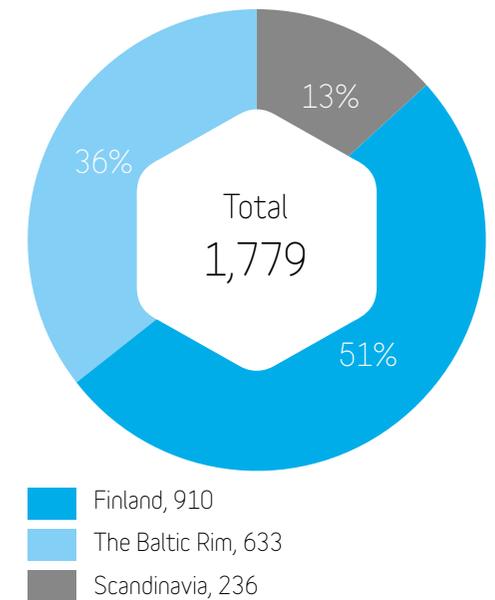
Technopolis purchases products from its suppliers both for the level of service space facilities and to be sold to customers as necessary. This includes e.g. furniture and other office supplies. The partners providing services to Technopolis mainly obtain the products and raw materials required for their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

## Working with Communities

Technopolis systematically promotes interaction between companies operating on the campuses. The Technopolis service concept supports these companies as they develop their networks, operations, and competence. Targeted and carefully arranged events and modern event tools offer businesses on Technopolis' campuses an excellent setting for creating and maintaining contacts.

Networking events such as Technopolis Business Breakfasts and Technopolis Business Meetups are arranged all around the campus network. The regional units can freely organize other local events according to their

Total Number of Partners 2016<sup>1)</sup>



<sup>1)</sup> The numbers exclude Gårda campus, acquired in July 2016.



own requirements. During the reporting period, Technopolis arranged several events related to growth, business development, well-being at work and sustainability for its local communities. In 2016, Technopolis organized 170 networking events.

### Cooperation with Stakeholders to Develop Sustainability

The purpose of Technopolis' cooperation with stakeholders is to collect information with which we can better answer 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. In 2016 the focus was put to selected stakeholder interviews.

In the discussions in 2016, Technopolis was once again thanked for its good success in international sustainability benchmarks, and benchmarking was found to be an important way of showing Technopolis' investments in Corporate Sustainability. The emphasis was also put on Technopolis' carbon footprint

and carbon footprint reporting. As a result we refined our carbon footprint calculation and the work will continue in 2017 with update of our carbon strategy and targets. In 2017 we will also participate to CDP (Carbon Disclosure Project).

We also acquired feedback concerning our reporting format and style. More concise expression with the focus on material items was recommended and with this in mind we updated the lay-out, visuals and the text of the Sustainability Report to be more reader friendly.

### Memberships

Technopolis is a member of Green Building Council Finland. Technopolis is also a member of RAKLI - The Finnish Association of Building Owners and Construction Clients. RAKLI's mission is to produce built environments that promote well-being and competitiveness, and its focus areas include energy and eco-efficiency and sustainability.

# Smart Parks

Communities that Support Success, Well-being and Productivity

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High workplace satisfaction positively correlates with high employee engagement.

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Source: Steelcase Global Report 2016

Technopolis offers smart business environments focused on offering 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.

The company's strategic financial targets are presented on page 6 of the Annual Report.

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

## Customer Satisfaction and Well-being

The Technopolis service concept combines office space with services that support our customers' business operations. It consists of three areas: workplace, work life, and community services. Workplace services respond to customers' changing needs related to office space and business environment. We also provide meeting and conference rooms, as well as coworking space. In addition, our workplace services include workspace design and support services such as reception services.

Workspace design plays a key role in enhancing employee engagement: studies, such as 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.

Work life services aim to improve the well-being at work and work comfort of

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our customers' employees. These services comprise high-quality restaurant and cafeteria services, 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 the combining of work and personal life.

Our renewed sustainability strategy aims to better measure all aspects of our sustainability work. We put greater emphasis on the rising trend linked closely to our business: health and well-being in the real estate sector.

The selected Smart Parks key performance indicators are presented in the table on the right.

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.

## 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.

Different kinds of events are organized, each serving its own purpose: Technopolis Business Breakfast, Technopolis Business Meetup, Technopolis Networking and Technopolis Community. The first three are focused on networking and information sharing, Technopolis Community events are relaxed get-togethers ranging from summer parties to family days.

## Smart Parks

	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	>4	Customer Satisfaction Survey Rating (1-5)
<b>Communities that create synergy</b>			
Networking possibilities	4	>4	Customer Satisfaction Survey Rating (1-5)



## Technopolis Networking in 2016



Number of events  
170

Participants  
12,100

Overall rating  
(1-5)  
4.5

In addition to the community services focused on campus communities, 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. Our target is to increase the share of participating employees to 100%.

### Generation of Economic Value Added for Stakeholders

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 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.

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.

Technopolis' success is based on having skilled and motivated employees. At the end of 2016, Technopolis had 242 (247) employees. You

can read more about our employee practices on pages 26-29.

The Technopolis brand is the result of more than three decades of business. It combines awareness of customers' and companies' established operating methods. The aim of the brand reform carried out in 2014 was to support the vision and mission of the company, as well as to create a strong image through clear communication.

The concept provides value to shareholders and creditors. Dividend of EUR 0.17 per share was paid out in 2016, a total of EUR 17.8 million.

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.

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.

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.

# Technopolis Concept and Creating Added Value for Stakeholders

## Input

### Finance

Debt: EUR 1,072.3 million  
Equity: EUR 752.9 million

### Natural Resources

Water  
Energy  
Materials

### Personnel

Employees: 242  
Cities: 12  
Campuses: 20

### Brand Equity

Product development

## Concept



Workspace



Work life



Workplace



Community

## Output

### Value for Owners and Financiers

Earnings per share: 0.33 EUR  
Interest & fees paid:  
EUR 17.0 million

### Environmental Impact

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

### Impact on Society

Employment  
Taxes  
Donations

### Value for Customers

Excellent Space  
Well-being  
Customer Satisfaction

# 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.

## Target Setting Update Underway

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.

In 2016, connection with renewing our sustainability strategy, we started a process

to update our energy reduction and carbon footprint target setting. The work will continue in 2017, we will renew our quantitative targets for energy and carbon as well as update the like-for like portfolio. We will also review and update our carbon strategy in general; influenced by recent updates to regulations, we detected a need to update our ambition level and look at our carbon footprint in a more extensive way.

Currently, we have set environmental targets with the baseline year of 2011, to manage our environmental responsibility. These targets are reported quarterly for like-for-like buildings. The year 2011 was chosen as the baseline year for energy and water consumption, CO<sub>2</sub> emissions, and waste, as comprehensive quarterly data was readily available. We will continue to follow these targets until the new targets are in place.

## Building Ratings and Environmental Labels

In accordance with its sustainability strategy, 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 construction and

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In 2016, connection with renewing our sustainability strategy, we started a process to update our energy reduction and carbon footprint target setting.

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## Environmental Certification

EPRA: Cert-Tot

### LEED Core & Shell

Site	Rating
Innova 2, Jyväskylä	Platinum
Innova 4, Jyväskylä	Gold
Löötisa 5, Tallinn	Gold
Pulkovo 2, St. Petersburg	Gold
Ruoholahti 2, Helsinki	Gold
Vantaa 5B (F)	Gold
Vantaa 6 (G)	Gold
Viestikatu 7BC, Kuopio	Gold
Yliopistonrinne 2, Tampere	Gold

### Ongoing projects (On track to achieve)

Löötisa 12, Tallinn	Gold
Ruoholahti 3, Helsinki	Gold
Vilnius Ozas, Delta	Gold
Yliopistonrinne 3-4, Tampere	Gold

Total amount of major development projects on track to achieve LEED certification	100%
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### BREEAM New construction

Portal, Oslo	Very Good
Innopoli 3D, Espoo	Good

## Building ratings and environmental labels help in developing eco-efficiency in a systematic and comparable way.

management of existing buildings. All major organic growth projects are certified as well as all applicable existing buildings. Building ratings and environmental labels help in developing eco-efficiency in a systematic and comparable way. They provide Technopolis with a competitive advantage, and their attainment helps in meeting the increasing interest among stakeholders.

We have invested considerably in developing the environmental performance of our properties through design and construction based on LEED building rating systems. By the end of 2016, Technopolis had 25 LEED-certified properties. In addition, one building on the Oslo and Espoo campuses each has been awarded the BREEAM certificate. This corresponds to 40% 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 and Tallinn have achieved a total of nine Green Office labels granted by WWF Finland by 2016. Oslo and Vilnius offices received the label in early 2017.

## 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 2016 among other efforts, energy-efficient building systems and lighting solutions, were piloted at new projects during the reporting period. For example, LED lighting and solar energy were installed for Yliopistonrinne phases 3 and 4 in Tampere. In addition, water efficient systems and taps with sensors were chosen and green areas were designed to require less irrigation.

To maintain biodiversity, the LEED projects conserved green areas and open space whenever possible, took storm water management and on-site infiltration into account, and a storm water management plan was prepared, if necessary. The completed construction projects in Finland and Estonia also prepared site-specific environmental



## Environmental Certification

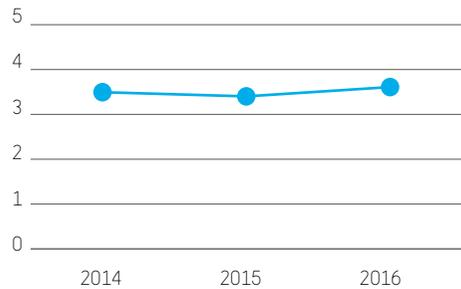
EPRA: Cert-Tot

### 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
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
Innova 1, Jyväskylä	Silver

Total amount (Cert. Tot) of m <sup>2</sup>	%
LEED Platinum	1
LEED Gold	32
LEED Silver	2
BREEAM	4
<b>Total</b>	<b>40</b>

## Indoor Air and Climate Satisfaction



## Own Offices, MWh (EPRA own office)

	2016	2015	2014
Electricity Consumption	1,029	692	656
Normalized Heat Consumption	953	566	546
District Cooling	23	19	22
Energy Intensity (KWh/gross m <sup>2</sup> )	293	296	295
CO <sub>2</sub> emissions (kg/gross sqm)	145	148	153
Water Consumption (m <sup>3</sup> )	1,501	1,461	1,319

risk management plans, presenting ways of controlling storm water, soil and dust runoff during the construction period. Corresponding measures will be continued in future projects as well. Special attention was also paid to waste management in the design and construction sites of new construction projects by providing extensive sorting and recycling facilities.

The choice of locations aimed to avoid areas with particular natural value, or which are protected or where endangered species can be found. The Technopolis Innopoli 3 property is located in the vicinity of the Laajalahti in Espoo Natura 2000 protected area and a park area of particular ecological value zoned as a recreational area. In addition, Technopolis owned a plot with a size of approximately 14,655 m<sup>2</sup> in the vicinity of the same area in Maarinranta, Espoo. The demands of the Natura 2000 area and bird nesting period are taken into account during construction and operation. The Technopolis construction sites have not caused the relocation of residents.

Energy consumption of Technopolis' construction sites has been estimated to total 1,800 MWh. Construction projects underway in 2016 included: the Delta building in Vilnius, Lõdtsa 12 in Tallinn, Ruoholahti 3 and Yliopistonrinne 3-4 in Tampere. The carbon footprint of Technopolis' indirect energy consumption is estimated to total 400 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 air volumes, filter choices, CO<sub>2</sub> monitoring of multi-user premises and construction-time purity control. Attention is paid to the low emissions of material choices, and the thermal comfort of the premises and the amount of daylight was optimized through high-quality design.

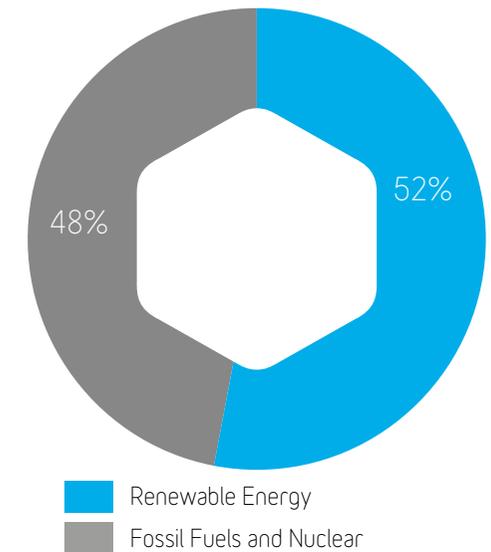
We monitor the indoor air quality through technical monitoring as well as mapping out customer's experience. The indoor air and climate satisfaction is surveyed 100% of campuses with its quarterly customer survey. Satisfaction is indicated on a scale of 1 to 5. In 2016, the respondents' average score was 3.6 increasing slightly from the previous year.

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 life-cycle responsibility of the properties. We have been actively developing the energy efficiency of the existing real estate stock during the reporting period. Energy efficiency and other green investments were initiated at several locations. Opportunities for savings observed in the audits or otherwise found to be efficient were generally replicated in the real estate stock. Facility maintenance partners have been involved in energy saving measures, and

## Energy Sources (Electricity and Heat)



## Breakdown of Energy Usage and Renewable Energy

	MWh	Group %
Electricity from renewable sources	95,640	42.5
Electricity from non-renewable sources	22,336	10.2
District heating from renewable sources	20,551	9.2
District heating from non-renewable sources	79,572	35.5
District Cooling	5,498	2.5
On-site Energy production (renewable)	294	0.1
<b>Total</b>	<b>223,890</b>	<b>100.0</b>

## Energy (MWh)

	Finland			Norway			Sweden		Estonia			Lithuania			Russia			Total			EPRA Sustainability BPR	Group Coverage rate
	2016	2015	2014	2016	2015	2014	2016	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014			
Energy																						99.4%
Electricity Consumption	81,127	78,494	83,506	14,186	14,771	10,133	1,805	9,352	8,376	8,069	6,203	6,012	6,341	5,303	4,956	5,562	117,976	112,608	113,610		Elec-Abs	
Heat Consumption	73,309	66,196	65,359	5,193	5,099	5,698	958				2,469	2,348	2,901	4,728	3,843	5,494	86,657	77,487	79,452		DH-Abs	
Normalized Heat Consumption	77,983	78,759	72,199	5,193	5,099	5,698	1,034				2,469	2,348	2,901	4,728	3,843	5,494	100,123	97,199	94,366		DH-Abs	
District Cooling	647	591	675	3,793	3,895	4,854	1,057	0	0	0	0	0	0	0	0	0	5,498	4,486	5,529		DC-Abs	
Fuels (MWh)	0	0	0	0	0	0	0	8,716	7,150	8,074	0	0	0	0	0	0	8,716	7,150	8,074		Fuel-Abs	
On-site Energy production (renewable)	259							35									294					
Total Energy Consumption	160,016	157,844	156,379	23,172	23,765	20,685	3,897	18,103	15,526	16,143	8,672	8,360	9,242	10,031	8,800	11,055	223,890	214,294	213,505			
Energy Intensity (KWh/gross m <sup>2</sup> )	230	222	222	217	222	267	203	191	180	195	171	165	214	221	194	244	221	215	232		Energy-Int	
Change % 2016/15	3%			-2%				6%			4%			14%			4%					

The coverage of energy indicators and associated GHG disclosure is 99.4% measured by gross m<sup>2</sup> of Technopolis Group's properties. Energy intensity and total Energy consumption is calculated with weather corrected (normalized) heat consumption for Finland and Sweden. The figures include the consumption in customer spaces.

## Energy Like-for-Like<sup>1)</sup> (MWh)

	Finland		Estonia		Russia		Total		EPRA Sustainability BPR	Group Coverage rate <sup>1)</sup>
	2016	2011	2016	2011	2016	2011	2016	2011		
Energy Like-for-Like <sup>1)</sup>										100%
Electricity Consumption	42,261	46,187	5,510	6,473	3,091	3,597	50,861	56,257	Elec-LfL	
Heat Consumption	39,078	36,332			2,245	3,166	41,323	39,498	DH-LfL	
Normalized Heat Consumption	40,045	39,201			2,245	3,166	48,170	48,443	DH-LfL	
District Cooling									DC-LfL	
Fuels (MWh)			5,881	6,076			5,881	6,076	Fuel LfL	
Total Energy Consumption	82,306	85,388	11,391	12,549	5,335	6,763	99,032	104,700		
Energy Intensity (KWh/gross m <sup>2</sup> )	238	247	205	226	227	288	233	246	Energy-Int	
								-5%	Change % 2016/11	
								-12%	Group Target by 2020	

<sup>1)</sup> Like-for-Like portfolio is based on 2011-2016 portfolio, hence Sweden, Norway and Lithuania business units (acquired after 2011) are excluded from the LfL numbers. Like-for-Like portfolio represents 42% of the whole portfolio, inside the LfL portfolio the reporting coverage is 100%.

The year 2011 was chosen as the baseline year for energy and water consumption and CO<sub>2</sub> emissions, as comprehensive quarterly data was readily available. In 2017 we will update the energy target calculation and update the Like-for-Like portfolio calculation.

the environmental goals of Technopolis have been implemented for them as part of the contractual reward structures.

In addition to the current energy-saving target of 12% (from 2011 to 2020), Technopolis is a signatory in an energy efficiency agreement in Finland for commercial premises and had thereby committed to an energy saving target of 6% by the end of 2016. 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.

Of the 223,890 MWh of energy used by Technopolis in 2016 52% was from renewable sources. In addition to procured energy we have on-site electricity production with solar panels amounting to 51 MWh, the energy piles in Innova Jyväskylä produced 219 MWh heat and 25 MWh cooling. The amount of renewable on-site production increased 19% compared to last year.

The energy intensity of the Group's like-for-like properties included in quarterly reporting was 233 kWh/gross square meters, decreasing by approximately 5.4% compared to 2011. The change in energy intensity over the period is due to energy audits, investments, operational savings measures, and changes in occupancy rates and uses. Like-for-Like energy intensity increased 3% compared to 2015. This was mainly due to the increase in district heating consumption. The winter was slightly cooler than in 2015, which

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

	Finland	Norway	Sweden	Estonia	Lithuania	Russia	Total		Group Coverage rate	
<b>Scope 1 and 2</b>										
<b>EPRA: GHG-Dir-Abs, GHG, Indir-Abs, GHG-Int</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	99.4%
<i>Market based emissions</i>										
Gas	0	0	0	1,553	0	0	1,553	0	0	
Scope 1 total	0	0	0	1,553	0	0	1,553	0	0	
Electricity	0	0	603	8,763	751	2,211	12,328	9,835	9,300	
District Heating	15,348	914	49	0	650	1,972	18,932	21,047	21,836	
District Cooling	40.1	235.2	0.0	0.0	0.0	0.0	275.3	270.4	333.1	
Scope 2, total	15,388	1,149	652	8,763	1,401	4,183	31,535	31,153	31,470	
<b>Total</b>	<b>15,388</b>	<b>1,149</b>	<b>652</b>	<b>10,315</b>	<b>1,401</b>	<b>4,183</b>	<b>33,088</b>	<b>31,153</b>	<b>31,470</b>	
CO <sub>2</sub> emissions (kg/gross sqm)	22	11	17	109	29	92	33	35	41	
<i>Location based emissions</i>										
<b>Total</b>	<b>32,343</b>	<b>1,390</b>	<b>652</b>	<b>10,315</b>	<b>1,554</b>	<b>4,183</b>	<b>50,437</b>			

Absolute emissions are calculated based on both, market and location based method. For our target setting we use market based emission factors.

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.

affected the consumption as we only weather correct the district heating consumption of our properties in Finland.

In accordance with reporting to Motiva pursuant to the energy agreement for commercial properties, the measures carried out throughout the agreement period achieved a total savings of around 8000 MWh.

## Carbon Dioxide Emissions

The carbon footprint of all Technopolis Group's properties, was 33 kg/gross square meters and emissions totaled 33,088 metric tons (31,153 t). The carbon footprint of like-for-like properties was 40 kg/gross square meters and emissions 17,209 metric tons (17 549 t). Compared to the previous year, the carbon footprint of the energy consumption of Technopolis' like-for-like properties per square meter decreased by 2%, and the footprint of all

properties monitored decreased by 6 % when measured by square meter.

The carbon emission factors were updated in 2016 and hence the numbers are not entirely comparable between the years.

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. In accordance with the

report to Motiva under the energy efficiency agreement for commercial premises, the reported energy efficiency measures carried out throughout the agreement period equal a reduction of approximately 1800 metric tons of CO<sub>2</sub> emissions. Calculated by using Motiva's CO<sub>2</sub> factor for combined heat and power (220 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.

## Carbon Dioxide (tCO<sub>2</sub>), Like for-Like <sup>1)</sup>

	Finland		Estonia		Russia		Total		Group Coverage rate <sup>1)</sup>
	2016	2011	2016	2011	2016	2011	2016	2011	
<b>EPRA: GHG-LfL, GHG-Int</b>									100%
Scope 1			1,170	4,278			1,170	4,278	
Scope 2	8,651	23,095	5,163	4,557	2,225	2,144	16,039	29,796	
CO <sub>2</sub> emissions (kg/gross sqm)	25	67	114	159	95	91	40	80	
									-49% Change % 2016/11
									-60% Group Target by 2020

<sup>1)</sup> Like-for-Like portfolio is based on 2011-2016 portfolio, hence Sweden, Norway and Lithuania business units (acquired after 2011) are excluded from the LfL numbers. Like-for-Like portfolio represents 42% of the whole portfolio, inside the LfL portfolio the reporting coverage is 100%.

The year 2011 was chosen as the baseline year for energy and water consumption and CO<sub>2</sub> emissions, as comprehensive quarterly data was readily available. In 2017 we will update the energy target calculation and update the Like-for-Like portfolio calculation.

## Water

The water intensity of all Technopolis Group's properties was 5,495 l/FTE/year and the total consumption 284,144 m<sup>3</sup>/year. The water consumption per user of all Technopolis Group buildings increased by 7% compared to the previous year mainly due to increased tenant consumption.

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 the aim has been to replicate and implement them at least at the audited sites. Investments were made relating to the low water consumption of 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 2016. The meetings were arranged quarterly, and they 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 the waste facilities' functionality and waste transportation was carried out in Finland, in cooperation with our waste management partner.

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.

## Water Consumption

	Finland	Norway	Sweden	Estonia	Lithuania	Russia	Total	Group Coverage rate
<b>EPRA: Water-abs, Water-Int</b>								99.4%
Water Consumption (m <sup>3</sup> )								
2014	192,124	32,241		17,796	23,248	16,446	281,855	
2015	142,811	24,665		23,325	25,078	26,769	242,648	
2016	175,572	24,001	8,913	26,791	23,094	25,773	284,144	
Water Intensity (l/FTE/year)	5,048	8,073	5,243	4,489	6,052	10,426	5,495	
Water Intensity (l/FTE/day)	14.2	22.7	14.7	12.6	17.0	29.3	15.1	

The share of estimated consumption is under 1%.

## Water Consumption Like-for-Like <sup>1)</sup>

	Finland		Estonia		Russia		Total		Group Coverage rate <sup>1)</sup>
	2016	2011	2016	2011	2016	2011	2016	2011	
<b>EPRA: Water-Lfl, Water-Int</b>									100%
Water Consumption (m <sup>3</sup> )	104,159	90,450	15,094	12,097	15,839	9,188	135,092	111,735	

<sup>1)</sup> Like-for-Like portfolio is based on 2011-2016 portfolio, hence Sweden, Norway and Lithuania business units (acquired after 2011) are excluded from the LfL numbers. Like-for-Like portfolio represents 42% of the whole portfolio, inside the LfL portfolio the reporting coverage is 100%

Water intensity (m<sup>3</sup>/person) was removed from the quarterly followed figures in the end of 2016 as the calculation method for number of people was updated, and hence 2011 and 2016 are incomparable. A new reduction target will be established in 2017.

Recycling rate, including the incineration of waste into energy, of properties was 72% in 2016, the number excludes construction sites. Waste management data was collected by disposal method and waste fraction in all operating countries in 2016. 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.

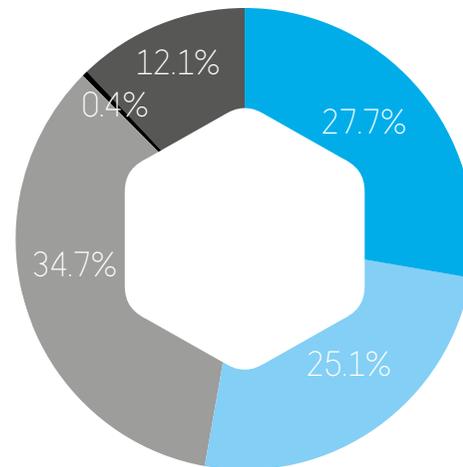
The customers are mainly responsible for the special waste fractions caused by their operations, such as WEEE and toxic waste, even though Technopolis does arrange annual common WEEE and hazardous waste collections at the campuses. Technopolis has no data available for the amounts of WEEE and hazardous waste produced by customers. The amount of hazardous waste in 2016 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.

## Waste Amount by Disposal Method (t)

	Finland	Norway	Sweden	Estonia	Lithuania	Russia		Total		Group Coverage rate
	2016	2016	2016	2016	2016	2016	2016	2015	2014	
<b>EPRA: Waste-Abs</b>										98%
Reused, recycled and recovered	566	35	2	209	84	9	907	739	585	
Composted	390	40	0	6	0	0	437	480	209	
Specially treated	3	11	0	0	0	0	13	10	0.1	
Incinerated	1,089	159	4	0	0	0	1,255	630	655	
Landfilled	0	0	0	286	548	167	1,001	1,227	450	
<b>Total</b>	<b>2,048</b>	<b>244</b>	<b>5</b>	<b>502</b>	<b>632</b>	<b>176</b>	<b>3,613</b>	<b>3,086</b>	<b>1,899</b>	
Recycling Rate %	100%	96%	100%	43%	13%	5%	72%	60%	76%	
Waste Amount per Person (kg/FTE)	59	82	6	84	177	71	71	65	41	

The share of estimated data is under 1%.

## Waste by Disposal Method



## Waste by disposal method, Like-for-Like

	Group Lf-L 2016		Group L-f-L 2015	
Coverage 100%	t	%	t	%
Reused, recycled and recovered	500	26	515	28
Composted	321	16	365	20
Specially treated	2	0	2	0
Incinerated	911	47	510	28
Landfilled	225	11	443	24
<b>Total</b>	<b>1,959</b>	<b>100</b>	<b>1,834</b>	<b>100</b>

<sup>1)</sup> Like-for-Like portfolio is based on the 2011-2016 portfolio.



## Paper Consumption

As part of Technopolis' Green Office activities, information on the amount of paper consumed was collected at the labeled offices in 2016. 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, the 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 2,650 kg of paper, which is 18% less than 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, boat, bus, 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 1,360,151 km during the reporting year, increasing by 2% from the previous year. The number of kilometers traveled per person increased by 1% from the previous year.

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

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

	Share of Business Travel			CO <sub>2</sub> Emissions, kg		
	2016	2015	2014	2016	2015	2014
Flights	87%	86%	90%	165,768	164,631	250,028
Train	6%	7%	5%	5,778	3,378	1,687
Car	6%	7%	5%	12,522	12,592	9,209
Boat	0.2%	0.1%	-	558	330	-
Total	100%	100%	100%	184,626	180,932	260,924

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 150 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 and Norwegian campuses 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.

In addition, Technopolis has prepared commuting plans for its own offices in the Helsinki Metropolitan Area in cooperation with Helsinki Region Transport. The purpose of the commuting plans is to develop smart and ecological travel among employees. As a result of the plans, the locations adopted public transport timetable displays and bus stop maps.

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

## Skilled and Motivated Employees



## From the Stakeholder

“At Technopolis, the commitment and engagement of the employees is clearly higher than within the control group for specialist organizations. Technopolis employees think positively about the future of the company, they trust the senior management, and they feel that the reward system is fair.”

Terhi Giorgiani, Corporate Spirit, Research Manager

An inspiring and positive corporate culture is not possible without purposeful work and common values. Results are achieved when the company has encouraging targets and achievements are rewarded. At Technopolis, compatibility between employees' and the employer's values are at the center, starting from the recruitment process.

## Financially Successful and Inspiring Workplace

Technopolis monitors the job satisfaction and commitment of its personnel with an extensive employee engagement survey every two years. In the most recent personnel survey, Technopolis received an overall assessment of AA+, the second-best score in the scale used, and was recognized as one of the most inspiring workplaces in Finland. Related to the result, the leading Finnish business daily *Kauppalehti* gave Technopolis an award as

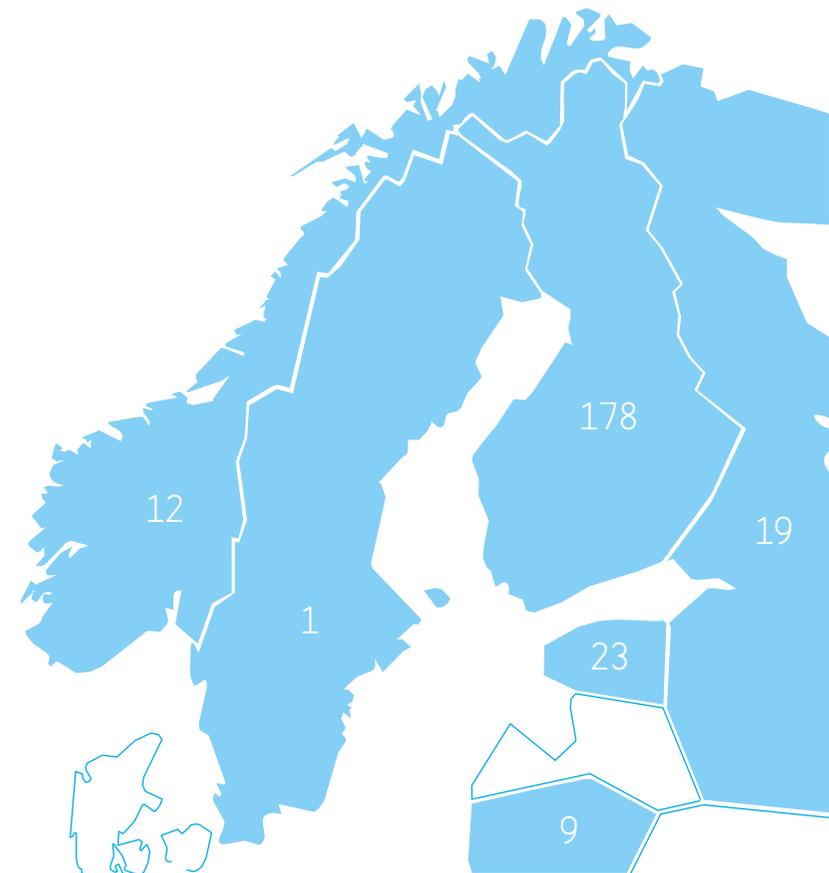
the most financially successful and inspiring workplace. This was great recognition for the special combination of drive, service and integrity that is Technopolis. The survey will be carried out again during 2017 by an external professional party.

The job satisfaction of our employees is also monitored frequently with the “Personnel Feeling Scale” measurement once every two months. The survey is carried out by text message. It provides a quick picture of the current work situation and the job satisfaction of the entire organization and each unit. The units' supervisors can quickly react to any changes in the results with the support of HR.

## Performance Management and Remuneration

All Technopolis employees undergo a performance appraisal with their supervisors

## Employees by Country



## Gender Distribution



## Average Age



39 years

## Personnel Key Figures

	2016	2015	2014
Total number of employees <sup>1)</sup>	242	247	220
Active	223	227	208
On long leave	19	20	12

## Employees by Country<sup>1)</sup>

	2016	2015	2014
Finland	178	186	164
Norway	12	14	12
Sweden	1	-	-
Estonia	23	21	17
Lithuania	9	6	6
Russia	19	20	21

## Employment Type<sup>1)</sup>

	2016	2015	2014
Permanent employees/ Fixed-term employees, %	93/7	91/9	98/2
Female/male percentage of fix-term work	65/35	-	-
Full-time employees/Part-time employees, %	96/4	96/4	98/2
Female/male percentage of part-time work	64/36	100/0	100/0

## Gender Equality

	2016
Female/male percentage <sup>1)</sup>	74/26
Group Management Team	20/80
Senior management	31/69
Middle management	56/44
Specialists	86/14
Other employees	93/7

## Years at Technopolis, Percentage of personnel<sup>1)</sup>

	2016
Less than 2 years	27
2 years - less than 5 years	28
5 years - less than 15 years	40
At least 15 years	5

<sup>1)</sup> 31 December 2016

in January–February or at the beginning of their employment. Setting the objectives for the year is an important part of the performance appraisals. The discussion reviews issues related to employees' work, their development at work and career path, and the company's Code of Conduct. It also examines success with regard to the previously set objectives.

Technopolis has 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 and leadership reviews.

## Employing and Developing Competent People

We aim to recruit competent and motivated employees who are committed to working towards attaining the goals set for them and acting in accordance with Technopolis' values. Technopolis recruits local talent familiar with the local markets. Most open positions are announced on our intranet, giving all current employees the possibility to apply. During 2016, we were able to offer internal recruitment possibilities and career growth to several employees.

The typical employment relationship at Technopolis is permanent and fulltime. The reasons for fixed-term employment contracts were family leave, alternation leave, or work of a project nature. All part-time workers are working part-time at their own request to find a better work-life balance. Temporary employees at Technopolis mainly work in short-term customer service duties

where the most flexible solution is to use external labor.

We continued to organize company-wide classroom training focusing on sales, customer service, and supervisory work. Various internal training and coaching sessions were also held on several topics in-house. Many employees have also been able to take part in a variety of task-specific professional training courses to update their skills outside the company.

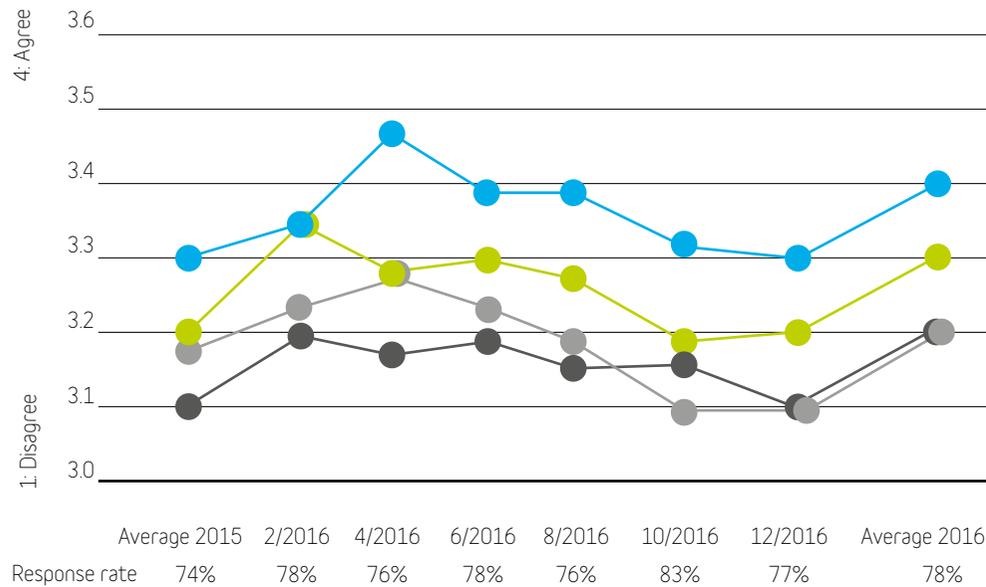
A new e-learning portal was introduced at the end of 2016 that can be accessed by all employees. The first e-learning module was on the Code of Conduct, and all employees are required to take it. During 2017, there will be more modules on several themes. Information about new e-learning modules, training possibilities, and other HR topics is now also shared in the monthly HR Newsletter.

## Well-being at Work

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 regular employees and those employed for a longer fixed term or temporarily as full-time employees support for dental care. Technopolis also offers support for sports and cultural interests.

The merged occupational health and safety committee and the advisory board in charge of statutory employer-employee consultations are elected from among the personnel for two years at a time. With regard to occupational health and safety, the committee reviews plans, development and measures related to

## Employee Feeling Scale



- Q1: I enjoy my work
- Q2: My workload is suitable
- Q3: My work tasks and responsibilities are well defined
- Q4: I feel that I'm being treated fairly

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 e.g. the principles and practices followed in recruitment, the equality plan, and the annually prepared personnel plan and training objectives.

The occupational health and safety committee and the advisory board in charge of statutory employer-employee consultations operate in Finland. Their operations cover approximately 75% of the Group's personnel. The aim has been to take diversified representation into account in the makeup of these panels, both geographically and by personnel group.

## Employee Turnover During the Year

	2016	2015	2014
New contracts including short-time substitutions, total	37	55	27
New employees of the total personnel, %	15	23	12
Employees left Technopolis, including short-time substitutions, total	34 <sup>2)</sup>	35	26
Turnover rate, % <sup>1)</sup>	14 <sup>2)</sup>	15	12

## Training Days

	2016	2015	2014
Employees who took part in training, %	78	80	62
Training days during the year	592	655	524
Training days per employee	2.4	2.7	2.38
Training days by employment group, %			
Senior management <sup>3)</sup>	18	16	20
Middle management	29	39	45
Specialists	29	15	10
Other employees	24	30	25
Female/male percentage of training hours	74/26	78/22	66/34

## Sick Days and Work-related Accidents

	2016	2015	2014
The absentee rate, %	1.75	-	-
Finland	1.7	2.0	3.2
Norway	3.1	4.7	2.9
Sweden	0	-	-
Estonia	0.7	0.9	0.6
Lithuania	0.6	0.5	1
Russia	3.2	2.8	3
Accidents during actual working hours	7	2	0
Fatalities	0	0	0

<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.

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

# 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 & exceed expectations

## Integrity

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

Values and ethics provide the foundation for Technopolis' responsible operations. By operating ethically, we ensure risk-free value creation to 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's 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 commit themselves to them. With 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 sustainability strategy and Code of Conduct are prepared and updated jointly by the CEO, Legal and Sustainability functions. The company's Board of Directors reviews and approves the sustainability strategy 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.

In the end of 2016 a new Code of Conduct e-learning program was launched to help employees familiarise themselves with the Code. When creating the new tool, emphasis was given to make the training as practical as possible and close to employees everyday life. This new training was undergone by 27 % of employees. The target for 2017 is to grow this share to 100%.

## Reporting of Breaches

We have appointed a separate Compliance Officer to oversee compliance of the operations of the company 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, and that stakeholders have been informed of these channels. Observed breaches of the Code of Conduct are corrected without delay, and disciplinary action is taken.

A report can be filed anonymously and breaches are reviewed confidentially. From the beginning of 2017 there is a new web-

based whistleblowing system 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.

## 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 carried out in 2016, with respondent rate of 85%. The overall results improved compared to 2013. The most common situations in which people feel discriminated concern career development, salary and distribution of work tasks. We were happy to see that factors like gender equality and work life balance had developed positively. The results were reviewed by management and business units.

## Anti-Corruption and Election Campaigns

Code of Conduct specifies that Technopolis and its employees are not allowed to pay

or 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 measures were observed or reported in 2016.

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

## Procurement

Technopolis suppliers are expected to review the Code of Conduct and reporting procedures



## Case: Charity and Activity in Communities

Technopolis aims to operate responsibly in its community and wants to work actively to help communities to grow and prosper. Charity is an excellent way to support employees who are active in their communities and also gives the employees the opportunity to work for their selected charity and acquire new experiences. Technopolis has adopted a charity policy to harmonize the way in which it supports charity.

Technopolis' charity activities must be aligned with our strong values. The aim of these activities and donations is to:

- Encourage employees to take part in voluntary work and be involved in the local community through voluntary programs.
- Promote and increase the visibility of Technopolis in its community.
- Support local charity organizations and groups.

Technopolis has voluntary work program to support charity, making it possible for every employee to use one work day a year for voluntary work. Our target is to increase the share of participating employees to 100%



to the extent presented on the website and as attachments in agreements, and comply with them as part of the cooperation, both in terms of ethical choices and environmental friendliness. 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 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 significant cooperation agreements, whose annual total value exceeds EUR 50,000

and 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 for child and forced labor have been 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.

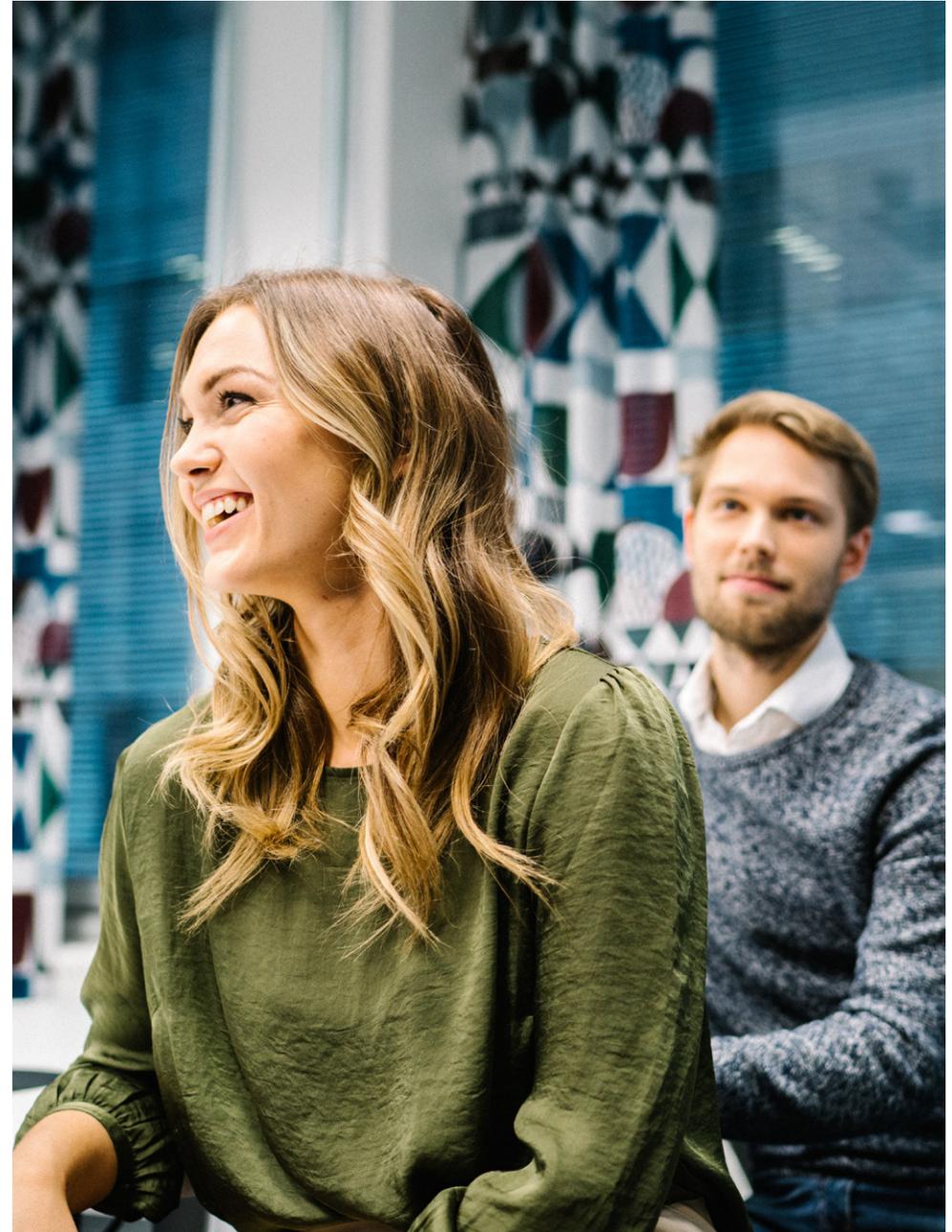
#### Supplier Audit and Green Purchases

Of the procurement contracts made by Technopolis with suppliers during the reporting period, 24 included the Supplier Code of Conduct. During the reporting period, Technopolis did not separately monitor the assessed suppliers' percentual share of total supplier transactions, or the payments made to them. This was due to the challenging nature of data collection. Technopolis is, however, planning to develop the monitoring in the future.

Technopolis' Green Procurement Guide is used in its Finnish and Estonian 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 2016.

During the reporting year, environmental friendliness was emphasized in tendering cleaning and waste management 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 followed a CO<sub>2</sub> emission limit of 150 g/km for company cars in all of our business units.



# Reporting and Accounting Policies and Limitations

## Reporting Principles and Limitations

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

Previously reported information has been, to a minor extent, specified by omitting the sites divested and parking facilities included in separate metering, as well as their environmental impacts from the like-for-like properties.

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. In customer satisfaction survey the group of respondents has been specified further with regard to the contact persons and decision makers.

The report applies GRI's most recent G4 framework and Construction and Real Estate Sector-Specific (CRESS) recommendations for the content of sustainability reporting and reporting principles. The coverage of reporting with regard to the GRI's G4 reporting guidelines is presented at the end of the reporting as the GRI Index table on pages

38–42. Technopolis' Sustainability Report for 2016 complies with the GRI G4 guideline's "Core" level. Sustainability Report for 2016 has not been externally verified.

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 2018.

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

## Calculation Principles and Limitations

The reporting on environmental responsibility complies with the most recent guidelines from EPRA (European Public Real Estate Association) on the measurement units of the indicators and description of consumption intensity. The reporting of environmental responsibility indicators 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 Gärda campus, acquired in July, is included in the environmental data from July on. The environmental data of Lappeenranta and Medipolis campuses, divested in November, is included in the data from the period 1–11/2016. The denominators used to calculate intensity figures have been adjusted accordingly.

With regard to energy, the indicators are comprised of Technopolis' on-site produced (EPRA Scope 1) and purchased (EPRA Scope 2) 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 public and technical areas of Technopolis properties. In order to obtain a comprehensive view of the ecological footprint, the report surveys total consumptions, which includes consumption in customer spaces and technical and public areas. In most of the properties Technopolis

procures the electricity for customer areas. The carbon dioxide indicators scope 1 and 2 are based on the total energy consumption of all these spaces.

The energy indicator 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 for 2016 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 CO<sub>2</sub> emission factors of the IEA, 2011 (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 and Norway, national average emission factors provided by Motiva and NVE, and for Russia country-specific CO<sub>2</sub> emission factor of the IEA were used. For all other countries, the 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.

With regard to indirect carbon dioxide emissions, emissions caused by business travel by Technopolis employees have been reported (EPRA Scope 3) for all units.

With regard to waste and water consumption, the figures describe the total amounts and consumption of the properties. The indicators 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. The numbers of users have been estimated based on the number of access cards.

With regard to some environmental indicators, Technopolis reports both the consumption of all properties, and, for the sake of comparison, also figures for the like-for-like properties included in quarterly reporting. With regard to information for comparable properties, the aim has been to keep the group of properties the same (like-for-like) and that comparable consumption figures can be found for all properties for the period 2011 - 2016 for energy and water consumption, as well as for the carbon dioxide emissions of energy consumption. The Like for Like figures calculation will be updated in 2017. The consumption figures are measured, remotely or manually read, figures reported by the in-

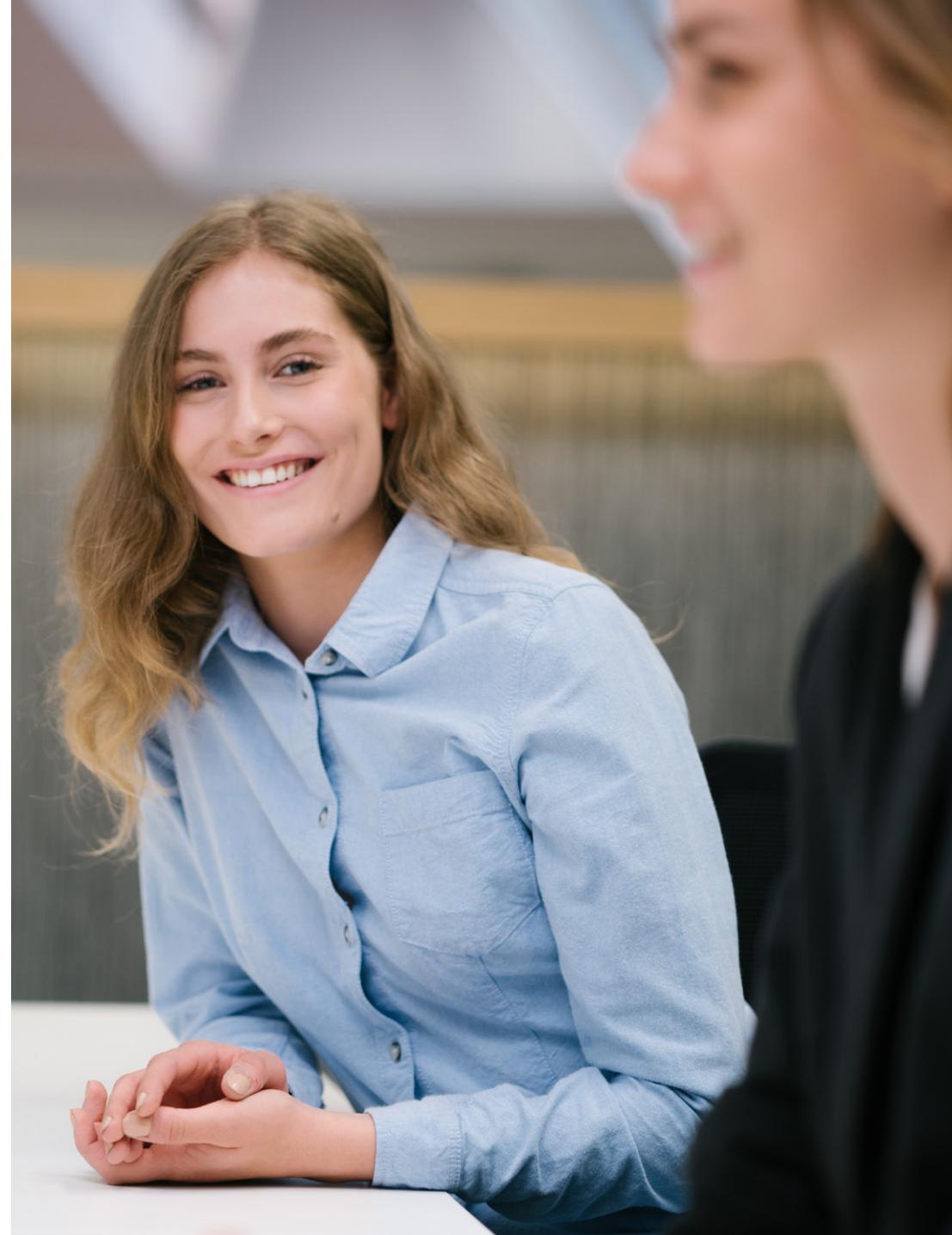
house Facility Manager team, and partners. The group of like-for-like properties for the waste-related objectives differ from the baseline group for energy and water consumption and CO<sub>2</sub> emissions due to site-specific availability of data. The reporting covers all Technopolis' operations in all countries, and there are no specific grounds for limiting the extent of the report. The financial indicators 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 indicators.

## 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.



Theme	Smart Parks	Sustainable Efficiency
Points of view and indicators	<p>Product and service labeling  Customer and user satisfaction (G4-PR5)  Financial performance and indirect financial effects  Financial profitability of operations and future growth  Generating economic added value and distributing it to stakeholders (G4-EC1)  Involvement and investment in the community (G4-EC8)</p>	<p>Energy: Energy efficiency in products and services and Use of renewable energy sources (G4-EN3, G4-EN6, CRE8)  Water: Water use in properties (G4-EN8, G4-EN10, CRE-2)  Emissions: Decrease in CO2 emissions (G4-EN15-18)  Efficient travel (G4-EN17)  Products and services (G4-EN27, CRE-5)  Waste management and sorting (G4-EN23)  Biodiversity - Observing environmental aspects in construction (G4-EN11)  Product responsibility: Healthiness, safety, and accessibility of buildings and services (G4-PR1)</p>
Policies and commitments	Smart Parks Concept Manual to ensure the uniformity of spaces and services.	<p>Sustainability strategy and sustainability action plan  Energy audit  Energy efficiency plan  Design Guide  Energy efficiency agreement for premises</p>
Objectives	<p>Technopolis' strategic financial objectives are described in the Annual Report 2016  Development of a uniform Smart Parks network.  Annual separate objectives concerning Group Management team, 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.</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, p. 16-25.</p>
Resources and responsibilities	<p>The Director, Real Estate Operations, is responsible for managing the integration and harmonization measures pursuant to the Smart Parks Concept Manual, and reports to the CEO. The business units or the manual implementation team are responsible for implementing the individual measures. The compliance of the office campuses with the concept is assessed by an audit team that supports the business units in listing the harmonization measures and investments in the annual development plans of the campuses. The Director, Real Estate Operations, 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 sustainability strategy 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 manager in charge of Property Management and maintenance of Real Estate assets and the Real Estate Controller.</p>
Measures	<p>During the reporting year, all Smart Parks office campuses were audited, harmonization investments and measures were made and concept development was carried out.  Customer satisfaction and decision-maker surveys events and other development of communality.  Five Star customer service program, which supports the customer service operation of employees when working with internal and external customers.</p>	<p>Updating the sustainability strategy.  The other key measures during the reporting year are described on pages 16-25 under Sustainable Efficiency.</p>

## Skills & Integrity

## Skills

## Integrity

Points of view and indicators

Employment and Motivation of personnel (G4-LA1-LA2)  
 Employer-employee relations (G4-LA4)  
 Training - Development of personnel competence (G4-LA9-LA11)  
 Occupational health and safety (G4-LA5-6)  
 Diversity and equal opportunities (G4-LA12)  
 Remuneration of the management (Corporate Governance)

Supplier Environmental Assessment (G4-EN32)  
 Supplier Assessment for Labor Practices (G4-LA14)  
 Surveys of suppliers' human rights (G4-EN34)  
 Code of Conduct (G456-58)  
 Anti-discrimination (G4-HR3)  
 Anti-bribery and anti-corruption activity (G4-SO3-SO5)  
 Political influence (G4-SO6)  
 Restriction of competition (G4-SO7)  
 Compliance (G4-SO8, G4-PR9)  
 Risk management (G4-2, G4-45-47)  
 Corporate Governance (G4-34-55)

Policies and commitments

Personnel plan  
 Training plan  
 Occupational health and safety action plan  
 Equality plan  
 Code of Conduct for employees and suppliers  
 Charity Policy

Requiring Technopolis employees, supply chain, and partners to comply with the Codes of Conduct.  
 Green Procurement Guide  
 Risk management policy and monitoring tools

Objectives

Committed and competent  
 Personnel

According to the Green Procurement Guide, the greener option of two products or services of the same price is to be chosen.  
 The objectives related to risk management are described in the Annual Report 2016.

Resources and responsibilities

The HR Director 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 2016.  
 The Sustainability Manager and the Director, Legal Affairs, 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 in the Annual Report 2016.  
 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.

Measures

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.

The other key measures during the reporting year are described on pages 26 -29 under Skills and Motivation.

Code of Conduct review with the employees annually in connection with the performance reviews. The measures related to risk management are described in the Annual Report 2016.

The other key measures during the reporting year are described on pages 30-33 under Integrity.

# GRI Index

GRI G4 Reporting scope in accordance with "Core"

AR = Annual Report, SR = Sustainability Report , CGS = Corporate Governance Statement

GRI G4	EPRA Sustainability BPR	Content	Page
<b>GENERAL STANDARD DISCLOSURES</b>			
<b>Strategy and Analysis</b>			
G4-1		CEO's review	SR 3, AR 4
G4-2		Key impacts, risks, and opportunities	AR 23
<b>Organizational Profile</b>			
G4-3		Name of the organization	SR 2
G4-4		Primary trademarks, brands, products, and services	SR 2
G4-5		Location of the organization's headquarters	<a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
G4-6		Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics	SR 2, AR 3
G4-7		Nature of ownership and legal form	SR 2, AR 3
G4-8		Markets served	SR 2, AR 3
G4-9		Scale of the reporting organization	SR 3, CGS 9
G4-10		Total workforce by employment type and employment contract, by region and gender	SR 14, 27-28
G4-11		Coverage of collective bargaining agreements <sup>1)</sup>	
G4-12		Supply chain of the organization	SR 9-10
G4-13		Significant changes during the reporting period regarding the organization's size, structure, ownership or supply chain	SR 34-35
G4-14		Implementation of the prudence principle	SR 4-5, 7, 28
G4-15		Subscribed or endorsed externally developed principles or initiatives	SR 5
G4-16		Memberships in associations and advocacy organizations	SR 11

<sup>1)</sup>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.

## Identified Material Aspects and Boundaries

G4-17	Reporting boundary for the organization	SR 3, 5 CGS 9, SR 34-35
G4-18	Process for defining the report content	SR 5, 34
G4-19	Material Aspects identified	SR 5
G4-20	Aspect Boundary within the organization for each material Aspect	SR 5
G4-21	Aspect Boundary outside the organization for each material Aspect	SR 5
G4-22	Restatements of information provided in previous reports	SR 34-35
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	SR 34-35

## Stakeholder Engagement

G4-24	List of the organization's stakeholder groups	SR 8
G4-25	Basis for identification and selection of stakeholders	SR 8
G4-26	Approach to stakeholder engagement	SR 8-11
G4-27	Key topics and concerns that have been raised through stakeholder engagement	SR 11

## Report Profile

G4-28	Reporting period	SR 34
G4-29	Date of most recent previous report	SR 34
G4-30	Reporting cycle	SR 34
G4-31	Contact point for ordering the report or questions regarding its contents	SR 42
G4-32	GRI Content Index	SR 38-41
G4-33	Policy and current practice regards to seeking external assurance for the report	SR 34

## Governance

G4-34	Governance structure	SR 24, CGS 2
G4-35	Process for delegating authority for sustainability topics	SR 5-7, AR 24-28
G4-36	Executive-level positions with responsibility for sustainability topics	SR 5-6
G4-37	Processes for consultation between stakeholders and the highest governance body	SR 8-11
G4-38	Composition of the highest governance body and its committees	AR 26-27, CGS 3-6
G4-39	Position of the Chair of the highest governance body	AR 26, CGS 5
G4-40	Nomination and selection processes for the highest governance body and its committees	AR 25
G4-41	Avoiding conflicts of interest	AR 24-28, CGS 2-8
G4-42	Role of the highest governance body in setting purpose, values and strategy	SR 5, AR 24-28, CGS 5-7
G4-43	Measures taken to enhance the highest governance body's knowledge of sustainability topics	SR 36-37
G4-44	Evaluating the highest governance body's performance with respects to sustainability topics	SR 36-37
G4-45	Role of the highest governance body in the identification and management of risks and opportunities	AR 24-28, CGS 2-8
G4-46	Role of the highest governance body in reviewing the risk management processes	AR 24-28, CGS 2-8
G4-47	Frequency of the highest governance body's review of risks and opportunities	AR 22, CGS 8-10
G4-48	Highest committee or position to formally approve this report and its materiality review	SR 36-37
G4-49	Process for communicating critical concerns to the highest governance body	SR 30-31, 36-37
G4-50	Critical concerns communicated to the highest governance body	SR 30-31, 36-37
G4-51	Remuneration policies for the highest governance body and senior executives	AR 28, CGS 7-8, <a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
G4-52	Process for determining remuneration	AR 28, CGS 7-8, <a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>
G4-53	Inclusiveness of stakeholders' views regarding remuneration	AR 28, CGS 7-8, <a href="http://www.technopolis.fi/en">www.technopolis.fi/en</a>

## Ethics and Integrity

G4-56	Values and Code of Conduct	SR 4, 30-31, AR 20
G4-57	Mechanisms for finding advice on ethical and lawful behavior, and matters related to organizational integrity	SR 30-31
G4-58	Reporting concerns about malpractice	SR 30-31

## SPECIFIC STANDARD DISCLOSURES

### Disclosures on Management Approach

G4-DMA	Generic disclosure on management approach	SR 36-37
G4-DMA	Material Aspect specific disclosures on management approach	SR 36-37

## FINANCIAL RESPONSIBILITY

### Economic performance

G4-EC1	Direct economic value generated and distributed	SR 8-10, 14-15, AR 8-12
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	SR 17- 25
G4-EC3	Coverage of the organization's defined benefit plan obligations	SR 9
G4-EC4	Financial assistance received from government	SR 9

### Indirect Economic Impacts

G4-EC8	Significant indirect economic impacts and their extent	SR 14-15, AR 8-12
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## ENVIRONMENTAL RESPONSIBILITY

### Energy

G4-EN3	Elec-Abs, DH&C-Abs, Fuels-Abs	Energy consumption within the organization	SR 18 -20
G4-EN4		Energy consumption outside of the organization	SR 18
CRE1	Energy-Int	Energy intensity of buildings	SR 18 -20
G4-EN5		Energy intensity	SR 18-21
G4-EN6		Reduction of energy consumption	SR 17-20
G4-EN7		Reductions in energy requirements of products and services	SR 18 -20

### Water

G4-EN8	Water-Abs	Total water withdrawal by source	SR 22
G4-EN10		Percentage and total volume of water recycled and reused	SR 22
CRE2	Water-Int	Water intensity of buildings	SR 22

### Biodiversity

G4-EN11		Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value	SR 17-18
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### Emissions

G4-EN15	GHG-Dir-Abs	Direct greenhouse gas (ghg) emissions (scope 1)	SR 20-22
G4-EN16	GHG-Indir-Abs	Indirect greenhouse gas (ghg) emissions (scope 2)	SR 20-22
G4-EN17	GHG-Indir-Abs	Other indirect greenhouse gas (ghg) emissions (scope 3)	SR 20-22
G4-EN18		Greenhouse gas (ghg) emissions intensity	SR 20-22
CRE3	GHG-Int	Greenhouse gas (ghg) emissions intensity of buildings	SR 18-22
G4-EN19		Reduction Of Greenhouse Gas (ghg) Emissions	SR 17-22

## Effluents and Waste

G4-EN23	Waste-Abs	Total weight of waste by type and disposal method	SR 22-24
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## Products and Services

G4-EN27		Extent of impact mitigation of environmental impacts of products and services	SR 17-25
CRE5		Land and other assets remediated and in need of remediation for the existing or intended land	SR 17-18

## Compliance

G4-EN29		Significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	SR 31-32
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## Supplier Environmental Assessment

G4-EN32		Percentage of new suppliers screened using environmental criteria	SR 33
G4-EN33		Significant actual and potential negative environmental impacts in the supply chain and actions taken	SR 33

## Social Responsibility

### Employment

G4-LA1		Total number and rates of new employee hires and employee turnover by and region	SR 28-29
G4-LA2		Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation <sup>2)</sup>	

### Labour/Management Relations

G4-LA4		Minimum notice periods regarding operational changes, including whether these are specified in collective agreements <sup>3)</sup>	
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<sup>2)</sup> Technopolis offers its full-time employees lunch benefits and, depending on the task a company phone and company car.

<sup>3)</sup> 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.

## Occupational Health and Safety

G4-LA5		Percentage of total workforce represented in formal joint management-worker health and safety committees	SR 28-29
G4-LA6		Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	SR 28-29
CRE6		Percentage of the organization operating with verified compliance with an internationally recognized health and safety management system. <sup>4)</sup>	

## Training

G4-LA9		Average hours of training per year per employee by gender, and by employee category	SR 28-29
G4-LA10		Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	SR 28-29
G4-LA11		Percentage of employees receiving regular performance and career development reviews	SR 27-29

## Diversity and Equal Opportunities

G4-LA12		Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	AR 25-28, SR 28-29
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## Supplier Assessment for Labor Practices

G4-LA14		Percentage of new suppliers that were screened using labor practices criteria	SR 33
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## Non-Discrimination

G4-HR3		Incidents of discrimination and corrective actions taken	SR 31
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<sup>4)</sup> No such system in place

### Supplier Human Rights Assessment

G4-HR10	Percentage of new suppliers that were screened using human rights criteria	SR 33
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### Anti-Corruption

G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified <sup>5)</sup>	
G4-S04	Communication and training on anti-corruption policies and procedures	SR 30
G4-S05	Confirmed incidents of corruption and actions taken	SR 31

### Local Communities

CRE7	Number of persons displaced and/or resettled by development	SR 18
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### Public Policy

G4-S06	Total value of political contributions by country and recipient/beneficiary	SR 31
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### Anti-Competitive Behaviour

G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	SR 31
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### Compliance

G4-S08	Significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	SR 31
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### Customer Health and Safety

G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	SR 18
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### Product and Service Labeling

G4-PR5	Results of surveys measuring customer satisfaction	AR 18
CRE8	Cert-tot	Type and number of sustainability certification, rating, and labeling schemes for new construction, management, occupation and redevelopment SR 16-17

### Compliance

G4-PR9	Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	SR 31
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<sup>5)</sup> No special audits related to ethical nature of business operations performed in 2016



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