



ANNUAL REPORT 2016

# SUSTAINABILITY ACCOUNTS



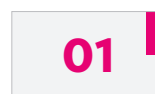


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## HOW TO READ CITYCON'S ANNUAL REPORT 2016

Citycon's Annual Report 2016 consists of four parts. To read all the parts, please visit [www.citycon.com/annual-reports](http://www.citycon.com/annual-reports)



Annual Review



Sustainability Accounts



Corporate Governance Statement



Financial Statements

## ABOUT THIS REPORT

This is the first time we publish an integrated report on our strategy and performance. Sustainability statements have been integrated with the financial, company and management review. This section provides additional and more detailed sustainability information covering all of Citycon's operations.



More information: Citycon's strategy on pages 16-17 of the Annual Review

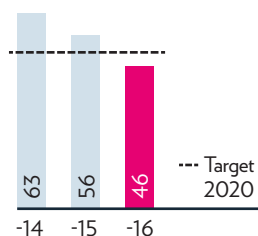


# SUSTAINABILITY KEY FIGURES

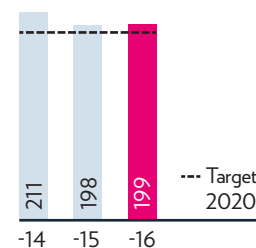
## WE ENRICH URBAN CROSSPOINTS

Located in the heart of urban areas, Citycon's multifunctional shopping centres serve as true community hubs where people come for everyday shopping, services, recreation and fun. Linked to public transport, our modern, well-designed shopping centres are easy to visit, lovely to stay.

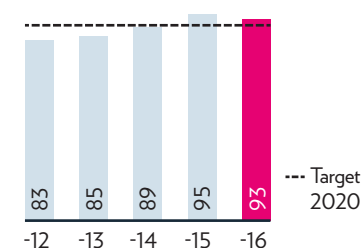
**GREENHOUSE GAS INTENSITY FROM BUILDING ENERGY**  
Baseline corrected, kgCO<sub>2</sub>e/sq.m



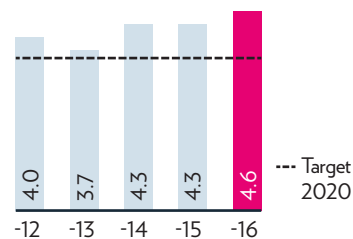
**ENERGY INTENSITY OF SHOPPING CENTRES**  
Baseline corrected, kWh/sq.m



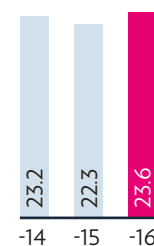
**RECYCLING RATE OF SHOPPING CENTRES**  
%



**WATER INTENSITY IN SHOPPING CENTRES**  
litre/visitor



**HEATING AND ELECTRICITY CHARGES**  
EUR million



BREEAM In-Use certified shopping centres measured by fair value

**74%**

# SUSTAINABILITY TARGETS AND HIGHLIGHTS

## CITYCON'S SUSTAINABILITY TARGETS

Goals	Continuous target	Target by 2020	Achievement 2016
Reduction of energy consumption (Mwh/sq.m.) <i>Baseline year 2014</i>		-10% -2% p.a.	<b>0.5%</b> -6% since 2014
Reduction of greenhouse gas emission (kgCO <sub>2</sub> e/sq.m.) <i>Baseline year 2014</i>		-20% -4% p.a.	✓ <b>-18%</b> -27% since 2014
Increased use of renewable energy	Carrying out renewable energy feasibility study in (re)development projects		✓
Sustainable construction and Green buildings	All of our large <sup>1)</sup> (re)development projects obtain environmental certification		✓
High recycling rate	>90%	>90%	✓ <b>93%</b>
Decrease water consumption (litre/visitor, LfL)	3.5	3.5	✓ <b>3.3</b>
Excellent connectivity	100% of shopping centres and development projects located in built environments connected to public transportation		✓
Increased community engagement	Confirm the link between community activities and business goals		✓

1) Over EUR 20 million

Energy consumption from baseline 2014  
kWh/sq.m. **-6%**

Climate change impact from baseline 2014  
(tCO<sub>2</sub>e) **-24%**

Overall tenant satisfaction **8.6/10**

Impact on local economies  
MEUR **790**

Green electricity purchased  
GWh **124**

Community enrichment events held in Citycon's shopping centres **533**

IsoKristiina extension was awarded the Finnish shopping centre deed of the year award ✓

# SUSTAINABILITY FOCUS AREAS

Citycon wants to offer the best retail space and everyday shopping experience in urban shopping centres in the Nordic region. To do this we must secure and maintain financially stable and successful business operations. Citycon's sustainability work enhances stakeholder relations and can generate added value for operations, improve financial performance, and improve risk management.

**More information: Highlights of Citycon's financial performance on pages 3-4 in the Financial Statements**

Citycon performed a sustainability materiality assessment for the first time in 2009, and since then the assessment has been reviewed by Citycon internally and through stakeholder group studies. Updates have been recently conducted in 2014 and 2015. Citycon intends to update the materiality assessment again in 2017 and the focus will be on further solidifying the means for value creation through sustainability.

When identifying material items, we take into account the following aspects:

- 1) considerations identified during stakeholder group activities;
- 2) strategic policies;
- 3) the risk management programme;
- 4) changes in the internal and external operating environments, including trends;

- 5) industry best practices and benchmarks;
- 6) the framework of sustainable development and,
- 7) the principles regarding the scope of reporting.

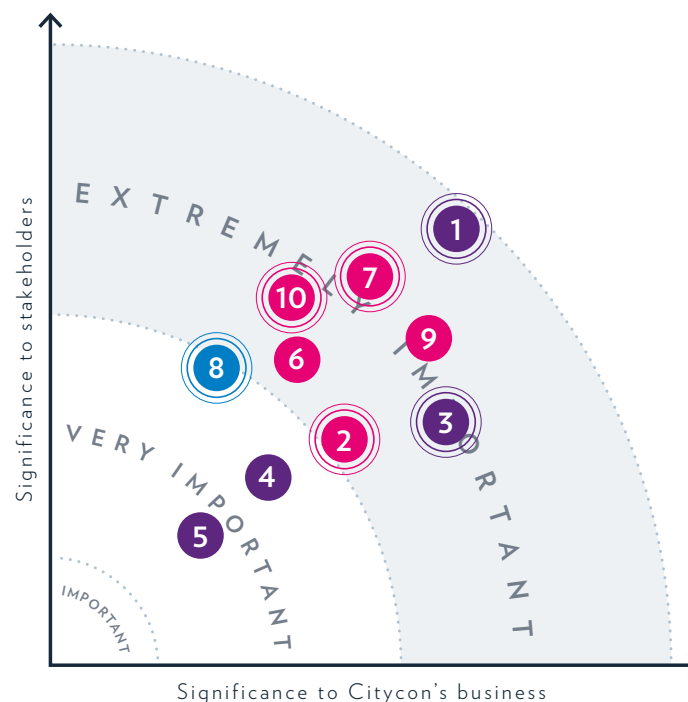
We continuously follow up and reflect on our objectives through global initiatives, such as the UN's Sustainable Development Goals published in 2015.

All the items presented in the matrix are considered important, the positioning of the items is based on considerations on impact as well as the current internal and external operating environments.

**More information: Trends affecting the retail industry are discussed on pages 12-13 of the Annual Review**

Both the sustainability strategy and priority matrix have been discussed and approved by Citycon's Corporate Management Committee. The GRI indicators presented in this report were selected on the basis of the materiality assessment results, all aspects considered material are discussed in the same order as in the priority matrix under the headline "The sustainability issues that matter the most to us".

## PRIORITY MATRIX



Symbol represents the items that have material impacts on Citycon's value chain

- |  |  |   |
|--|--|---|
| 1 Connectivity – central location with easy access by public transport | 4 Sustainable construction & Green buildings | 8 Responsible supply chain management     |
| 2 Engagement with local communities                                    | 5 Water management & waste recycling         | 9 Ethical business conduct & transparency |
| 3 Energy efficiency & carbon footprint                                 | 6 Good employer                              | 10 Health and safety in shopping centres  |
|  | 7 Tenant satisfaction & cooperation          |   |

# DIALOGUE AND ENCOUNTERS

According to Citycon's definition, stakeholders include parties who are or may be affected by our operations and who may affect the fulfilment of our objectives. A good working relationship between us and our stakeholders increases transparency, promotes the fulfilment of objectives, consolidates mutual understanding and acts as a shared learning process.

It is a priority for us to maintain cooperative relationships with local actors, residents, tenants and visitors in and around our shopping centres. We are committed to high ethical principles and strive to offer healthy, safe and sustainable buildings to our customers. We aim to continuously further explore ways of improving interaction and taking into account issues identified in dealings with stakeholders.

Our daily operations include many ways of listening to our stakeholders: channels range from receiving and responding to customer feedback to listening and engaging with local residents in connection with (re)development projects.

## IN 2016

In 2016 our interaction with stakeholders took place in a wide range of forms and locations. For **consumers**, we introduced our new digital community programme, and continued our Youngsters in Shopping Centres project. We

Our defined stakeholders are consumers, tenants, employees, investors, analysts and shareholders, partners, local communities, municipalities and media as well as NGOs and industry associations

performed satisfaction surveys for our **tenants** and participated in several retail seminars. Citycon has an active and continuous dialogue with **investors** and **analysts**. During the year Citycon met with more than 150 financial institutions. In addition we participated in a number of Finnish and international investor events and conferences as well as in GRESB and CDP surveys. Performance discussions were held with 99% of **employees**, and we continued the Code of Conduct self-study programme. We also interacted with **industry associations** and **NGOs** in different projects and forums through, for example, EPRA (European Public Real Estate Association), FIBS (Finnish Business & Society), FIGBC (Green Building Council Finland), ICSC (International Council of Shopping Centers) and Nuorten Palvelu ry.



More information: Read more about our stakeholder interactions on pages 9-10.

# MANAGING SUSTAINABILITY

Citycon's strategy is to create value for its stakeholders through developing and offering the right assets and retail expertise supported by a strong capital base.

Sustainability, and our material aspects, are integrated into the overall strategy and operations of the company, and we are advancing our ambition to make sustainable thinking and action natural trademarks of our company culture. Sustainability is an embedded contributor to the added-value for operations, financial performance, and all our stakeholders.



More information: A description of how we create value can be found in the Annual Review on pages 10 and 11

In practice, business operations are supported by Group functions such as sustainability, finance, legal and HR management activities. These functions all work closely with business operations on all levels and the heads of sustainability, legal and HR all report to the CEO.

An overview of our management approach to the issues our stakeholders most value is presented in the table below.

Our ambition is to make sustainable thinking and action natural trademarks of our company culture

GRI G4 DISCLOSURE ON MANAGEMENT APPROACH

Material aspect	Energy, climate, water, waste, sustainable construction & green buildings	Good employer	Connectivity and engagement with local communities	Tenant satisfaction and cooperation	Health and safety in shopping centres	Responsible supply chain management, ethical business conduct and transparency
Management approach	<p>Citycon's approach to environmental management is governed by the company's strategy, goals and environmental programme. The objectives and measures specified in the environmental programme have been integrated into day-to-day operations and ordinary practices in shopping centre management and property development.</p> <p>Environmental indicators are part of the company's quarterly reporting. To achieve the environmental targets, Citycon applies the following principles:</p> <ul style="list-style-type: none"> <li>- Observing environmental responsibility in all functions and anticipating future amendments to legislation.</li> <li>- Continuously developing steering, management and reporting of environmental practices.</li> <li>- Expecting partners to operate in a way that supports the fulfilment of Citycon's environmental goals.</li> <li>- Guiding personnel towards sustainability in environmental issues through target-setting, training and internal communications.</li> </ul> <p>Our approach to managing our social impacts culminates in HR management and the promotion of ethical principles and good administrative practices throughout the value chain. The HR strategy and shared HR processes provide support and guidance for leadership.</p> <p>The performance management process plays a key role in driving our retail experts to deliver on our commitments to our stakeholders and the communities we are present in.</p>					
Policies and commitments	<p>Subject to the EED, energy efficiency audit law. Member of the Finnish Property and Building sector Energy Efficiency Agreement 2010-2016.</p> <p>Strategic environmental targets (Energy, Carbon footprint, Water, Waste, Renewable energy, Building certifications) and programme guiding the work.</p> <p>New buildings: Citycon has a policy to acquire an environmental certification for major (re)developments.</p> <p>In addition to external environmental classification principles, Citycon has internal guidelines.</p> <p>Existing buildings: internal guidelines as well as external benchmarks used, 74% of our properties are BREEAM In-Use certified.</p>	<p>Several policies and guidelines in place to commit our management and employees to act as One:</p> <ul style="list-style-type: none"> <li>- HR Strategy</li> <li>- Employee Equality Plan</li> <li>- Occupational Health and Safety Action Plan</li> <li>- Performance Management process CODE</li> <li>- Different policies to support employees' capability and ability to work, including rehabilitation and early intervention plans.</li> <li>- Code of Conduct</li> <li>- Company values</li> </ul> <p>We also see our One Citycon Cooperation Group and local health and safety committees as a commitment to the cooperation with our employees.</p>	<p>Connectivity is part of our core portfolio criteria, 'urban environments': Linked to public transportation, focused on capital city regions and population growth, health care, municipal services, education incorporated in the centres.</p> <p>Community activity checklist in place to steer our community activities.</p> <p>A socio-economic impact measurement project started in 2015. We started the project by establishing a few key indicators, such as local jobs created, and established a roadmap towards more extensive understanding of our impacts. The project has continued in 2016, and a City Community index has been developed, and will be taken into use during 2017.</p>	<p>Tenant satisfaction survey conducted annually. The survey takes into account several different aspects, such as the fluency of co-operation, the activities of Citycon shopping centre teams and how satisfied tenants are with the marketing and services provided by the shopping centres. The results help Citycon to identify development areas in the centres, to improve activities and to measure the impact of measures taken.</p>	<p>Policies and trainings in place, including crisis plan and training. Various initiatives and collaboration agreements are in place to ensure the safety of our shopping centres.</p>	<p>Citycon's Code of Conduct lays down the ethical principles and business standards the company follows in all of its operations.</p> <p>By applying Citycon's Business Code of Conduct to all material business relationships Citycon requires suppliers to fully embrace Citycon's Code of Conduct or similar high ethical principles and act accordingly.</p>
Targets and actions	<p>Main targets and actions during 2016 are presented in the Annual Review on pages 16-17 and in the Sustainability Accounts on pages 02-03.</p>					
Responsibilities and resources	<p>Business operations are supported by a group level coordinator. Heads of Sustainability, legal and HR all report to the CEO.</p> <p>The management of environmental matters is coordinated at group level with the objective of sharing best practices throughout the company.</p>	<p>The VP of Human Resources is responsible for ensuring that the HR processes and plans are implemented in all Citycon countries by the HR Team, in cooperation with management.</p>	<p>Business operations are supported by group functions such as sustainability, finance, legal, marketing, security and HR management activities</p>			
Evaluation of management approaches	<p>We follow up on results achieved and develop our environmental management practices in connection to other strategic policies, the risk management programme, changes in the internal and external operating environments, including trends, industry best practices and benchmarks.</p>	<p>We collect information from employees annually with an Employee Survey to evaluate the effectiveness and results of this management approach. The results are reviewed and action plans to improve them, and possible changes to the approach, are made. We also perform various analyses to ensure that employees are treated fairly and equally.</p>	<p>We follow up on results achieved and develop our management practices in connection to other strategic policies, the risk management programme, changes in the internal and external operating environments, including trends, industry best practices and benchmarks</p>			



# THE SUSTAINABILITY ISSUES THAT MATTER THE MOST TO US

## CONNECTIVITY

Our target and a key part of our strategy is that all our shopping centres should be accessible by public transport. Having achieved this, we are seeking new ways to increase sustainable connectivity. For example, by offering charging points for electric cars, bike racks, dedicated parking spaces for low emission cars and family parking, we are increasing the accessibility of various demographic populations.

### IN 2016

At the end of 2016, we had the following capacities:

- Connectivity to public transportation: 100% of shopping centres
- Charging points for electric cars: 166
- Family parking: 1,481
- Eco-parking, low emission, hybrid cars: 176
- Parking for people with disabilities, easy access parking: 731
- Number of dedicated bicycle parking: 3,674
- Shopping centres with commuting parking access: 13

A good example of this is the Iso Omena extension, where access to the shopping centre is improved through a new metro and bus terminal where four electric bus charging stations are planned for installation.

### LOOKING FORWARD

We will continue to strengthen our connectivity so that people from all backgrounds find their way to and within our shopping centres with a focus on facilitating green modes of transport. In addition to physical connectivity, we are working on how to increase our digital presence and relevance to consumers, visitors and people working in our centres.

## TENANT SATISFACTION AND COOPERATION

In working with tenants we recognize that small impacts can make a big difference. When tenants do renovation work on their premises, we encourage and help them to achieve more efficient means of operation by, for example, switching to more energy efficient lights that not only reduce electricity needs but also reduce the need for cooling. An improved level of lighting also contributes to a better sense of comfort and security.

### IN 2016

We conducted an annual tenant survey with 1,701 individual responses. Citycon's tenant satisfaction survey showed improved tenant satisfaction as a whole and especially on

everyday functionality and co-operation with Citycon. Compared with 2015, overall satisfaction has improved during 2016. The integration of Sektor Gruppen, acquired in July 2015, seems successful also from our tenants' point of view.

Some key findings include:

- 2.6% overall improvement in tenant satisfaction since 2015 in Norway and 3.9% in Finland, Sweden and Estonia
- Tenants are satisfied with the on-going cooperation that exists between different functions and contact persons.
- Overall satisfaction with our centre management has increased in Norway, Finland and Sweden since last year.
- Satisfaction with shopping centre functionality has improved throughout all of Citycon.

### LOOKING FORWARD

We are looking into further means to support our tenants in acting sustainably. We will also assess what are relevant and key follow-up indicators, and how these can serve us in serving our tenants even better in the future.

## ETHICAL BUSINESS CONDUCT & TRANSPARENCY

Citycon's Code of Conduct and values lay down the ethical principles and business standards the company adheres to in all of its operations. In practice this acts as a guide for management and personnel towards ethical business practices and compliance with laws and regulations.

We encourage our employees to raise any problems or shortcomings they detect when it comes to complying with the Code of Conduct. Reports concerning any violation of the principles set out in the Code of Conduct can be provided anonymously by submitting a report via Citycon's website. All reports are treated with the strictest confidentiality, and no retaliation against good faith reports is tolerated. The principles of the reporting procedure are recorded in Citycon's whistleblowing procedure.



More information: [Citycon's code of conduct is available at www.citycon.com/code-of-conduct](http://www.citycon.com/code-of-conduct)

Within our sphere of influence, we aim to ensure that our business partners adhere to Citycon's ethical principles. In order to communicate with our stakeholders about our explicit expectations and encourage them to follow the same high ethical principles as we do, we have the following practices in place for different stakeholder groups:

- Tenants – Code of Conduct commitment included in lease templates.
- JV partners and co-investors – Code of Conduct-related survey applied in all material investment processes.
- Suppliers – Code of Conduct clause in all supply agreements greater than EUR 10,000.



More information: [Responsible supply chain management is discussed on page 10](#)

### IN 2016

In 2016, we held a number of training events for different employee groups, highlighting the



relevant aspects of the Code of Conduct and related practices in employees' daily work. We opened the Code of Conduct violation reporting line to our business partners, introduced the Code of Conduct and related practices to our Norwegian operations, and continued training and open dialogue to emphasise compliance with the Code of Conduct and related practices. As zero tolerance is a priority for Citycon, we are proud to report that 2016 was another year in which no corruption, fraud or bribery cases were brought to our attention.

### LOOKING FORWARD

We will continue the implementation of our Code of Conduct and strive to broaden its scope of coverage through internal briefings and trainings as well as by both agreements and by engaging in an active discussion on ethical business conduct and transparency with our business partners.

## ENERGY EFFICIENCY AND CARBON FOOTPRINT

We recognise that buildings represent a large fraction of global carbon emissions and energy consumption, and that the real estate sector holds opportunities to reduce operating expenses while mitigating energy-related environmental impacts. In both our strategic and daily work we seek efforts to reduce energy demand, promote efficiency, and generate clean and renewable power solutions.

Citycon seeks to mitigate its impact on climate change through energy savings measures, by increasing cooperation with tenants for the conservation of energy, and

by increasing the ratio of renewable energy in purchased electricity. In 2016, the total share of green electricity amounted to 58% (47% in 2015). Furthermore, the central locations and good public transport connections of shopping centres reduce the negative environmental impacts of customer car-bound traffic. Energy consumption in Citycon's properties is mostly indirect consumption, i.e. procured energy. Only a few shopping centres are heated by fossil fuels, and the fuel used is reported as direct energy consumption.

### IN 2016

**Electricity consumption** in common areas (tenant consumption excluded) increased by 0.4%. In like-for-like shopping centres, electricity consumption in common areas decreased by 3%. The year 2016 was characterised by active electricity conservation measures, and the slight overall increase in total consumption stems from, for example, deregulation of shop opening hours in Finland.

**District heating consumption** increased by 11% compared to the previous year. Weather-adjusted consumption decreased by 3%. Heating energy consumption in like-for-like shopping centres increased by 11%, while weather-adjusted consumption decreased by 2%. The changes were due to a colder winter than in 2015.

Citycon's total baseline corrected energy consumption in shopping centres (including electricity consumption in common areas, weather corrected heating and cooling) per gross leasable area increased compared to the previous year by 0.5%.

**The carbon footprint** decreased by 18% compared to the previous year. This decrease was caused by changes in the company's property portfolio and, among other things,

due to increased share of CO<sub>2</sub> free electricity purchased. The carbon footprint of like-for-like properties decreased by 9%. In relation to property area, the carbon footprint decreased by 18%.

18% reduction of carbon intensity during 2016

Some highlights on the increased uses of on-site renewable energy and investments in energy efficiency include:

- In Jakobsberg Centrum in Sweden we have installed geothermal heating, and we expect energy savings in heating and cooling of some 65% compared to the previous solution. It is estimated that this geothermal solution will cover approximately 97% of the heating and cooling needs.
- At Iso Omena in Finland we started installing solar panels, and we expect approximately 5% of property electricity to be solar powered.
- The new extension of Iso Omena is connected to a district cooling system, expecting to see a reduction of climate change impact from cooling of 90%.
- Citycon Norway aims to reduce 5.3 million kWh/year within lighting improvements through an Enova supported project. The project has three main components with a payback time of 3.5 years: 1) switching to more energy efficient lights in common and parking areas, 2) reducing light intensity in stores and 3) better needs controlled lighting with a particular focus on night, day and lighting outside of operating hours.

### LOOKING FORWARD

We will continue to set ambitious CO<sub>2</sub> reduction targets in order to respond to growing external demand and to show climate change leadership. We will also continue our work of carrying out renewable energy feasibility studies in (re)development projects as well as existing centres.

## HEALTH AND SAFETY IN SHOPPING CENTRES

We recognise that creating a safe environment is not something we can achieve alone and hence we work closely together with tenants, local residents and authorities on safety questions. When possible, we seek to link health and safety work in our shopping centres with community engagement activities, for example, among young people. Health and safety is also incorporated in planning of (re)developments.

### IN 2016

As part of daily and ongoing operations, we organised a number of different training events during the year, ranging from crisis education, fire drills and first aid training. All Citycon shopping centre personnel in Sweden, Norway and Finland participated in medical and fire training during 2016. Crisis training has been held for relevant personnel groups in Finland and Sweden. To ensure the safety of shopping centre personnel and customers, Citycon acquires the services of security guards and security officers from its partners. Our Head of Security (a member of the European Security Group, part of International Council of Shopping Centres (ICSC)) has streamlined our procedures

at group level, and has also been active in sharing best practices at different forums internationally.

## LOOKING FORWARD

We are working to streamline and improve the health and security practices in different countries together with our safety partner, and are working on a contingency and preparedness plan. In the coming years we will also roll out awareness and other health and security trainings throughout our organisation.

## GOOD EMPLOYER

Our retail experts are one of our most important assets, and we have sought to increase connection points among and between employees. We are encouraging more relaxed and ad-hoc communication, recognising that social interaction between our staff is an important dimension of our company culture.



More information: Our personnel profile and values are presented on pages 24–25 in Citycon's Annual Review 2016

## IN 2016

During 2016, we reviewed and redrafted our values, and started a journey to build a united team and common goals. Our employees participated in forming the values in workshops arranged in each country. In the summer of 2016, we gathered all Citycon employees (233 in total) for two full days in Oslo, Norway, where we could learn more about the company strategy and share testimonials about best practices at different sites and properties.

We conducted a wide range of employee trainings, both on team and individual levels. Our main theme has been “dialogue”, and this has practically taken the form of a self-study programme, where staff have reflected on Citycon policies through case studies, such as corruption and conflicts of interest.

We also launched a leadership forum in 2016, with the aim of supporting, honing and building new and current leadership skills. This forum's purpose is to discuss both leadership and company goals and targets and how Citycon prioritises leadership. During 2016, the focus was on 1) the renewal of our values and business strategy and 2) understanding different personality profiles and styles of leadership.

We have also taken an active role in the EPRA Diversity programme. This programme is about increasing gender equality, particularly for women in senior positions in real estate.

All Citycon employees have discussed their competence development plan together with their manager on an annual basis and have agreed on actions to further develop their competencies. These actions might include on-the-job learning, internal or external trainings, job rotation, participation in a project, benchmarking, mentoring, coaching, etc. Citycon provides assistance for continued employability case-by-case.

A new Intranet was also launched with the aim of improving information sharing and easy communication between all Cityconners.

## LOOKING FORWARD

In 2017, we will implement our new values in our work with our people. We want to help all Cityconners to do their best through employee engagement, competence development and talent management. We have seen that

our focus on Citycon culture and leadership contributes to a better working culture and this work will continue in the near future.

## ENGAGEMENT WITH LOCAL COMMUNITIES

We believe that shopping centres that combine the urban environment with social experiences will succeed in the future. Our stakeholder dialogue and engagement has revolved around including local communities and building capacity within shopping centres themselves, and we seek to engage both young and old in our work.

In 2016, 77% of Citycon's shopping centres organised community engagement events

## IN 2016

In 2016, we have engaged with local communities in several ways through awareness raising, fairs, inaugurations, concerts and performances. For example, in Finland, we have carried out a number of events with local organisations at Koskikeskus in Tampere, across Sweden we have supported not-for-profit organisations working, for example, with refugees, and in Norway we have been working towards a safer city and urban environment at Stopp shopping Centre in Sarpsborg. The work in Norway together with local public officials in improving overall safety of our shopping centres also increased collaboration between tenants.

In developing our shopping centres, we have recognised that young people spend time in shopping centres. In Finland, a security guard for youngsters has been trained by the NGO Youth Service Association (Nuorten Palvelury). This person works with young people who spend time in the Iso Omena shopping centre, serving as a trusted and reliable adult that youths can contact with issues, both big and small. We have seen very promising results from this work and we intend to continue and copy this model to other centres as well. In addition to the fruitful cooperation with Nuorten Palvelu, we have established a local group (the Matti group) that meets monthly to discuss what goes on locally in various ways. The Matti group is composed of representatives from our security partner in Iso Omena, the City of Espoo youth department, the library, the local Olari parish, a local elderly home, the police and the NGO Children of the station (Aseman Lapset).

While Citycon does not endorse the activities of any political party or group, we want to engage in open dialogue with regional officials and political decision-makers in our operating areas. In 2016, in connection with the zoning and planning of our development projects, our representatives participated in the meetings of municipal political bodies. The purpose of these activities was to improve interaction. Citycon's shopping centres may be used by political parties to host election campaign events, subject to the company's standard leasing terms.

## LOOKING FORWARD

During 2017, we will strive to engage more actively with local communities in all operating countries. We will also assess and confirm the link between community activities and business goals via promoting greater internalisation of our community enrichment guidelines.

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

By introducing Citycon's Business Code of Conduct to all material business relationships we require our suppliers to adhere to equal or higher ethical principles and act accordingly. One hundred percent of new tenant agreements contain a harmonised Business Code of Conduct clause. In total, roughly two thirds of our tenant agreements include the Business Code of Conduct clause.

If a supplier should breach the Business Code of Conduct, Citycon reserves the right to discontinue such an agreement. The Business Code of Conduct is now also integrated into Citycon's procurements already at the tendering phase. Citycon's business partners can report any violation concerning the Code of Conduct using the specific reporting form added to Citycon's website.

### LOOKING FORWARD

In 2017, we will continue to actively integrate the Business Code of Conduct into the tendering process in all operating countries and assess our supply chain management as our company has expanded in the Nordic countries in the last couple of years.

## SUSTAINABLE CONSTRUCTION AND GREEN BUILDINGS

Energy efficiency, efficient water use, materials selected, building regulations on indoor air quality and Citycon's own instructions and guidelines are taken into account in both new

projects and (re)development project planning.

In connection with most zoning and major projects environmental impact assessments are carried out, and when not required by law Citycon evaluates the need for an assessment of its own on a case-by-case basis. Citycon's properties are not situated on protected land areas. The location of shopping centres in built environments and our focus on public and carbon free transport reduces the threat they represent to biodiversity.



More information: [The Sustainable shopping centre on pages 26–27 in Citycon's Annual Review](#)

### IN 2016

At Citycon we worked hard on environmental certification of our shopping centres. 74% of our assets<sup>1)</sup> were BREEAM In-Use certified at the end of 2016. All major<sup>2)</sup> own redevelopment projects strive to obtain either BREEAM or LEED certification, and we now have two LEED Platinum certified shopping centres as the shopping centre at Iso Omena, Finland, joined Liljeholmstorget Galleria, Sweden, in this category during 2016.

### LOOKING FORWARD

Our ambition is to increase the percentage of environmentally certified properties, and we are confident that we will be able to reach an 80% certification level for assets owned by Citycon by the end of 2017. In the near future, we will start to look beyond acquiring LEED and BREEAM certificates for our properties, aiming to develop a method where we learn from the certification processes and effectively share best practices between shopping centres on a Nordic level.

## WATER MANAGEMENT AND WASTE RECYCLING

Water consumption includes water consumed by and at our properties and tenants. Tenant water consumption is highest in grocery stores, restaurants and cafés, hair salons, laundries and car wash facilities. A property's water consumption includes water used in public facilities and water used for cleaning and property maintenance. Reported water covers water consumed in common areas and by tenants. All water comes from municipal waterworks. Property waste management and sorting in Citycon's properties is organised in accordance with country-specific waste legislation and other local regulations.

### IN 2016

During the year Citycon undertook measures such as the installation of user-specific water meters to reduce water consumption.

Citycon's total water consumption increased by 1% compared to the previous year. Water consumption per visitor in like-for-like shopping centres was 3,3 litres, remaining at the same level as in the previous year.

During 2016, we organised workshops with tenants on how to improve waste handling and material recycling. In Finland, the main recycling

company launched web-based recycling instructions for tenants, enabling continual access to important information.

The recycling rate at Citycon's properties was 93%, showing a decrease of 2 percentage points compared to 2015. The amount of waste generated by shopping centres decreased by 6% compared to the previous year. The decrease was caused by changes in the property portfolio. The amount of waste generated by like-for-like shopping centres decreased by 9% during 2016. Citycon's business countries show operational differences in terms of waste management.

We have reached a recycling rate of 93%, above our target of 90%

### LOOKING FORWARD

Whereas we have achieved a high rate of waste recycling, going forward, we want to further help and involve our tenants and visitors in effective recycling. Further ahead we will look into how circular economy concepts can create new products and services in our shopping centres and what such business models would look like.

1) Measured by value, owned properties (assets under management)

2) Asset value above EUR 20 million



# REPORTING PRINCIPLES, METHODOLOGY AND BOUNDARIES

Regarding the content and principles of sustainability reporting, Citycon applies Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines and Construction and Real Estate Sector Supplement (CRESS). Environmental indicators are reported in accordance with the Best Practices Recommendations on Sustainability Reporting published by EPRA (European Public Real Estate Association). Coverage of the mentioned reporting recommendations is presented on pages 23–28. Citycon reports according to the GRI G4 "Core" level. The information is published annually and the information presented corresponds to the company's financial year, i.e. 1 January – 31 December.

Reported measures related to environmental performance covers owned and rented shopping centres and other properties where Citycon's ownership is at least 50% and where it has operational control, excluding two properties<sup>3)</sup>. This represents 98% of the leasable area owned by Citycon. Environmental data covers shopping centres and other properties which were owned by Citycon on 31 December 2016, acquired before 30 June 2016 or divested after 30 June 2016. Energy figures from development projects are included from completion. Environmental data of managed properties (on behalf of other owners) is presented on page 15, but these are excluded from Citycon's total numbers. Development project energy figures are

included from the day when they are completed. The environmental performance figures are based on actual measurements, estimates are not used.

Even though annual changes in the property portfolio – due to acquisitions, sales and (re)development – do not make reasonable comparisons over years, Citycon still reports total portfolio performance according to the limitations mentioned earlier. Citycon follows EPRA's financial Best Practices Recommendations. Properties which have been consistently in operation (and not under development) during the previous two full reporting periods are included in the "like-for-like" portfolio. Sold properties are excluded from like-for-like comparison. The sustainability calculations have undergone changes during 2014 and 2015 due to the acquisition of Sektor Gruppen in Norway. Figures for Citycon Norway in 2014 have been included in the baseline calculation for Citycon's environmental target setting. However, data for 2014 has not otherwise been retrospectively corrected.

Ernst & Young Oy has provided limited assurance for numerical environmental indicators. The assured indicators have been marked in the Sustainability data guide on pages 23–28. The Assurance statement can be found on page 29.

## Electricity and energy

Citycon reports tenants' electricity consumption in cases where Citycon is responsible for

electricity procurement. In shopping centres, tenants have, in most cases, their own electricity meters and purchase agreement and Citycon has no access to data related to tenants' consumption. In 33% of properties, electricity consumption has been partially or totally recharged from tenants. When energy procurement is the tenant's responsibility, it has been excluded from reporting. Energy used for heating and cooling is reported in its entirety. In terms of intensity figures, Citycon has limited the reported electricity consumption to common areas where it can have direct influence. This includes the electricity used for general lighting, ventilation and cooling, as well as lifts and escalators and other building technical systems. Based on case studies, the share of electricity consumption in common areas is 25–70% of total electricity consumption depending on heating, lighting and other technical solutions, as well as on the level of controllability.

## Carbon

In calculating its carbon footprint, Citycon applies the Greenhouse Gas Protocol (GHG) developed by the World Resources Institute and the World Business Council for Sustainable Development. The market-based emissions factors for 2014–2016 for electricity are supplier-specific emissions factors, and, in addition, Guarantees of Origin have been taken into account. For Estonia, supplier-specific factors

were not available, so national residual mix based emissions factors have been used. For location-based emissions, national production-based emissions factors from IEA (five year averages 2010–2014) have been used. In 2013 and before, emissions were calculated using only location-based emission factors and, therefore, the figures for 2014–2016 are not entirely comparable with earlier figures.

District heat emission factors for 2016 are based on national statistics in Finland and Sweden (five year averages). In Norway and Estonia, emission factors for district heating are based on data provided by heat suppliers. In the calculation of greenhouse gas intensity from building energy, the same principles are applied as for energy intensity calculation with the exception that landlord obtained tenant electricity is included.

## Water and waste

The reported recycling rate indicates recycled, incinerated or reused waste fractions as a share of the total waste volume. Landfill waste is not included in recycled items. Waste reporting covers all properties where Citycon is responsible for waste management (95% of the leasable area owned by Citycon). Properties in which tenants are responsible for waste management are excluded from reporting, as there is no record available of their waste quantities.

# KEY ENVIRONMENTAL INDICATORS

## ENERGY

### TOTAL ENERGY CONSUMPTION (G4-EN3, CRE1)<sup>1)</sup>

MWh	2016	2015	2014	2013	2012	GRI G4	EPRA Code	
Electricity in common areas	132,411	131,916	105,246	110,211	111,587	G4-EN3	Elec-Abs	
Tenants' electricity purchased by landlord <sup>2)</sup>	80,609	85,546	72,922	71,745	72,571	G4-EN3	Elec-Abs	
Total electricity consumption in premises	213,020	217,461	178,168	181,956 <sup>3)</sup>	184,158	G4-EN3	Elec-Abs	
Electricity consumption in Citycon's offices <sup>7)</sup>	95	97	33	72	73	G4-EN3	Elec-Abs, own office	
Non-renewable electricity in premises	89,362	116,312	143,471	167,478 <sup>3)</sup>	169,800	G4-EN3	Elec-Abs	
Renewable electricity in premises	123,563	101,150	34,697	14,406	14,358	G4-EN3	Elec-Abs	
District heating <sup>3)</sup>	109,522	98,404	126,614	133,811	143,395	G4-EN3	DH&C-Abs	
Weather corrected district heating	113,481	117,080	139,718	-	-			
District cooling <sup>3)</sup>	7,773	5,888	6,694	2,025	1,511	G4-EN3	DH&C-Abs	
<b>Direct energy consumption</b>								
Fuels <sup>8)</sup>	3,192	2,782	3,279	4,590	3,810	G4-EN3	Fuels-Abs	
Fuels like-for-like <sup>8)</sup>	0	0	-	-	-		Fuels-If	
<b>Total energy consumption in premises</b>	<b>333,506</b>	<b>324,536</b>	<b>314,754</b>	<b>322,382</b>	<b>332,875</b>	<b>G4-EN3</b>		
<b>Energy intensity indicators<sup>5)</sup></b>								
Building energy intensity shopping centres	kWh/sq.m.	196	184	245	280	272	CRE1	Energy-Int
Building energy intensity shopping centres <sup>6)</sup>	kWh/visitor	1.34	1.23	1.43	1.50 <sup>3)</sup>	1.51	CRE1	Energy-Int
Building energy intensity other retail properties	kWh/sq.m.	184	172	208	235	247	CRE1	Energy-Int
Baseline corrected building energy intensity shopping centres <sup>9)</sup>	kWh/sq.m.	199	198	211	-	-	CRE1	Energy-Int

The coverage of Energy and associated GHG disclosure is 98% of GLA owned and under operative control. The figures are based on measured consumption, estimates are not used.

- 1) Citycon's reported energy consumption covers shopping centres and other retail properties where Citycon's share of ownership is at least 50% and where Citycon has operational control. Kista Galleria's environmental data is included in its entirety for 2014-2016. Kista Galleria's environmental data is not included for previous years. Due to deregulation of shopping center opening hours in Finland in 2016, the energy consumption in Finnish premises has increased.
- 2) Citycon also reports the tenants' electricity consumption in cases where Citycon is responsible for electricity procurement. When energy procurement is on tenant's responsibility, it has been excluded from reporting.
- 3) Corrected calculation error.
- 4) Energy used for heating and cooling is reported in its entirety.
- 5) In terms of intensity figures, Citycon has limited the reported electricity consumption to common areas, where it can directly influence. This includes the electricity used for general lighting, ventilation and cooling, as well as lifts and escalators and other building technical systems.
- 6) Excluding shopping centres where amount of visitors is not collected. In 2016 these were Fruängen Centrum, Högdalen Centrum, Myllypuro, Heikintori, Glasshuspassasjen, Krokstad Senter and Lade.
- 7) The reported consumption includes the headquarters and Citycon Norway office 2015-2016, other offices are integrated into shopping centres. Heating, water and waste in offices are excluded from reporting as they are included in the rent and not reported separately to Citycon.
- 8) Fuels include oil, natural gas and biofuel. Biofuel (renewable) represents 7,5% of fuel consumption in properties.
- 9) Baseline corrected intensity includes Citycon Norway data 2014, in addition the intensity is calculated with weather corrected heating consumption.

**ENERGY CONSUMPTION**

MWh	2016	2015	2014	2013	2012	2015-2016, %	2012-2016, %
Electricity in common areas	132,411	131,916	105,246	110,211	111,587	0.4	18.7
District heat	109,522	98,404	126,614	133,811	143,395	11.3	-23.6
Total energy consumption <sup>1)</sup>	252,897	238,989	241,832	250,637	260,303	5.8	-2.8

**ENERGY CONSUMPTION BY PROPERTY TYPE (EPRA ELEC-ABS & DH&C-ABS)**

MWh		2016	2015	2014	2013	2012	2015-2016, %	2012-2016, %
Shopping centres	Electricity in common areas	128,444	128,478	92,851	92,585	92,520	0.0	38.8
	District heat	103,825	89,979	110,358	115,285	109,665	15.4	-5.3
	Total energy consumption <sup>1)</sup>	244,649	227,109	207,568	213,175	204,862	7.7	19.4
Other Retail Properties	Electricity in common areas	2,494	3,438	12,395	19,002	21,189	-27.5	-88.2
	District heat	5,697	8,425	23,453	28,110	28,498	-32.4	-80.0
	Total energy consumption <sup>1)</sup>	8,248	11,881	34,264	47,129	49,746	-30.6	-83.4

**ENERGY CONSUMPTION BY PROPERTY TYPE, LIKE-FOR-LIKE (EPRA ELEC-LFL & DH&C-LFL)**

MWh		2016	2015	2015-2016, %
Shopping centres	Electricity in common areas	45,925	47,541	-3.4
	District heat	56,941	51,094	11.4
	Total energy consumption <sup>1)</sup>	104,614	100,184	4.4
Like-for-like properties	Electricity in common areas	47,401	48,781	-2.8
	District heat	61,119	54,853	11.4
	Total energy consumption <sup>1)</sup>	110,268	105,183	4.8

**ENERGY CONSUMPTION BY BUSINESS AREA (EPRA ELEC-ABS & DH&C-ABS)**

MWh		2016	2015	2014	2013	2012	2015-2016, %	2012-2016, %
Finland	Electricity in common areas	55,136	55,301	65,969	77,309	76,994	-0.3	-28.4
	District heat	78,447	67,541	92,008	99,319	106,966	16.1	-26.7
	Total energy consumption <sup>1)</sup>	135,448	122,842	157,976	176,629	183,960	10.3	-26.4
	Total energy consumption in like-for-like shopping centres <sup>1)</sup>	63,522	60,839	-	-	-	4.4	-
Norway	Electricity in common areas	39,600	38,280	-	-	-	3.4	-
	District heat	4,597	3,843	-	-	-	19.6	-
	Total energy consumption <sup>1)</sup>	45,133	43,078	-	-	-	4.8	-
Sweden	Electricity in common areas	29,013	28,508	29,219	21,820	23,106	1.8	25.6
	District heat	23,492	23,756	30,726	30,051	32,347	-1.1	-27.4
	Total energy consumption <sup>1)</sup>	57,896	57,620	66,639	53,896	56,964	0.5	1.6
	Total energy consumption in like-for-like shopping centres <sup>1)</sup>	33,489	32,262	36,622	-	-	3.8	-
Estonia and Denmark	Electricity in common areas	8,662	9,827	10,058	11,081	11,487	-11.9	-24.6
	District heat	2,986	3,265	3,880	4,441	4,082	-8.5	-26.8
	Total energy consumption <sup>1)</sup>	14,421	15,449	17,217	20,112	19,379	-6.7	-25.6
	Total energy consumption in like-for-like shopping centres <sup>1)</sup>	7,603	7,083	-	-	-	7.3	-

1) Total energy consumption incl. electricity in common areas, heating, cooling and fuels.



## CARBON

### GREENHOUSE GAS EMISSIONS BY SCOPES (G4-EN15, G4-EN16, G4-EN17, EPRA GHG-DIR-ABS, DHG-INDIR-ABS)

tCO <sub>2</sub> e	2016	2015	2014	2013	2012
Scope 1, direct	603	566 <sup>1)</sup>	650	909	755
Scope 2, indirect	58,124	71,593	77,648	71,816	73,165
Scope 3, indirect	1,567	1,500	1,240	693	689
<b>Total</b>	<b>60,295</b>	<b>73,659</b>	<b>79,538</b>	<b>73,419</b>	<b>74,609</b>

### GREENHOUSE GAS EMISSIONS BY SCOPES IN LIKE-FOR-LIKE PROPERTIES (EPRA GHG-DIR-LFL, GHG-INDIR-LFL)

tCO <sub>2</sub> e	2016	2015
Scope 1, direct	0	0
Scope 2, indirect	31,794	35,049
Scope 3, indirect	346	360
<b>Total</b>	<b>32,140</b>	<b>35,408</b>

### TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (G4-EN15, G4-EN16, G4-EN17, EPRA GHG-DIR-ABS, DHG-INDIR-ABS)

tCO <sub>2</sub> e	2016	2015	2014	2013	2012
Electricity in common areas	15,928	19,619	20,880	20,850	21,112
Tenants' electricity supplied by the landlord <sup>1)</sup>	23,460	34,919	34,036	25,626	25,261
Electricity in Citycon offices	10	11	17	53	63
District heating and cooling	18,726	17,044	22,715	25,287	26,730
Fuels	603	566 <sup>1)</sup>	650	909	755
Wastewater	889	879	762	225	234
Waste logistics	109	116	86	75	74
Business travel	397	315	300	317	303
Commuting	169	187	90	73	76
Paper consumption and mail	4	4	3	3	3
<b>Total</b>	<b>60,295</b>	<b>73,093</b>	<b>79,538</b>	<b>73,419</b>	<b>74,612</b>

The coverage of energy and associated GHG disclosure is 98% of GLA owned and under operative control.

### LIKE-FOR-LIKE TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS (EPRA GHG-DIR-LFL, GHG-INDIR-LFL)

tCO <sub>2</sub> e	2016	2015
Electricity in common areas	8,073	8,864
Tenants' electricity supplied by the landlord <sup>2)</sup>	13,540	16,829
Heating and cooling (including fuels)	10,181	9,356
Wastewater	309	319
Waste logistics	38	41
<b>Total</b>	<b>32,140</b>	<b>35,408</b>

### GREENHOUSE GAS INTENSITY FROM BUILDING ENERGY<sup>3)</sup> (CRE3, EPRA GHG-INT)

	2016	2015	2014	2013	2012
Building greenhouse gas intensity, kgCO <sub>2</sub> e/sq.m.	46	56	48	50	47
Building greenhouse gas intensity, kgCO <sub>2</sub> e/visitor	0.32	0.38 <sup>1)</sup>	0.33	0.36	0.35
Baseline corrected building greenhouse gas intensity <sup>4)</sup> , kgCO <sub>2</sub> e/sq.m.	46	56	63		

Properties' location-based total emissions are 58 303 tCO<sub>2</sub>e in 2016 (64 395 tCO<sub>2</sub>e in 2015). Emission factors for location-based emissions have been updated from IEA's national production-based electricity and heat average emission factors to electricity-only emission factors..

- 1) Corrected calculation error.
- 2) Citycon also reports emissions from tenants' electricity consumption in cases where Citycon is responsible for electricity procurement. When energy procurement is on tenant's responsibility, it has been excluded from reporting.
- 3) In the calculation of greenhouse gas intensity, the numerator corresponds to emissions from electricity in common areas, district heating and cooling as well as emissions from waste water and waste. Additionally, tenants' electricity supplied by the landlord is included in 2015-2016 figures. I.e. the figures for 2014 and 2015 are not directly comparable.
- 4) Baseline corrected intensity 2014 includes Citycon Norway data as well as tenants' electricity supplied by the landlord.

## PROPERTIES' GREENHOUSE GAS EMISSIONS BY SCOPE AND BUSINESS AREA (EPRA GHG-DIR-ABS, DHG-INDIR-ABS, GHG-INT)

		2016	2015
Finland	Scope 1, direct, tCO <sub>2</sub> e	0	0
	Scope 2, indirect, tCO <sub>2</sub> e	30,338	34,350
	Scope 3, indirect, tCO <sub>2</sub> e	309	314
	Building greenhouse gas intensity <sup>1)</sup> , kgCO <sub>2</sub> e/sq.m.	69	77
Norway	Scope 1, direct, tCO <sub>2</sub> e	43	99 <sup>2)</sup>
	Scope 2, indirect, tCO <sub>2</sub> e	153	131
	Scope 3, indirect, tCO <sub>2</sub> e	230	239
	Building greenhouse gas intensity <sup>1)</sup> , kgCO <sub>2</sub> e/sq.m.	1	1
Sweden	Scope 1, direct, tCO <sub>2</sub> e	0	0
	Scope 2, indirect, tCO <sub>2</sub> e	2,843	3,333
	Scope 3, indirect, tCO <sub>2</sub> e	400	373
	Building greenhouse gas intensity <sup>1)</sup> , kgCO <sub>2</sub> e/sq.m.	10	12
Estonia and Denmark	Scope 1, direct, tCO <sub>2</sub> e	560	467
	Scope 2, indirect, tCO <sub>2</sub> e	24,780	33,768
	Scope 3, indirect, tCO <sub>2</sub> e	59	68
	Building greenhouse gas intensity <sup>1)</sup> , kgCO <sub>2</sub> e/sq.m.	251	303

1) In the calculation of greenhouse gas intensity, the numerator corresponds to emissions from electricity in common areas, Tenants' electricity supplied by the landlord, district heating and cooling as well as emissions from waste water and waste.

2) Corrected to include fossil oil used in Norway.

## ENVIRONMENTAL CERTIFICATIONS

### ENVIRONMENTAL CERTIFICATES (G4-EN27, CRE8, EPRA CERT-TOT)

Total portfolio - BREEAM in use	Proportion by value, %
BREEAM Outstanding, asset / building management	0 / 8
BREEAM Excellent, asset / building management	7 / 17
BREEAM Very Good, asset / building management	41 / 1
BREEAM Good, asset / building management	18 / 48
<b>Total - BREEAM in use</b>	<b>74</b>
<b>Total portfolio - LEED</b>	
LEED Platinum	20
LEED Gold	2
LEED Silver	4
LEED Certified	3
<b>Total - LEED</b>	<b>28</b>
<b>Total portfolio - environmental certificates</b>	<b>75</b>
(Re)Developments (on track to achieve)	
Iso Omena - LEED Platinum	70
Möln dal Galleria - BREEAM Very good	15
Porin Asema-aukio - BREEAM Very Good	10
Stenungstorg Centrum - BREEAM Good	5
<b>Total</b>	<b>100% of development projects ongoing or finished in 2016 to be certified</b>

## ENVIRONMENTAL DATA, MANAGED PROPERTIES

### MANAGED SHOPPING CENTRES, NORWAY<sup>1)</sup>

		2016	2015
<b>Energy</b>	MWh		
Electricity consumption in common areas		18,552	18,289
Tenants' electricity purchased by landlord		4,951	1,798
District heat		3,754	2,984
<b>Fuels</b>		<b>1,783</b>	<b>2,598</b>
Total energy consumption		29,040	25,669 <sup>2)</sup>
Renewable electricity		23,503	17,994
Building energy intensity	kWh/sq.m.	115	114
<b>Carbon</b>	tCO <sub>2</sub> e		
Scope 1, direct		294	142
Scope 2, indirect		118	888
Scope 3, indirect		158	157
Building greenhouse gas intensity	kgCO <sub>2</sub> e/sq.m.	3	6
<b>Water</b>	m <sup>3</sup>		
Total water consumption		138,038	136,662
<b>Waste</b>	t		
Landfill waste		47.8 (2%)	31.7 (1%)
Incinerated waste		800.7 (31%)	784.4 (29%)
Composted waste		530.6 (20%)	544.9 (20%)
Recycled waste		1,186.0 (46%)	1,259.6 (47%)
Reused waste		40.9 (2%)	84.1 (3%)
<b>Total waste amount</b>		<b>2,606</b>	<b>2,705</b>

1) The coverage is 100% for managed properties (on behalf of other owners). But the figures are excluded from Citycon total numbers.

2) Corrected calculation error.

## WATER

### WATER CONSUMPTION<sup>2)</sup> (G4-EN8, CRE2, EPRA WATER-ABS, WATER-LFL, WATER-INT)

	2016	2015	2014	2013	2012	2015-2016, %	2012-2016, %
Total water consumption, m <sup>3</sup>	845,314	835,054	723,423	603,014	632,306	1.2	33.7
Like-for-like total water consumption, m <sup>3</sup>	293,260	303,220	-	-	-	-3.3	-
Total water consumption in shopping centres, m <sup>3</sup>	839,477	815,374	685,898	560,464	581,990	3.0	44.2
Total water consumption in like-for-like shopping centres, m <sup>3</sup>	292,392	298,786	-	-	-	-2.1	-
Water intensity in shopping centres <sup>1)</sup> , l/visitor	4.6	4.3	4.3	3.7	4.0	5.9	13.5
Water intensity in like-for-like shopping centres <sup>1)</sup> , l/visitor	3.3	3.3	-	-	-	1.6	-

### TOTAL WATER CONSUMPTION BY BUSINESS UNIT (EPRA WATER-ABS, WATER-LFL, WATER-INT)

	2016	2015	2014	2013	2012	2015-2016, %	2012-2016, %	
Finland	Total water consumption, m <sup>3</sup>	249,977	253,637	280,803	294,216	295,927	-1.4	-15.5
	Total water consumption in shopping centres, m <sup>3</sup>	245,337	235,001	245,193	253,844	256,281	4.4	-4.3
	Total water consumption in like-for-like shopping centres, m <sup>3</sup>	132,081	132,619	-	-	-	-0.4	-
	Water intensity in shopping centres <sup>1)</sup> , l/visitor	3.1	3.0	3.1	2.9	3.1	4.8	2.0
Norway	Total water consumption, m <sup>3</sup>	187,449	192,998	-	-	-	-2.9	-
	Total water consumption in shopping centres, m <sup>3</sup>	187,449	192,998	-	-	-	-2.9	-
	Water intensity in shopping centres <sup>1)</sup> , l/visitor	5.0	5.1	-	-	-	-0.4	-
Sweden <sup>2)</sup>	Total water consumption, m <sup>3</sup>	356,026	328,039	378,896	237,718	269,635	8.5	32.0
	Total water consumption in shopping centres, m <sup>3</sup>	354,829	326,995	376,786	235,540	258,965	8.5	37.0
	Total water consumption in like-for-like shopping centres, m <sup>3</sup>	132,536	138,922	-	-	-	-4.6	-
	Water intensity in shopping centres <sup>1)</sup> , l/visitor	6.4	5.8	6.6	5.9	5.8	10.7	10.7
Estonia and Denmark	Total water consumption, m <sup>3</sup>	51,861	60,381	63,919	71,080	66,744	-14.1	-22.3
	Total water consumption in shopping centres, m <sup>3</sup>	51,861	60,381	63,919	71,080	66,744	-14.1	-22.3
	Total water consumption in like-for-like shopping centres, m <sup>3</sup>	27,775	27,245	-	-	-	1.9	-
	Water intensity in shopping centres <sup>1)</sup> , l/visitor	3.9	3.5	3.7	3.5	3.5	11.6	11.6

1) Excluding shopping centres where amount of visitors is not collected. In 2016 these were Fruängen Centrum, Högdalen Centrum, Myllypuro, Heikintori, Glasshuspassasjen, Krokstad Senter and Lade.

2) Water consumption figures for 2016 include also a hotel and a student apartment block located in Kista Galleria. However, Kista Galleria is not included in like-for-like comparison.



## WASTE

### TOTAL WEIGHT OF WASTE BY DISPOSAL ROUTE (G4-EN23, EPRA WASTE-ABS)

	2016		2015		2014		2013		2012	
	t	%	t	%	t	%	t	%	t	%
Landfill waste	1,545	7.1	1,137	4.9	2,106	12.3	2,410	12.3	2,695	12.3
Incinerated waste	6,873	31.6	8,151	35.3	4,294	25.1	4,179	25.1	4,080	25.1
Composted waste	4,143	19.0	4,148	17.9	2,628	15.4	2,724	15.4	2,797	15.4
Recycled waste	8,180	37.6	8,645	37.4	7,387	43.2	5,299	43.2	4,955	43.2
Reused waste	1,021	4.7	1,029	4.5	689	4.0	485	4.0	370	4.0
<b>Total</b>	<b>21,761</b>	<b>100</b>	<b>23,110</b>	<b>100</b>	<b>17,105</b>	<b>100</b>	<b>15,097</b>	<b>100</b>	<b>14,896</b>	<b>100</b>

### TOTAL WEIGHT OF WASTE IN SHOPPING CENTRES BY DISPOSAL ROUTES

	2016		2015		2014		2013		2012	
	t	%	t	%	t	%	t	%	t	%
Landfill waste	1,530	7.1	1,135	5.0	1,918	11.6	2,112	14.7	2,375	16.8
Incinerated waste	6,804	31.6	8,047	35.2	4,229	25.5	4,104	28.3	3,909	27.7
Composted waste	4,134	19.2	4,125	18.0	2,580	15.5	2,658	18.5	2,711	19.2
Recycled waste	8,061	37.4	8,559	37.4	7,207	43.4	5,088	35.2	4,759	33.7
Reused waste	1,016	4.7	1,017	4.4	665	4.0	484	3.4	364	2.6
<b>Total</b>	<b>21,545</b>	<b>100</b>	<b>22,882</b>	<b>100</b>	<b>16,599</b>	<b>100</b>	<b>14,446</b>	<b>100</b>	<b>14,118</b>	<b>100</b>

### TOTAL WEIGHT OF WASTE BY DISPOSAL ROUTE, LIKE-FOR-LIKE (EPRA WASTE-LFL)

Like-for-like shopping centres	2016		2015		Like-for-like properties	2016		2015	
	t	%	t	%		t	%	t	%
Landfill waste	662	9.0	749	9.3	Landfill waste	671	8.9	750	9.2
Incinerated waste	2,585	35.1	3,116	38.5	Incinerated waste	2,638	35.0	3,120	38.5
Composted waste	1,277	17.4	1,235	15.3	Composted waste	1,278	17.0	1,237	15.3
Recycled waste	2,430	33.0	2,590	32.0	Recycled waste	2,536	33.7	2,597	32.0
Reused waste	407	5.5	404	5.0	Reused waste	407	5.4	404	5.0
<b>Total</b>	<b>7,360</b>	<b>100</b>	<b>8,095</b>	<b>100</b>	<b>Total</b>	<b>7,529</b>	<b>100</b>	<b>8,108</b>	<b>100</b>

The coverage of waste data is 96% of GLA under operative control

**TOTAL WASTE AMOUNT BY BUSINESS UNIT (EPRA WASTE-ABS)**

t	2016	2015	2014	2013	2012
Finland	9,253	9,465	9,780	9,959	9,835
Norway	6,524	7,088	-	-	-
Sweden	5,109	5,621	6,338	4,117	4,067
Estonia and Denmark	877	937	986	1,021	994
<b>Total</b>	<b>21,761</b>	<b>23,110</b>	<b>17,105</b>	<b>15,097</b>	<b>14,896</b>

**TOTAL WASTE AMOUNT BY SOURCE (EPRA WASTE-ABS)**

t	2016	2015	2014	2013	2012	% 2105-2016	% 2012-2016
Shopping centres	21,545	22,882	16,599	14,446	14,118	-5.8	52.6
Other	217	228	506	651	778	-5.1	-72.1
<b>Total</b>	<b>21,761</b>	<b>23,110</b>	<b>17,105</b>	<b>15,097</b>	<b>14,896</b>	<b>-5.8</b>	<b>46.1</b>

**TOTAL WEIGHT OF WASTE IN SHOPPING CENTRES BY TYPE**

	2016		2015		2014		2013		2012	
	t	%	t	%	t	%	t	%	t	%
Non-hazardous waste										
Landfill	1,308	6	901	4	1,644	7	1,964	14	2,150	15
Energy	6,804	32	8,047	35	4,229	18	4,104	28	3,909	28
Paper	632	3	667	3	711	3	739	5	683	5
Plastic	296	1	335	1	1,900	8	66	0	56	0
Cardboard	6,347	29	6,785	30	4,066	18	3,686	26	3,588	25
Compost	4,134	19	4,125	18	2,580	11	2,658	18	2,711	19
Metal	330	2	327	1	221	1	220	2	145	1
Glass	455	2	445	2	308	1	377	3	287	2
Other recycled	923	4	795	3	578	3	432	3	338	2
Other unsorted waste	222	1	235	1	274	1	148	1	225	2
Hazardous	93	0	221	1	87	0	51	0	26	0
<b>Total</b>	<b>21,545</b>	<b>100</b>	<b>22,882</b>	<b>100</b>	<b>16,599</b>	<b>100</b>	<b>14,446</b>	<b>100</b>	<b>14,118</b>	<b>100</b>

### PROPORTION OF WASTE BY DISPOSAL ROUTE IN SHOPPING CENTRES BY BUSINESS UNIT (EPRA WASTE-ABS)

%		2016		2015	
Finland	Landfill waste	15	8		
	Incinerated waste	23	29		
	Composted waste	21	21		
	Recycled waste	35	35		
	Reused waste	7	8		
	<b>Total</b>	<b>100</b>	<b>100</b>		
Norway	Landfill waste	0	1		
	Incinerated waste	28	28		
	Composted waste	26	24		
	Recycled waste	44	45		
	Reused waste	3	2		
	<b>Total</b>	<b>100</b>	<b>100</b>		
Sweden	Landfill waste	3	5		
	Incinerated waste	49	52		
	Composted waste	10	8		
	Recycled waste	33	32		
	Reused waste	4	3		
	<b>Total</b>	<b>100</b>	<b>100</b>		
Estonia and Denmark	Landfill waste	0	8		
	Incinerated waste	51	48		
	Composted waste	8	4		
	Recycled waste	40	40		
	Reused waste	0	0		
	<b>Total</b>	<b>100</b>	<b>100</b>		

### TOTAL WEIGHT OF WASTE IN LIKE-FOR-LIKE SHOPPING CENTRES BY TYPES

	2016		2015	
	t	%	t	%
Non-hazardous waste				
Landfill	601	8.2	664	8.2
Energy	2,585	35.1	3,116	38.5
Paper	249	3.4	234	2.9
Plastic	30	0.4	42	0.5
Cardboard	1,962	26.7	2,119	26.2
Compost	1,277	17.4	1,235	15.3
Metal	79	1.1	82	1.0
Glass	110	1.5	114	1.4
Other recycled	364	4.9	359	4.4
Other	61	0.8	86	1.1
Hazardous				
Total	43	0.6	45	0.6
<b>Total</b>	<b>7,360</b>	<b>100</b>	<b>8,095</b>	<b>100.0</b>
<b>Total amount change-%</b>		<b>-9.1</b>		

### RECYCLING RATE OF SHOPPING CENTRES

%	2016	2015	2014	2013	2012
Finland	85	92	84	80	77
Norway	100	99	-	-	-
Sweden	97	95	95	97	96
Estonia and Denmark	100	92	92	86	86
<b>Total</b>	<b>93</b>	<b>95</b>	<b>88</b>	<b>85</b>	<b>83</b>



# PERSONNEL

## NUMBER OF EMPLOYEES

	2016				2015				2014		2013		2012	
	FTE	%	HC	%	FTE	%	HC	%	HC	%	HC	%	HC	%
<b>Total number of employees 31 December (LA1)</b>														
Total	140		151		137		146		152 *		137 *		129	
Citycon Norway	132		136		160		164 <sup>2)</sup>		-		-		-	
Total incl. Citycon Norway	272		287		297		310 <sup>2)</sup>		-		-		-	
Personnel by country 31 December (LA1)														
Finland	78	29	84	29	77	25	82	26	92	61	83	61	86	67
Norway	132	49	136	48	160	55	164 <sup>2)</sup>	54	-	-	-	-	-	-
Sweden	50	18	54	19	48	16	51	16	48 *	31	43 *	31	32	25
Estonia	8	3	9	3	8	3	9	3	9	6	9	7	9	7
Netherlands	3	1	3	1	3	1	3	1	3	2	1	1	1	1
Denmark	1	0	1	0	1	0	1	0	-	-	-	-	-	-
Personnel by business unit 31 December (LA1)														
Finnish business unit	44	17	47	17	41	14	43	14	41	27	47	34	60	46
Norwegian business unit	131	48	135	47	160	54	164 <sup>2)</sup>	54	-	-	-	-	-	-
Swedish business unit	47	17	51	18	45	15	48	15	41 *	27	42 *	31	31	24
Estonia and Denmark business unit	9	3	10	3	9	3	10	3	9	6	10	7	10	8
Group functions	41	15	44	15	42	14	45	14	61	40	38	28	28	22

\* Figures include Kista Galleria employees

1) Not reported

2) Changed from 2015 Annual Report

**Headcount (HC)** is a unit that describes the amount of employees employed by the employer.

**Full-time equivalent (FTE)** is a unit that describes the amount of human resources available, including full-time and part-time employees pro rata, excluding employees who are on long-term leaves.

All employment relationships are based on a legal employment contract.

## EMPLOYEE GROUP BY GENDER 31 DECEMBER 2016

	Total		of which female		of which male	
	FTE	%	FTE	%	FTE	%
Management committee	5	2	2	40	3	60
Other directors	27	9	8	30	19	70
Managers	135	50	56	41	79	59
Other employees	105	39	56	53	49	47
<b>Total</b>	<b>272</b>	<b>100</b>	<b>122</b>	<b>45</b>	<b>150</b>	<b>55</b>

## PERSONNEL KEY FIGURES

	2016				2015				2014		2013		2012	
	FTE	%	HC	%	FTE	%	HC	%	HC	%	HC	%	HC	%
<b>Employment type 31 Dec. (LA1)</b>														
Permanent employees/Fixed-term employees	259/13	95/5	273/14	95/5	286/11	96/4	298/12 <sup>2)</sup>	96/4	130/21	86/14	112/15	88/12	122/7	95/5
Full-time employees/Part-time employees	270/2	99/1	284/3	99/1	288/9	97/3	297/13 <sup>2)</sup>	96/4	145/6	96/4	120/7	95/5	125/4	97/3
<b>Average age of employees and sex distribution (LA1)</b>														
Average age, years 31 Dec.	43		43		44		43		40		41		42	
Employees under age 18 during the year	0		0		0		0		0		0		0	
Female/male percentage 31 Dec.		45/55		47/53		46/54		48/52		49/51		53/47		53/47
<b>Employee turnover during the year (LA1)</b>														
New contracts including short-term substitutions	42		44		32		32		52		31		28	
Female/male percentage of new contracts		45/55		48/52		62/38		62/38		41/59		58/42		<sup>1)</sup>
Permanent employees left Citycon	59		66		27		27		20		25		28	
Female/male percentage of left employees		45/55		50/50		30/70		30/70		35/65		52/48		<sup>1)</sup>
Employees returning to work after parental leave		99		99		100		100		100		100		100
<b>Employee performance reviews (LA11)</b>														
Employees who have a performance review once a year	99		99		99*		99*		99		93		63	
<b>Sick days and work-related accidents (LA7)</b>														
Number of sick days during the year	896		896		307*		307*		243		220		424	
Sick days per employee	3		3		2*		2*		2		2		3	
The absentee rate	1		1		1*		1*		1		1		1	
Work accidents resulting in absence	0		0		0		0*		0		0		0	
Fatalities	0		0		0		0		0		0		0	

\* Figures don't include Citycon Norway employees

<sup>1)</sup> Not reported

<sup>2)</sup> Changed from 2015 Annual Report

Absentee rate =  

$$\frac{\text{Total absent days due to illness (1 Jan.-31 Dec.)}}{\text{Theoretical working days (1 Jan.-31 Dec.)}} \times 100\%$$

DURATION OF EMPLOYMENT  
31 DECEMBER 2016

	FTE	%
Less than 2 years	59	22
2-4 years	70	26
More than 4 years	143	52
<b>Total</b>	<b>272</b>	<b>100</b>

AGE PROFILE  
31 DECEMBER 2016

	FTE	%
Under 30	30	11
30-50	168	62
Over 50	74	27
<b>Total</b>	<b>272</b>	<b>100</b>

# ECONOMIC RESPONSIBILITY

## ECONOMIC VALUE GENERATED AND DISTRIBUTED (EC1)<sup>1)</sup>

MEUR	2016	2015	2014
Direct economic value generated			
a) Revenues			
Finland	127.2	139.0	147.7
Norway	115.1	60.5	0.0
Sweden	57.3	60.4	60.5
Baltics and Denmark	32.2	35.6	37.2
Gross rental income	251.4	223.9	189.4
Service charge income	80.3	71.7	55.9
Revenues from sale of investment properties <sup>2)</sup>	109.9	126.8	29.5
Economic value distributed			
b) Operating costs			
Finland	-32.2	-35.2	-38.1
Norway	-26.6	-15.6	0.0
Sweden	-14.1	-14.8	-15.4
Baltics and Denmark	-6.8	-8.2	-8.6
Headquarter	0.5	0.0	0.0
Purchases related to property operating costs <sup>3)</sup>	-79.2	-73.8	-62.1
Finland	220.3	-109.0	-95.9
Norway	45.7	-1,556.2	0.0
Sweden	45.6	-43.7	-26.0
Baltics and Denmark	1.8	-8.4	-0.7
Headquarter	1.1	-1.3	-2.9
Investments	314.5	-1,718.6	-125.5

MEUR	2016	2015	2014
c) Employee wages and salaries			
Finland	-3.2	-2.7	-2.6
Norway	-12.0	-9.5	0.0
Sweden	-3.7	-3.4	-2.3
Baltics and Denmark	-1.2	-1.0	-0.6
Headquarter	-6.1	-5.5	-5.8
Paid wages and salaries	-26.2	-22.1	-11.4
Finland	0.0	0.0	0.0
Norway	0.0	-0.1	0.0
Sweden	-0.1	0.0	0.0
Baltics and Denmark	0.0	0.0	0.0
Headquarter	-0.1	0.0	-0.1
Funds used for employee training	-0.1	-0.2	-0.1
d) Payments to providers of capital <sup>2)</sup>			
Paid dividends and return from invested unrestricted equity fund	-131.4	-89.2	-66.3
Loan repayments and proceeds	133.5	3.9	-286.1
Paid and received financial expenses as well as realised exchange rate losses/gains	-54.3	-57.9	-37.3
e) Payments to government			
Income taxes received/paid (directly from/ to government) <sup>2)</sup>	-0.8	-0.2	-0.7
Finland	-3.7	-3.6	-3.6
Norway	-1.4	-0.7	0.0
Sweden	-2.5	-3.2	-3.4
Baltics and Denmark	-0.4	-0.4	-0.4
Property taxes (payments to government as agent, recharged to tenants)	-8.1	-7.8	-7.4

1) The figures do not include Kista Galleria

2) Items from the cash flow

3) Services related to property maintenance always require the use of local employees. Energy was the largest cost item in maintenance costs. Locally procured district heating from regional heating companies is the principal heating method. Electricity is purchased on a centralised basis in all countries.

# GRI TABLES

## Comparison of the Report with the Guidelines of the Global Reporting Initiative and EPRA Best Practices Recommendations on Sustainability Reporting



AR: Annual Review  
SA: Sustainability Accounts  
CGS: Corporate Governance Statement  
FS: Financial Statements

GRI G4 code	EPRA Sustainability BPR	Indicator content	Page	Comments	Limited assurance	Coverage % (EPRA sBPR)
		<b>Strategy and analysis</b>				
G4-1		Statement from CEO	AR: 8-9			
G4-2		Key impacts, risks, and opportunities	AR p. 7, 10-13 FS p. 73-74 SA p. 2-3	Key impacts, risks, and opportunities are detailed in the Financial Statements.		
		<b>Organisational profile</b>				
G4-3-G4-9		Organisational profile	AR p. 3-5 CGS p. 2-3	www.citycon.com/about-us		
G4-10		Total number of employees by employment contract, region and gender.	AR p. 24 SA p. 10, 20-21			
G4-11		The percentage of total employees covered by collective bargaining agreements		Personnel is not covered by collective bargaining agreements.		
G4-12		The organisation's supply chain	AR p. 10-11			
G4-13		Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	AR p. 9 FS p. 60-65			
G4-14		Whether and how the precautionary approach or principle is addressed	SA p. 6, 9 CGS p. 11			
G4-15		Externally developed charters, principles, or other initiatives to which the organisation subscribes or which it endorses		Property and Building Sector Energy Efficiency Agreement in Finland		
G4-16		Memberships of associations (such as industry associations) and national or international advocacy organisations	AR p. 11	Green Building councils Finland and Norway		
		<b>Identified material aspects and boundaries</b>				
G4-17		The organisation's consolidated financial statements	FS p. 22-25			
G4-18		Defining the report content and the aspect boundaries	SA p. 4, 11			
G4-19		Material aspects	SA p. 4-5			
G4-20		Material aspect boundary within the organisation	SA p. 4-5, 11			
G4-21		Material aspect boundary outside the organisation	SA p. 4-5, 11			
G4-22		The effect of any restatements of information provided in previous reports		Minor updates in the environmental figures of 2015		
G4-23		Significant changes from previous reporting periods in the scope and aspect boundaries	SA p. 4, 11	The materiality assessment is due for updating again in 2017 and the focus will be on further solidifying the means for value creation through sustainability.		
		<b>Stakeholder engagement</b>				
G4-24		Stakeholder groups engaged by the organisation	SA p. 5			
G4-25		Basis for identification and selection of stakeholders with whom to engage	SA p. 4-5			
G4-26		The organisation's approach to stakeholder engagement	SA p. 4-7, 9			
G4-27		Key topics and concerns that have been raised through stakeholder engagement	SA p. 5, 7-10			

GRI G4 code	EPRA Sustainability BPR	Indicator content	Page	Comments	Limited assurance	Coverage % (EPRA sBPR)
		<b>Report profile</b>				
G4-28		Reporting period	SA p.11			
G4-29		Date of most recent previous report		www.citycon.com/reports-and-presentations		
G4-30		Reporting cycle	SA p.11	www.citycon.com/reports-and-presentations		
G4-31		Contact point for questions regarding the report or its contents		www.citycon.com/reports-and-presentations		
G4-32		GRI content index	SA p.23-28			
G4-33		Policy and current practice with regard to seeking external assurance for the report	SA p.11			
		<b>Governance</b>				
G4-34-53				Governance is discussed in the Corporate Governance Statement.		
		<b>Ethics and integrity</b>				
G4-56-58		Values, principles, standards and norms; mechanisms for seeking advice; mechanisms for reporting	SA p.5-8,10	www.citycon.com/code-of-conduct		
		<b>Management approach</b>				
G4-DMA		General management approach	SA p.6,9 CGS p.2-3			
		<b>Economic</b>				
		<b>Economic performance</b>				
G4-EC1		Direct economic value generated and distributed	SA p.22 AR p.10-11	Further information can be found in the Annual Review and Financial Statements.		
G4-EC2		Financial implications and other risks and opportunities for the organisation's activities due to climate change	CGS p.11 AR p.12-13	www.citycon.com/sustainability		
G4-EC3		Coverage of the organisation's defined benefit plan obligations		The company acts in accordance with legislation, not reported separately.		
G4-EC4		Financial assistance received from government		Received subsidies amounts to EUR 0.13 MEUR for Finland and 0.11 MEUR for Norway.		
		<b>Indirect economic impacts</b>				
G4-EC8		Significant indirect economic impacts, including the extent of impacts	AR p.7,10,11,17,22 SA p.3			
		<b>Procurement practices</b>				
G4-EC9		Proportion of spending on local suppliers at significant locations of operation	AR p.7,10,11,17 SA p.3,22			
		<b>Environmental</b>				
		<b>Energy</b>				
G4-EN3	Elec-Abs, DH&C-Abs, Fuel-Abs Elec-LfL DH&C-LfL Fuels-LfL	Energy consumption within the organisation	AR p.7,9,11,13,17 SA p.8,11-13	(Re)development projects are not included in the reported figures (represent minor share of total energy consumption). A note on (re)development can be found on page AR19.  Self-generated energy is not reported as the amounts generated were still marginal in 2016.	✓	98; I-f-I100
G4-EN6		Reduction of energy consumption	AR p.7,9,13,17 SA p.8,12-13			
G4-EN7		Reductions in energy requirements of products and services	AR p.7,9,13,17 SA p.6,8,12-13			
CRE1	Energy-Int	Building energy intensity	AR p.7,13,17 SA p.2,8,12		✓	98



GRI G4 code	EPRA Sustainability BPR	Indicator content	Page	Comments	Limited assurance	Coverage % (EPRA sBPR)
<b>Water</b>						
G4-EN8	Water-Abs; Water-LfL	Total water withdrawal by source	SA p.10, 16	Water comes from municipal waterworks.	✓	97; l-f-195
CRE2	Water-Int	Building water intensity	AR p. 22, 26-27 SA p. 2, 10, 16			97
<b>Biodiversity</b>						
G4-EN11		Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	AR p. 27 SA p. 10			
<b>Emissions</b>						
G4-EN15	GHG-Dir-Abs; GHG-Dir-LfL	Direct greenhouse gas (GHG) emissions (scope 1)	SA p. 8, 14-15		✓	98; l-f-1100
G4-EN16	GHG-Indir-Abs; GHG-Indir-LfL	Energy indirect greenhouse gas (GHG) emissions (scope 2)	SA p. 8, 14-15		✓	98; l-f-1100
G4-EN17	GHG-Indir-Abs	Other indirect greenhouse gas (GHG) emissions (scope 3)	SA p. 8, 14-15	Calculated partly.	✓	98; l-f-1100
G4-EN19		Reduction of greenhouse gas (GHG) emissions	AR p. 7 SA p. 8, 14-15			
CRE3	GHG-Int	Greenhouse gas emissions intensity from buildings	SA p. 8, 14		✓	98
<b>Effluents and Waste</b>						
G4-EN22		Total water discharge by quality and destination		Waste water and rain water is led to municipal sewer systems.		
G4-EN23	Waste-Abs; Waste l-f-l	Total weight of waste by type and disposal method	SA p.10, 17-19		✓	96; l-f-1100
G4-EN24		Total number and volume of significant spills		No such cases in 2016.		
<b>Products and Services</b>						
G4-EN27		Extent of impact mitigation of environmental impacts of products and services	AR p. 26-27 SA p. 10			
<b>Compliance</b>						
G4-EN29		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		No misconducts during 2016.		
<b>Supplier environmental assessment</b>						
G4-EN32		Percentage of new suppliers that were screened using environmental criteria		No screenings. Citycon's Business Code of Conduct applied to all material business relationships.		
<b>Environmental grievance mechanisms</b>						
G4-EN34		Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms		No reports received via our Code of Conduct reporting channel opened in 2015.		
<b>Social</b>						
<b>Labor practices and decent work</b>						
<b>Employment</b>						
G4-LA1		Total number and rates of new employee hires and employee turnover by age group, gender and region	SA p. 10, 20-21 FS p. 10	New employee hires are not reported by age group and region, due to the relatively small number of employees.		
G4-LA3		Return to work and retention rates after parental leave, by gender	SA p. 21			

GRI G4 code	EPRA Sustainability BPR	Indicator content	Page	Comments	Limited assurance	Coverage % (EPRA sBPR)
		<b>Labor/management relations</b>				
G4-LA4		Minimum notice periods regarding operational changes, including whether these are specified in collective agreements		Citycon complies with local legislation and regulations. Statutory negotiations between the employer and employees take place within a co-operation group. Employee representatives are elected for a term of two years at a time. The group discusses matters affecting the entire personnel. All employment relationships are based on a legal employment contracts.		
		<b>Occupational Health and Safety</b>				
G4-LA5		Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs		Co-operative occupational safety committee in Finland. Matters discussed include issues related to health and safety, and well-being in the workplace.		
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	SA p. 21	Citycon has formed safety committees or appointed a safety representative in each country where it is required. Co-operative occupational safety committee in Finland. Matters discussed include issues related to health and safety, as well as work-life balance.		
		<b>Training and Education</b>				
G4-LA10		Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	SA p. 9	We offer all employees equal possibilities to participate in training.		
G4-LA11		Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	SA p. 5, 9, 21	In accordance to our HR policy all employees partake in annual performance reviews.		
		<b>Diversity and Equal Opportunity</b>				
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 p. 24, 33 CGS p. 3-4			
		<b>Supplier Assessment for Labor Practices</b>				
G4-LA14		Percentage of new suppliers that were screened using labor practices criteria	SA p. 10	No screenings. Citycon's Business Code of Conduct is applied to all material business relationships. During 2016 the field of application has been extended to also cover suppliers and service providers associated with property development.		
		<b>Labor practices grievance mechanisms</b>				
G4-LA16		Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms		No reports received via our Code of Conduct reporting channel opened in 2015.		
		<b>Human rights</b>				
		<b>Investment</b>				
G4-HR1		Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		No such risks in operating areas.		
		<b>Non-discrimination</b>				
G4-HR3		Total number of incidents of discrimination and corrective actions taken		No such cases in 2016.		
		<b>Freedom of Association and Collective Bargaining</b>				
G4-HR4		Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights		No such risks in operating areas. Citycon Code of Conduct, <a href="http://www.citycon.com/Sustainability">www.citycon.com/Sustainability</a>		
		<b>Child labor</b>				
G4-HR5		Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		Citycon Code of Conduct, <a href="http://www.citycon.com/Sustainability">www.citycon.com/Sustainability</a>		

GRI G4 code	EPRA Sustainability BPR	Indicator content	Page	Comments	Limited assurance	Coverage % (EPRA sBPR)
		<b>Forced or Compulsory Labor</b>				
G4-HR6		Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		Citycon Code of Conduct, <a href="http://www.citycon.com/Sustainability">www.citycon.com/Sustainability</a>		
		<b>Security practices</b>				
G4-HR7		Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations		Citycon's Group Security Manager has been trained as well as other relevant personnel.		
		<b>Human rights grievance mechanisms</b>				
G4-HR12		Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms		No reports received via our Code of Conduct reporting channel opened in 2015.		
		<b>Society</b>				
		<b>Local communities</b>				
G4-S01		Percentage of operations with implemented local community engagement, impact assessments, and development programs	SA p.10	Following the launch of a project started in 2015 to better understand the social and economic effects Citycon has in the community we have engaged locally in many ways, and have continued to better assess and confirm the link between community activities and business goals.		
G4-S02		Operations with significant actual and potential negative impacts on local communities		Residents briefings in connection with development projects.		
		<b>Anti-corruption</b>				
G4-S03		Total number and percentage of operations assessed for risks related to corruption and the significant risks identified		Citycon Code of Conduct, <a href="http://www.citycon.com/Sustainability">www.citycon.com/Sustainability</a>		
G4-S04		Communication and training on anti-corruption policies and procedures		Mandatory e-learning tool for the whole personnel. Citycon Code of Conduct, <a href="http://www.citycon.com/Sustainability">www.citycon.com/Sustainability</a>		
G4-S05		Confirmed incidents of corruption and actions taken		No such cases in 2016.		
		<b>Public policy</b>				
G4-S06		Total value of political contributions by country and recipient/beneficiary				
		<b>Anti-competitive Behavior</b>				
G4-S07		Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes		No such cases in 2016.		
		<b>Compliance</b>				
G4-S08		Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		No such cases in 2016.		
		<b>Supplier Assessment for Impacts on Society</b>				
G4-S09		Percentage of new suppliers that were screened using criteria for impacts on society		No screenings. Citycon's Business Code of Conduct applied to all material business relationships.		
		<b>Grievance Mechanisms for Impacts on Society</b>				
G4-S011		Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms		No reports received via our Code of Conduct reporting channel opened in 2015.		
		<b>Product responsibility</b>				
		<b>Customer Health and Safety</b>				
G4-PR2		Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes		No such cases in 2016.		

GRI G4 code	EPRA Sustainability BPR	Indicator content	Page	Comments	Limited assurance	Coverage % (EPRA sBPR)
		<b>Product and Service Labeling</b>				
G4-PR5		Results of surveys measuring customer satisfaction		Group wide satisfaction survey carried out in 2016.		
CRE8	Cert-tot	Sustainable development certificates	AR p. 7, 10, 13, 17, 22, 34-37 SA p. 2, 6, 10, 15	www.citycon.com/environmental-certifications	✓	100
		<b>Marketing communications</b>				
G4-PR7		Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes		No such cases in 2016.		
		<b>Customer privacy</b>				
G4-PR8		Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		No such cases in 2016.		
		<b>Compliance</b>				
G4-PR9		Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		No such cases in 2016.		

# INDEPENDENT ASSURANCE REPORT (TRANSLATED FROM ORIGINAL REPORT IN FINNISH LANGUAGE)

## TO THE MANAGEMENT OF CITYCON OYJ

At the request of the Management of Citycon Oyj (hereafter Citycon) we have performed a limited assurance engagement on the numerical environmental data presented for the reporting period 1.1.–31.12.2016 in Citycon's Sustainability Accounts 2016 (hereafter corporate responsibility information).

### MANAGEMENT'S RESPONSIBILITY

The Management of Citycon is responsible for the preparation and presentation of the corporate responsibility information in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4, EPRA (European Public Real Estate Association) Best Practice Recommendations on Sustainability Reporting (2nd Edition) and Citycon's internal reporting guidelines (hereafter the reporting principles).

### ASSURANCE PROVIDER'S RESPONSIBILITY

It is our responsibility to present an independent conclusion on the corporate responsibility information based on our work performed. We do not accept nor assume responsibility to anyone else except to Citycon for our work, for the assurance report and for the conclusions that we have reached.

We have conducted the assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits

or Reviews of Historical Financial Information'. The ISAE 3000 standard requires compliance with ethical requirements as well as planning and performing the assurance engagement to obtain limited assurance on whether the corporate responsibility information has been prepared, in all material respects, in accordance with the reporting principles.

### ASSURANCE PROVIDER'S INDEPENDENCE AND QUALITY ASSURANCE

We comply with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the IESBA (International Ethics Standards Board for Accountants). We apply ISQC 1 (International Standard on Quality Control) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### LIMITATIONS OF THE ENGAGEMENT

Assurance is provided only on the numerical environmental information disclosed in Citycon's Sustainability Accounts 2016. We have not been engaged to provide assurance on amounts or disclosures relating to other topics or to prior reporting periods presented in the Sustainability Accounts 2016.

In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the Assurance Provider's judgment, including an assessment of the risks that the corporate responsibility information would not, in all material respects, comply with the reporting principles. We have planned and performed our engagement to obtain sufficient appropriate evidence on which to base our conclusion.

We have performed, among others, the following procedures:

- a. An update of our knowledge and understanding of Citycon's material sustainability reporting topics, organisation and activities,
- b. An assessment of suitability and application of the reporting principles regarding the stakeholders' needs for information,
- c. Interviews with personnel responsible for gathering and consolidation of the corporate responsibility information to understand the systems, processes and controls related to gathering and consolidating the information,
- d. Visiting a site in Sweden and a site in Finland to obtain evidence of the data gathering and consolidation process,
- e. Reviewing environmental data from internal and external sources and checking the data to

reporting information on a sample basis, f. Reviewing the disclosed data presentation with regard to GRI G4 Guidelines and EPRA Best Practice recommendations.

Our assurance report should be read in conjunction with the inherent limitations of accuracy and completeness for corporate responsibility information. This independent assurance report should not be used on its own as a basis for interpreting Citycon's performance in relation to its principles of corporate responsibility.

### CONCLUSION

Based on our work described in this report, nothing has come to our attention that causes us to believe that the corporate responsibility information has not been prepared, in all material respects, in accordance with the reporting principles, or that the Information is not reliable, in all material respects, based on the reporting principles.

Helsinki, 17 February 2017

Ernst & Young Oy

Mikko Ryttilahti  
*Partner, Authorized Public Accountant*

Jani Alenius  
*Leader of Climate Change and Sustainability Services*



