



# SUSTAINABILITY REPORT 2018



MERCADA

-  GOVERNANCE
-  SUSTAINABILITY STRATEGY
-  CUSTOMERS FIRST
-  SUSTAINABLE ENVIRONMENT
-  HONEST BUSINESS
-  SUSTAINABILITY IN FIGURES




**CUSTOMERS FIRST**  
We want to offer the best shopping experience for our customers.



**SUSTAINABLE ENVIRONMENT**  
Our priority is to minimize environmental impacts.



**HONEST BUSINESS**  
We respect stable, predictable and honest business.

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 <p><b>CUSTOMERS FIRST</b> We want to offer the best shopping experience for our customers.</p>	 <p><b>SUSTAINABLE ENVIRONMENT</b> Our priority is to minimize environmental impacts.</p>	 <p><b>HONEST BUSINESS</b> We respect stable, predictable and honest business.</p>
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<b>30</b>	COMMUNITY ENGAGEMENT EVENTS HELD	<b>-12 %</b>	IMPACT TO CLIMATE CHANGE COMPARED TO 2016	<b>50</b>	MEUR GROSS RENTAL INCOME
<b>100 %</b>	SHARE OF SHOPPING CENTRES SAFE RETAIL DESTINATIONS®	<b>73 %</b>	SHARE OF RENEWABLE ELECTRICITY USED	<b>677</b>	MEUR VALUE OF PROPERTIES
<b>4,2</b>	CUSTOMER SATISFACTION RATE OUT OF FIVE	<b>100 %</b>	WASTE RECOVERY RATE	<b>0</b>	CASES RELATED TO CORRUPTION
<b>100 %</b>	SHARE OF BREEAM IN-USE CERTIFIED SHOPPING CENTRES	<b>100 %</b>	SHARE OF SHOPPING CENTRES ACCESSIBLE BY PUBLIC TRANSPORT	<b>0</b>	CASES RELATED TO VIOLATION OF HUMAN RIGHTS

## GOVERNANCE

➤ Mercada in Short

➤ Stakeholder Co-operation

➤ CEO's Interview

SUSTAINABILITY STRATEGY

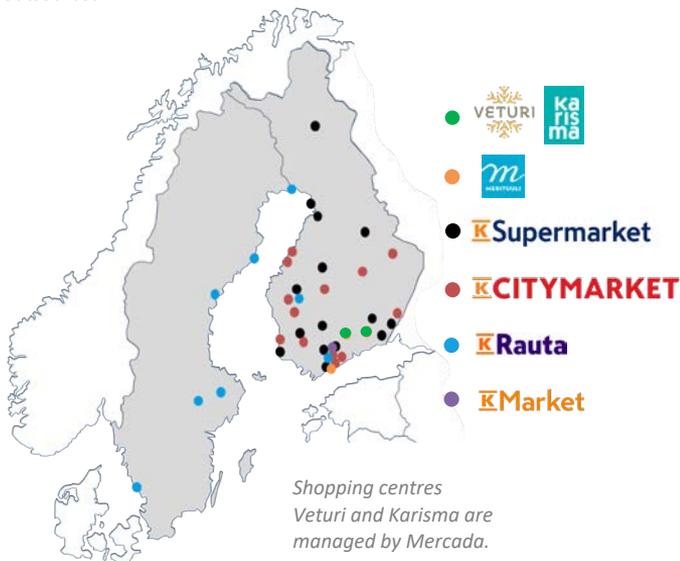
CUSTOMERS FIRST

SUSTAINABLE ENVIRONMENT

HONEST BUSINESS

SUSTAINABILITY IN FIGURES

Mercada owns, manages and develops retail sites mainly used by Kesko. Our mission is to actively develop our property portfolio and increase its value. We operate in Finland and Sweden and are owned jointly by Kesko Oyj, Ilmarinen Mutual Pension Insurance Company and Swedish AMF Pensionsförsäkring. Mercada's head quarters are located in Helsinki, Finland. CEO Harri Holmström is Mercada's only employee and all other functions are outsourced.



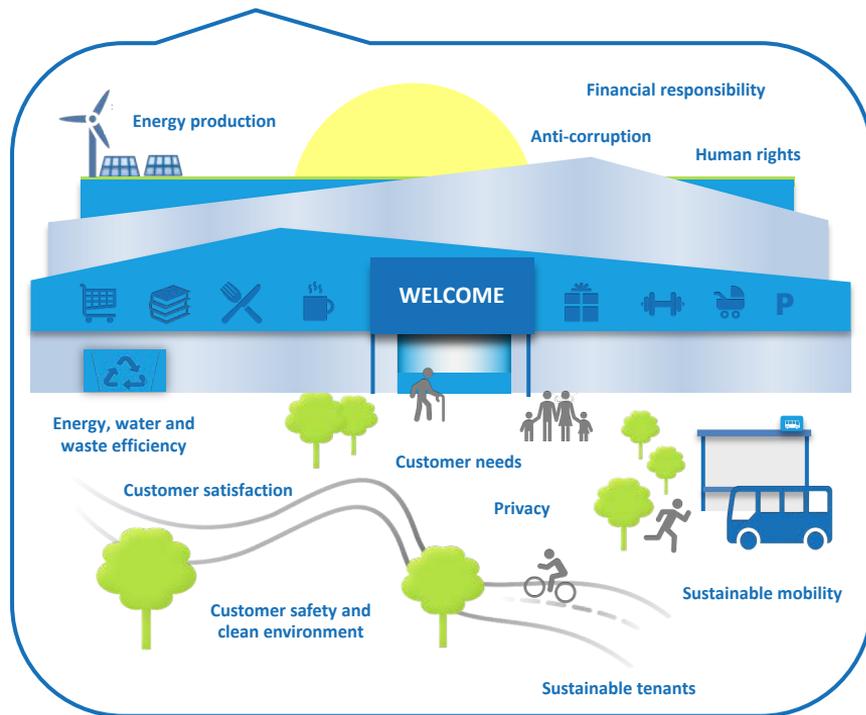
41 properties

338 090 SQ.M gross leasable area

49.9 MEUR gross rental income

676.5 MEUR property market value

## OUR VISION IS TO OFFER SUSTAINABLE RETAIL SITES AND THE BEST SHOPPING EXPERIENCE FOR CUSTOMERS



**GOVERNANCE**

- Mercada in Short
- Stakeholder Co-operation
- CEO's Interview

**SUSTAINABILITY STRATEGY**

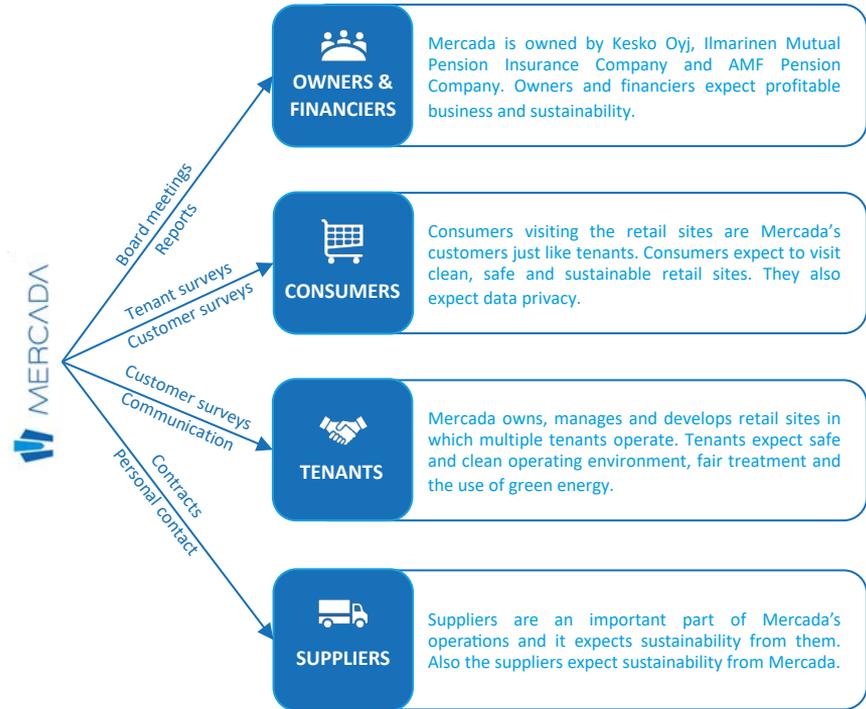
**CUSTOMERS FIRST**

**SUSTAINABLE ENVIRONMENT**

**HONEST BUSINESS**

**SUSTAINABILITY IN FIGURES**

Open dialogue with our stakeholders is a priority for us. A well-functioning relationship between us and our stakeholders increases our transparency and strengthens mutual understanding. We cooperate daily with our stakeholders towards sustainability. There are five main stakeholders to which Mercada is in contact through various channels – owners, financiers, consumers, tenants and suppliers. Our daily operations include several ways of listening to our stakeholders, for example board meetings, consumer surveys, tenant surveys, and personal contact. The expectations and interests of these stakeholders are identified below.



## GOVERNANCE

- Mercada in Short
- Stakeholder Co-operation
- CEO's Interview

## SUSTAINABILITY STRATEGY

## CUSTOMERS FIRST

## SUSTAINABLE ENVIRONMENT

## HONEST BUSINESS

## SUSTAINABILITY IN FIGURES



**'OUR TENANTS ARE DOING EXCELLENT WORK RELATED TO SUSTAINABILITY', says CEO Harri Holmström**

**WHAT IS THE AIM OF YOUR SUSTAINABILITY WORK?**

The aim of our sustainability work is to create long-term value both for us and our stakeholders. The most significant issues in our sustainability work are improving customer satisfaction and reducing our impacts to the climate change. We work closely with our business partners and tenants to achieve our sustainability goals.

**WHAT KIND OF A ROLE DO TENANTS HAVE IN YOUR SUSTAINABILITY PERFORMANCE?**

Our tenants have a major part in our sustainability work and they are doing excellent work. Both shopping centres have now the 'Excellent' rating in BREEAM environmental assessment. In addition, both shopping centres received SAFE Retail Destination© -certificates in excellent level during the year 2018. Our main tenant Kesko was ranked as 88th on the Global 100 Most Sustainable Corporations in the World list.

**HOW DO YOU ENSURE YOUR TENANT'S SUSTAINABILITY?**

During the year 2018 we defined common sustainability instructions for our business partners and tenants to support our responsibility work. These instructions help us operate in accordance with shared values and principles. Our goal is to add these principles to new leases during the year 2019.

**WHAT ARE THE MAIN SUSTAINABILITY ACHIEVEMENTS DURING 2018?**

- We are very proud to inform that our **customer satisfaction is at an excellent level**. Our overall customer satisfaction was rated 4,3 out of 5 in shopping centre Veturi and the amount of visitors increased 1 % compared to the previous year in shopping centre Karisma. So far, the customer satisfaction has been measured with occasional tenant and consumer surveys, but our goal is to measure total customer satisfaction and NPS every year starting in 2019.
- Our aim to **increase our environmental responsibility is also gaining good results**. Our total energy consumption decreased 6,7 % and water consumption 13 % compared to the previous year. During the year 2018, one of the biggest solar power plants in Finland was build on the roof of our shopping centre Veturi. Plants are generating electricity for the K-Citymarket located in the premises. This helps us to achieve our target to increase the amount of self-generated renewable energy. Our impact to the climate change is today 12 % less than in 2016 and we will aim to do even more to fight against climate change.

-  GOVERNANCE
-  SUSTAINABILITY STRATEGY
  - Code of Conducts
  - Sustainability Themes
  - Sustainability Targets
-  CUSTOMERS FIRST
-  SUSTAINABLE ENVIRONMENT
-  HONEST BUSINESS
-  SUSTAINABILITY IN FIGURES



We defined our Code of Conducts during the year 2017. **Code of Conducts outline our sustainability principles which we follow in our daily operations.** We also expect our business partners to operate responsibly, so these principles guide our partners to act in accordance with shared values and operating principles.

Our sustainability principles include **six guidelines outlining the environmental, social and financial norms and responsibilities.** These principles were added to new leases during the year 2018. By signing a new lease, the tenant agrees to pursue these norms in its every day operations.

 <p><b>WE COMPLY WITH THE LAW AND REGULATIONS</b></p>	 <p><b>WE RESPECT HUMAN RIGHTS</b></p>	 <p><b>WE ARE COMMITTED TO FAIR COMPETITION</b></p>
 <p><b>WE DO NOT OFFER OR ACCEPT BRIBES</b></p>	 <p><b>WE RESPECT ENVIRONMENT</b></p>	 <p><b>WE SECURE CONFIDENTIAL INFORMATION</b></p>

-  GOVERNANCE
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-  HONEST BUSINESS
-  SUSTAINABILITY IN FIGURES

We identified our **three sustainability themes and nine sustainability topics** during the year 2017. The topics were identified by evaluating our impacts on the surrounding society and environment, and recognizing the expectations and interests of our stakeholders.

We also recognized **five Agenda 2030 Sustainability Development Goals** to implement in our daily business. These five goals are closely related to our own sustainability themes. Agenda 2030 Sustainable Development Goals are set by the United Nations.



**CUSTOMERS FIRST**

CUSTOMER SATISFACTION

CUSTOMER SAFETY AND PRIVACY

SUSTAINABLE TENANTS



**SUSTAINABLE ENVIRONMENT**

ENERGY AND WATER CONSUMPTION

WASTE EFFICIENCY

GREENHOUSE GAS EMISSIONS



**HONEST BUSINESS**

FINANCIAL FLOWS

ANTI-CORRUPTION

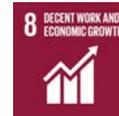
HUMAN RIGHTS



*We develop high quality and sustainable retail sites which offer the best shopping experience for customers.*



*Our priority is to minimize environmental impacts, so we invest in green energy and pay attention to responsible consumption.*



*We promote sustainable economic growth by practicing stable, predictable and honest business.*

We follow the achievements and set new sustainability targets every year. Achievements are monitored in different colours:

● achieved   
 ● partly achieved   
 ● not achieved

	 <b>CUSTOMERS FIRST</b>			 <b>SUSTAINABLE ENVIRONMENT</b>			 <b>HONEST BUSINESS</b>		
	Customer satisfaction	Customer safety and privacy	Sustainable tenants	Energy and water consumption	Waste efficiency	Greenhouse gas emissions	Financial flows	Anti-corruption	Human rights
GOALS FOR 2018	Increase the number of cafes in shopping centers	Zero neglects of security or leaks of information	Define sustainability instructions and add them to new leases	Energy consumption -5 % in shopping centers	Maintain the recovery rate of waste	Reduce greenhouse gas emissions	Transparency in economical actions and no tax evasions	Zero corruption cases	Zero cases related to violation of human rights
	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: orange;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
GOALS FOR 2019	Measure total customer satisfaction and NPS	Zero neglects of security or leaks of information	Add sustainability instructions to new leases	Reduce energy and water consumption	Ensure waste recycling and reusing	Reduce greenhouse gas emissions	Transparency in economical actions and no tax evasions	Zero corruption cases	Zero cases related to violation of human rights

 GOVERNANCE

 SUSTAINABILITY STRATEGY

- Code of Conducts
- Sustainability Themes
- Sustainability Targets

 CUSTOMERS FIRST

 SUSTAINABLE ENVIRONMENT

 HONEST BUSINESS

 SUSTAINABILITY IN FIGURES



GOVERNANCE



SUSTAINABILITY STRATEGY



CUSTOMERS FIRST

➤ Customer Satisfaction

➤ Customer Safety and Privacy

➤ Sustainable Tenants



SUSTAINABLE ENVIRONMENT



HONEST BUSINESS



SUSTAINABILITY IN FIGURES

Shopping centers are destinations for more than just shopping. They are natural meeting places, which provide spaces for local engagement and events. **We follow customer satisfaction and do continuous efforts to improve it** to meet customer’s needs. Our goal is to measure total customer satisfaction and NPS every year from 2019.



### TENANT SURVEYS:

We work with the tenants to identify areas for improvement. During 2018, a tenant survey was made in shopping centre Veturi. Overall satisfaction was rated 4,3 out of 5. Based on the survey, security and safety received the highest evaluation, when the general conditions of shopping centre require the most improvement.



### CONSUMER SURVEYS:

We carry out consumer surveys annually to identify areas of improvement. Based on the results of the survey, children’s playing area, named Papu Park, was opened in shopping centre Karisma at the beginning of 2018. This increased the amount of visitors by 1 % compared to the previous year.

## MULTIPLE EFFORTS WERE MADE TO IMPROVE CUSTOMER SATISFACTION DURING THE YEAR 2018:



Our goal for 2018 was to increase the number of cafes in shopping centres. The number of cafes increased by two, when Jungle Juice Bar opened both in Karisma and Veturi.



Over 30 events were organized to improve customer satisfaction and children’s playing area, named Papu Park, was opened at the beginning of 2018.



Small renovations were carried out and quality of cleaning was monitored to improve cozyness of the shopping environment. Also air quality was constantly monitored by Nuuka Solutions.



Special attention was given to children’s playing areas and their safety was constantly monitored.



CASE

## DOZENS OF EVENTS ARE HELD IN SHOPPING CENTRES EVERY YEAR

Events are a fun way to increase customer satisfaction in shopping centres. Dozens of events are held in shopping centres Karisma and Veturi every year. The goal is to keep all customers happy, so the themes of the events vary depending on the target groups and seasons. New events are constantly being developed.

### BABY DAY BRINGS TOGETHER BABIES AND PARENTS

Annual Baby Day in the shopping centre Karisma is planned especially for Karisma’s child target group. It is a daytime event for babies, toddlers and their families. This popular day includes activities like dyebath and musical playschool. Many tenants participate the event by discount sales.

### WELLNESS EVENT ENCOURAGES TO MOVEMENT

Shopping centre Veturi arranged a wellness event for its customers in September. The day included sport shows, presentations and discussion about well-being. A floorball tournament and a fashion show were also organized as part of the event.



GOVERNANCE



SUSTAINABILITY STRATEGY



CUSTOMERS FIRST

➤ Customer Satisfaction

➤ Customer Safety and Privacy

➤ Sustainable Tenants



SUSTAINABLE ENVIRONMENT



HONEST BUSINESS



SUSTAINABILITY IN FIGURES

We are responsible for our customer's safety, which means that **safe and clean shopping environments are one of our main priorities**. We aim to ensure the highest level of safety and security for our tenants and visitors. The main idea is to work closely with tenants and authorities on safety issues so that all the safety aspects will be taken into consideration.

## MULTIPLE EFFORTS WERE MADE TO IMPROVE CUSTOMER SAFETY DURING 2018:



Shopping centres Veturi and Karisma received SAFE Retail Destination® -certificates in excellent level during the year 2018.



Property condition audits and annual rescue, security and fire safety trainings were made with good results.

One of our guidelines in Code of Conducts is to **treat customer information confidentially**. We follow all relevant laws and regulations regarding customer privacy including General Data Protection Regulation (GDPR). Compliance with data protection principles and functionality with technical systems are monitored continuously. All the new technical systems are also checked before use to ensure customer privacy.

## CUSTOMER PRIVACY



0 neglects of security or leaks of information



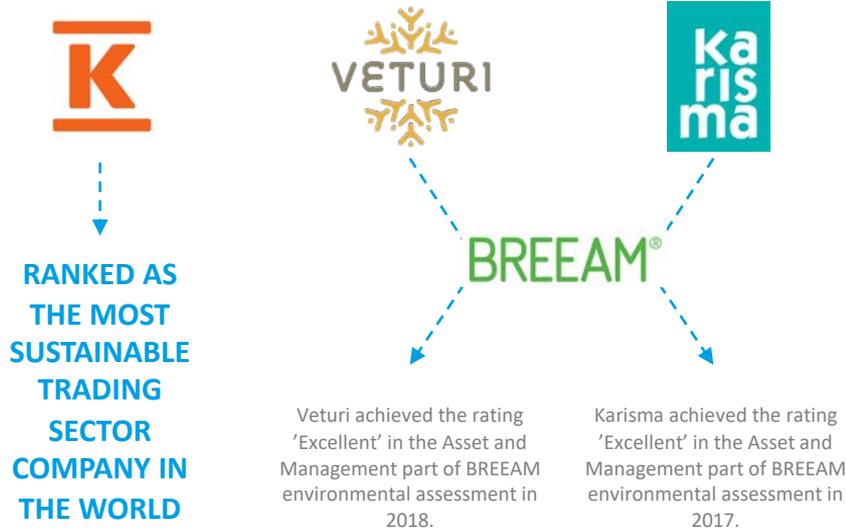
### VETURI AND KARISMA ARE SAFE RETAIL DESTINATIONS®

Safety is becoming an increasingly important factor in shopping centers. Shopping centres Veturi and Karisma Received SAFE Retail Destination® -certificates in excellent level during the year 2018. The certification demonstrates that investors, owners and operators do everything to protect the health and safety of employees, tenants and visitors.

Certificates are provided by SAFE Shopping Centers, which is a global management company that comprises risk, security and shopping center experts who work with industry leading clients around the world to create SAFE Retail Destinations® for the benefit of owners, tenants and visitors. Operation is based on the Risk, Resilience, and Security Standard®.

*"We aim to ensure the highest level of safety and security for our visitors and tenants. Certificates show that we take security seriously and work closely with the tenants and authorities on safety issues", says CEO Harri Holmström*

Mercada's **tenants are doing excellent sustainability work**. The main tenant Kesko has been ranked the most sustainable trading sector company in the world and 88st on the Global 100 Most Sustainable Corporations in the World list. Both Veturi and Karisma have achieved the value 'excellent' ratings in the Asset and Management part of BREEAM environmental assessment.



A blue rounded rectangle contains six icons arranged in a 2x3 grid, each with a corresponding text principle below it:

- Icon:** An open book. **Text:** WE COMPLY WITH THE LAW AND REGULATIONS
- Icon:** A person silhouette. **Text:** WE RESPECT HUMAN RIGHTS
- Icon:** Two hands shaking. **Text:** WE ARE COMMITTED TO FAIR COMPETITION
- Icon:** A stack of coins. **Text:** WE DO NOT OFFER OR ACCEPT BRIBES
- Icon:** A tree. **Text:** WE RESPECT ENVIRONMENT
- Icon:** A padlock. **Text:** WE SECURE CONFIDENTIAL INFORMATION

We expect our tenants to be sustainable, but the tenants expect it also from us. **Common sustainability instructions for the tenants were defined during the year 2018.** The principles are based on our Code of Conducts and they require all our business partners and tenants to operate in accordance with shared values and operating principles. These principles will be added to new leases during the year 2019.

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GOVERNANCE

SUSTAINABILITY STRATEGY

CUSTOMERS FIRST

SUSTAINABLE ENVIRONMENT

➤ Minimizing Environmental Impacts

➤ Energy, Water and Waste Efficiency

➤ Greenhouse Gas Emissions

HONEST BUSINESS

SUSTAINABILITY IN FIGURES

Buildings represent a large fraction of global carbon emissions and energy consumption. We aim to do more than expected to fight against climate change and to achieve sustainable development. Below are a few examples of how we minimize our environmental impacts:



### WATER EFFICIENT SOLUTIONS

We use new technical solutions like water flow limiters for faucets and toilet seats as well as waterless urinals to minimize our water consumption.



### ENERGY PRODUCTION AND THE USE OF RENEWABLE ENERGY

Part of our energy used is produced by retail sites locally. Total of five retail sites have their own solar panels on the roof to produce electricity. Also geothermal heat is used to reduce the need for external heat and cooling. In total 72 % of our purchased electricity is from renewable sources. This helps us minimize our GHG emissions.



### WASTE MANAGEMENT

We take care of our waste management to offer both visitors and tenants the possibility to reduce, reuse and recycle the waste in a sustainable way. The waste recovery rate of our shopping centers is almost 100 %.



### ENERGY EFFICIENT SOLUTIONS

We use new technical solutions like effective heat recovery from technical systems and appliances, LED lighting and optimised ventilation to minimize our energy consumption. Our goal is to reduce energy consumption of our shopping centres at least by 5 % every year.



### SUSTAINABLE TRANSPORTATION

Our retail sites are located close to people. 100 % of our shopping centres are accessible by public transport. Multiple parking spaces and charging stations for electrical vehicles are available in the parking areas. Our bicycle parking and good pedestrian access encourages the customers to leave their cars home.



GOVERNANCE



SUSTAINABILITY STRATEGY



CUSTOMERS FIRST



SUSTAINABLE ENVIRONMENT

➢ Minimizing Environmental Impacts

➢ Energy, Water and Waste Efficiency

➢ Greenhouse Gas Emissions



HONEST BUSINESS



SUSTAINABILITY IN FIGURES

Mercada's continuous work to minimize our environmental impacts is generating results. The total energy consumption of Mercada's portfolio in 2018 was 91 GWh, which is 6,7 % less than in 2017. Estimated 1 % of the electricity consumed is self-produced. The total water consumption in 2018 was approximately 73 cubic tons, which is almost 13 % less than the year before. We also measured the amount of waste in our shopping centers. Total 671 tons of waste was generated in shopping centres Karisma and Veturi. This is 6,3 % more than the year before. However, nearly 100 % of the generated waste are going to recycling or energy recovery.



## RETAIL SITES ARE MORE ENERGY EFFICIENT

**- 6,7 %**

total energy consumption compared to 2017

Electricity consumption decreased 8,5 % and heat consumption 1 %.



## RETAIL SITES ARE MORE WATER EFFICIENT

**- 13 %**

total water consumption compared to 2017



## WASTE RECOVERY RATE IS TOP CLASS

**100 %**

waste recovery rate

61 % of generated waste is recycled and 39 % obtained as energy.

ENERGY INTENSITY OF RETAIL SITES, kWh/brm<sup>2</sup>



WATER INTENSITY OF RETAIL SITES, l/brm<sup>2</sup>





GOVERNANCE



SUSTAINABILITY STRATEGY



CUSTOMERS FIRST



SUSTAINABLE ENVIRONMENT

➤ Minimizing Environmental Impacts

➤ Energy, Water and Waste Efficiency

➤ Greenhouse Gas Emissions



HONEST BUSINESS



SUSTAINABILITY IN FIGURES

We aim to do more than expected to fight against climate change. Our mission is to increase our environmental responsibility and especially the amount of self-generated renewable energy. Total of five retail sites have their own solar panels on the roof to produce electricity. Also geothermal heat is used to reduce the need for bought heat and cooling in shopping centre Veturi.

The total greenhouse gas emissions were 8 530 tons of CO<sub>2</sub> during the year 2018. This is 8,7 % less than in 2017. Approximately 73 % of the electricity consumed is from renewable sources and 1 % of this is self-produced.



## IMPACT TO CLIMATE CHANGE

**- 8,7 %** Compared to 2017

Our impact on climate change has decreased by 12 % compared to 2016.

## GREENHOUSE GAS INTENSITY, kgCO<sub>2</sub>/brm<sup>2</sup>



**73 %**

share of renewable electricity used

**1 %**

share of self-produced electricity used



CASE

## VETURI HAS ONE OF THE BIGGEST SOLAR POWER PLANTS IN FINLAND

One of the biggest solar power plants in Finland was built on the roof of Veturi Shopping Centre in August 2018, generating electricity for the K-Citymarket located in the premises. Most of Veturi's heating energy is already produced by geothermal heat, so solar power plant strengthens the environmental performance of Veturi's operations.

*"Building a solar power plant is a natural next step for us in strengthening the environmental responsibility of Veturi's operations and increasing our self-sufficiency in energy production", says Mercada's CEO Harri Holmström*

The solar power plant includes 3,339 solar panels which generate electricity at a maximum power of 902kWp for the K-Citymarket located in the shopping centre. The power generation is 10-15 % of the K-Citymarket's annual electricity consumption, and on a sunny summer day, the return can cover up to 60 % of current consumption.

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-  SUSTAINABILITY IN FIGURES

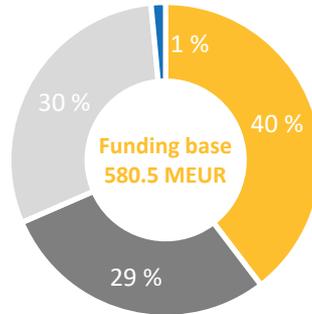
We respect stable and profitable business. **The principle is to adhere to transparency in economical actions.** We do not implement any tax arrangements with the purpose of tax evasion and we have no links to tax havens. The payment, collection and accounting of taxes complies with the Finnish legislation.

**49.9 MEUR**  
gross rental income  
in 2018

**676.5 MEUR**  
value of properties  
in 2018

**Cash flows and funding**

Our economic development has been stable during the year 2018. The major part of our cash flow comes from Kesko Group (80 %) and the major part of our funding comes from long-term bank loans. Shareholder loans and Senior Secure Bonds are the second largest source of fund.



- Bank loans, long-term
- Shareholder loans
- Senior Secure Bond
- Bank loans, short-term



- GOVERNANCE
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  - > **Anti-corruption and Human Rights**
- SUSTAINABILITY IN FIGURES

Our sustainability principles outline our financial norms and responsibilities. We follow the laws on everything we do and are committed to fair competition. Any bribes are not offered or accepted to acquire or maintain business. We are also committed to respect internationally recognised human rights in all our operations. Human rights violation is not tolerated in any form.

We follow the number of corruption cases and violation of human right annually. In 2018 we did not become aware of any corruption cases or doubts about it. We did not become aware of any cases related to violation of human rights either.



## ANTI-CORRUPTION

0

cases related to corruption or doubts about it



## HUMAN RIGHTS

0

cases related to violation of human rights

## OUR SUSTAINABILITY PRINCIPLES RELATED TO HONEST BUSINESS



WE COMPLY WITH THE LAW AND REGULATIONS



WE RESPECT HUMAN RIGHTS



WE ARE COMMITTED TO FAIR COMPETITION



WE DO NOT OFFER OR ACCEPT BRIBES



GOVERNANCE



SUSTAINABILITY STRATEGY



CUSTOMERS FIRST



SUSTAINABLE ENVIRONMENT



HONEST BUSINESS



SUSTAINABILITY IN FIGURES

➤ Calculation of Data

➤ Data Tables and GRI References

The electricity, heat and water consumption data of Mercada Oy's properties in Finland and Sweden are based on measured data. The total greenhouse gas emissions generated by own heat production have been estimated on the basis of the fuel emission factors published by Statistics Finland. The following base data was used for calculating the environmental profile of electricity consumption and municipal heating in Finland and Sweden:

## ELECTRICITY (Finland)

### MARKET-BASED PURCHASED ELECTRICITY

#### Properties in Kesko's centralized electricity supply

**2016:** The environmental profile of Fortum's carbon dioxide-free electricity from year 2015. The electricity supplied was almost entirely produced from nuclear power, and its daily per capita emission factors were: CO<sub>2</sub> 0 g/kWh.

**2017:** The environmental profile of carbon dioxide-free electricity produced from Finnish biopower, and its daily per capita emission factors were: CO<sub>2</sub> 0 g/kWh.

**2018:** The environmental profile of carbon dioxide-free electricity produced from Finnish biopower, and its daily per capita emission factors were: CO<sub>2</sub> 0 g/kWh.

#### Properties outside Kesko's centralized electricity supply

**2016:** The environmental profile of residual distribution calculation determined by the Energy Agency for 2015, the CO<sub>2</sub> emission factor 277,78 g/kWh<sup>1</sup>.

**2017:** The environmental profile of residual distribution calculation determined by the Energy Agency for 2016, the CO<sub>2</sub> emission factor 287,81 g/kWh<sup>2</sup>.

**2018:** The environmental profile of residual distribution calculation determined by the Energy Agency for 2017, the CO<sub>2</sub> emission factor 264,04 g/kWh<sup>3</sup>.

### LOCATION-BASED PURCHASED ELECTRICITY

**2016:** The CO<sub>2</sub> emission factor 209 g/kWh<sup>4</sup> for the statistical year 2014, for the average energy acquisition, published by Motiva. The emission factor has been calculated as a moving average for five years taken from the Statistics Finland's database.

**2017:** The CO<sub>2</sub> emission factor 181 g/kWh<sup>5</sup> for the statistical year 2015, for the average energy acquisition, published by Motiva. The emission factor has been calculated as a moving average for five years taken from the Statistics Finland's database.

**2018:** The CO<sub>2</sub> emission factor 164 g/kWh<sup>6</sup> for the statistical year 2016, for the average energy acquisition, published by Motiva. The emission factor has been calculated as a moving average for five years taken from the Statistics Finland's database.

## ELECTRICITY AND MUNICIPAL HEATING (Sweden)

### FOR LOCATION-BASED EMISSIONS

**2016, 2017 and 2018:** Calculated using national emission factor for consumed electricity in Sweden 0,023 tCO<sub>2</sub>/MWh<sup>13</sup>.

## MUNICIPAL HEATING (Finland)

### MARKET-BASED AND LOCATION-BASED EMISSIONS

**2016:** Calculated using the benefit sharing method for district heating joint production areas, the average CO<sub>2</sub> factor is 183 g/kWh<sup>7</sup>.

**2017:** Calculated using the benefit sharing method for district heating joint production areas, the average CO<sub>2</sub> factor is 176 g/kWh<sup>8</sup>.

**2018:** Calculated using the benefit sharing method for district heating joint production areas, the average CO<sub>2</sub> factor is 188 g/kWh<sup>9</sup>.

### PRODUCTION DISTRIBUTION

**2016:** according to district heating statistics by Finnish Energy<sup>10</sup>.

**2017:** according to district heating statistics by Finnish Energy<sup>11</sup>.

**2018:** according to district heating statistics by Finnish Energy<sup>12</sup>.

## SOURCES

<sup>1</sup>Energy Agency. 2015. Jäännösjakauma vuodelta 2015. <https://www.energiavirasto.fi/-/vuoden-2015-jaannosjakauma-julkaistu>

<sup>2</sup>Energy Agency. 2016. Jäännösjakauma vuodelta 2016. <https://www.energiavirasto.fi/-/vuoden-2016-jaannosjakauma-julkaistu>

<sup>3</sup>Energy Agency. 2017. Jäännösjakauma vuodelta 2017. <https://www.energiavirasto.fi/-/vuoden-2017-jaannosjakauma-julkais-1>

<sup>4</sup>Statistics Finland 2014, Motiva 2016

<sup>5</sup>Statistics Finland 2015, Motiva 2016

<sup>6</sup>Statistics Finland 2016, Motiva 2018

<sup>7</sup>Finnish Energy, 2014, Motiva 2016

<sup>8</sup>Finnish Energy, 2015, Motiva 2017

<sup>9</sup>Finnish Energy, 2016, Motiva 2018

<sup>10</sup>Finnish Energy, District heating statistics 2015. <https://www.slideshare.net/energiateollisuus/kaukolmp-2015-graafeina>

<sup>11</sup>Finnish Energy, District heating statistics 2016. <https://www.slideshare.net/energiateollisuus/energiavuosi-2016-kaukolmp-esittelykalvot>

<sup>12</sup>Finnish Energy, District heating statistic 2017.

[https://www.slideshare.net/energiateollisuus?utm\\_campaign=profiletracking&utm\\_medium=ssite&utm\\_source=sslideview](https://www.slideshare.net/energiateollisuus?utm_campaign=profiletracking&utm_medium=ssite&utm_source=sslideview)

<sup>13</sup>Govenant of Mayors, The Emission Factors. [http://www.eumayors.eu/IMG/pdf/technical\\_annex\\_en.pdf](http://www.eumayors.eu/IMG/pdf/technical_annex_en.pdf)

## GOVERNANCE

## SUSTAINABILITY STRATEGY

## CUSTOMERS FIRST

## SUSTAINABLE ENVIRONMENT

## HONEST BUSINESS

## SUSTAINABILITY IN FIGURES

&gt; Calculation of Data

&gt; Data Tables and GRI References

## TOTAL ENERGY AND WATER CONSUMPTIONS OF MERCADA'S PORTFOLIO

	2018	2017	2016	Change (%) 2017-2018
Electricity (MWh)	68 398	74 722	75 908	-8,5
Purchased electricity (MWh)	67 825	74 722	75 908	-9,2
Self-produced electricity (MWh)	573	-	-	-
Purchased district heat (MWh)	22 316	22 543	23 572	-1,0
<b>Total (MWh)</b>	<b>90 714</b>	<b>97 265</b>	<b>99 480</b>	<b>-2,2</b>
<b>Total purchased (MWh)</b>	<b>90 141</b>	<b>97 265</b>	<b>99 480</b>	<b>-7,3</b>
Water (m3)	73 306	84 020	85 538	-12,8
Natural gas (MWh)	241	216	210	11,6

## PURCHASED ENERGY FOR MERCADA'S PORTFOLIO IN FINLAND (GWh)

		Electricity	District heat	Total
Non-renewable	2018	6,8	13,7	20,5
	2017	8,6	15,3	23,9
	2016	8,1	15,8	23,9
Renewable	2018	51,2	7,7	58,9
	2017	58,2	7,2	65,4
	2016	2,1	7,8	9,9
Nuclear	2018	7,0	0,0	7,0
	2017	7,9	0,0	7,9
	2016	65,6	0,0	65,6

## ENERGY INTENSITY OF MERCADA'S PORTFOLIO (gross building area is assumed to be 446 095 brm<sup>2</sup>)

	2018	2017	2016	Change (%) 2017-2018
Electricity (kWh/brm <sup>2</sup> )	153,3	167,5	170,2	-8,5
District heat (kWh/brm <sup>2</sup> )	50,0	50,5	52,8	-1,0
<b>Total (kWh/brm<sup>2</sup>)</b>	<b>203,4</b>	<b>218,0</b>	<b>223,0</b>	<b>-6,7</b>
Water (l/brm <sup>2</sup> )	164,3	188,3	191,7	-12,8

## GREENHOUSE GAS EMISSIONS OF MERCADA'S PORTFOLIO

	2018	2017	2016	Change (%) 2017-2018
<b>Direct (Scope 1), tCO<sub>2</sub></b>				
Natural gas	48	43	42	11,0
<b>Indirect (Scope 2), tCO<sub>2</sub></b>				
<b>Finland</b>				
purchased electricity (market-based)	4 200	5233	5260	-19,7
purchased electricity (location-based)*	11 123	13525	15865	-17,8
purchased district heat (location-based)	4195	3968	4314	5,7
<b>Sweden</b>				
purchased electricity (location-based)	66	73	83	-9,5
purchased district heat (location-based)	21	23	23	-9,5
<b>Total, tCO<sub>2</sub></b>	<b>8 530</b>	<b>9340</b>	<b>9722</b>	<b>-8,7</b>
<b>Greenhouse gas emissions, kgCO<sub>2</sub>/brm<sup>2</sup></b>	<b>22</b>	<b>21</b>	<b>19</b>	<b>-8,7</b>

\*Following the GHG Protocol standard, the location-based emission figure for electricity consumption in Finland has been reported. The market-based figure is used for the emissions totals.

This report has been made by using selected GRI Standards or parts of their content. References:

- Disclosures 102-1...102-9, 102-14, 102-40, 102-42...102-44, 102-47 and 102-50 from **102: General 2016**
- Disclosure 205-3 from **205: Anti-corruption 2016**
- Disclosures 302-1 and 302-3 from **302: Energy 2016**
- Disclosures 305-1, 305-2 and 305-4 from **305: Emissions 2016**

# SUSTAINABLE RETAIL SITES

