

Sustainability Report 2023



For Hansakortteli, sustainability means well-being and safety. It is also about turning plans into daily actions that build a better future for the citizens and the entrepreneurs and partners of Hansa - all of us.

This is the sustainability report of Hansakortteli (Hansa Block) for the year 2023. The report reviews the sustainability themes and goals of the updated sustainability program, that help us to develop our operations even more sustainable. We have identified the focus areas for our sustainability work through the effects of our operations, the megatrends impacting our operations and the expectations of our stakeholders.

For each of our main sustainability themes, we have set concrete indicators to help us monitor the achievement of our objectives on an annual basis. All our themes are strongly linked to the UN Sustainable Development Goals, which we are working towards.

Sustainability is also reflected in our ownership, as the profits earned by Hansakortteli are channelled into Finnish people's pensions and education.



SUSTAINABILITY REPORT 2023	
Hansakortteli in Brief	
Sustainability Key Performance Indicators	3
Basic Information	4
A Review of 2023	5
Sustainability Program	
Global Megatrends	6
UN's Sustainable Development Goals	7
Expectations of Stakeholders	8
Essential Sustainability Perspectives	9
Sustainability Themes of Hansakortteli	10
Sustainability Goals	11
Sustainability Management	12
Pleasant and Safe Shopping Centre	
Safety and Comfort	14
Well-being of Young People	15
Excellent Customer and Tenant Satisfaction	16
Community Spirit and Charity Work	19
Positive Environmental Handprint	
Developing Circular Economy Solutions	21
Minimizing Environmental Emissions in Value Chain	22
Increasing Sustainability Knowledge	24
Profitable added value to the society	
Employee Well-Being	26
Ethical and Profitable Business	27
Sustainability in Supply Chain	29

SUSTAINABILITY KEY PERFORMANCE INDICATORS 2023

PLEASANT AND SAFE
SHOPPING CENTRE

32 h / person

training hours of staff

10,5 million

visitors

63 NPS index

(recommendation willingness of the tenants)

POSITIVE ENVIRONMEN-
TAL HANDPRINT

**Carbon neutral shopping
centre**

concerning energy use (scope 1-2)

59 %

recycling rate

PROFITABLE ADDED
VALUE TO THE SOCIETY

229,6 M€

revenue

3,6 %

financial vacancy rate

Procurement politics

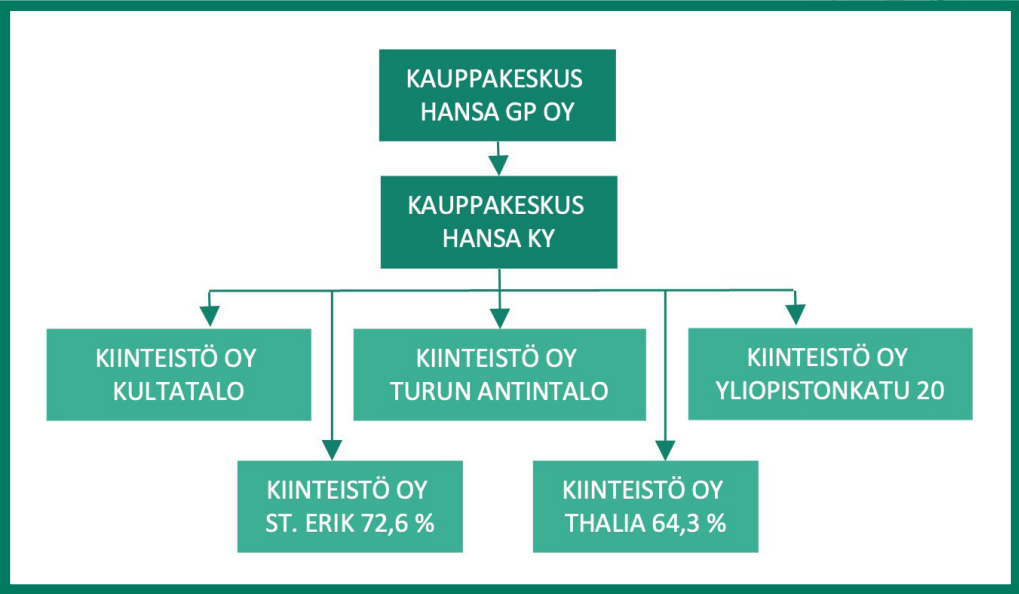
steers sustainability of procurements

BASIC INFORMATION

Hansakortteli is the largest shopping centre in Turku and the 8th largest in Finland in terms of number of visitors and the 9th largest in terms of sales. Hansakortteli is located right in the centre of Turku, on the edge of the market square. Shopping centre Hansa Ky has a lease contract with approximately 139 companies, and it owns five properties in Hansakortteli. Within the shopping centre one can find fashion, electronics and interior design stores, a pharmacy, health services and numerous restaurants and cafés. The leasable area is approximately 39 000 m². In 2023 the number of visitors was 10,5 million and sales were about 229.6 million €.

The shopping centre consists of five properties, which are mainly owned by Kauppakeskus Hansa Ky. Ky's partners are Veritas Pension Insurance Company, Åbo Akademi University Foundation and Elo Mutual Pension Insurance Company. The fair value of the properties is approximately 180 million €. The Hansa Ky shopping centre is managed by Exilion Management Oy.

The information given in this report applies to Kauppakeskus Hansa Ky. Co-owned properties are reported in the parts managed by the group. Two properties included to Hansakortteli are owned by other companies and those assets are not included to this report. The shopping centre Hansa Ky is described below.



A REVIEW OF 2023

During 2023, we actively developed our stakeholder work on the Hansakortteli. Despite the continued challenging economic environment, we managed to increase our rental rate and grow our sales and visitor numbers.

We also made progress on a number of our sustainability goals, such as providing consumers with a recycling option in our shopping centre and further improving tenant satisfaction.

We increased our commitment to sustainability

In 2023, Exilion, the owner of Hansakortteli, started its own outsourced sustainability expert, who also guides the sustainability work of Hansakortteli. Our work is guided by a stakeholder survey conducted in 2022, in which we explored our stakeholders' perceptions of sustainability and development needs.

The stakeholder survey revealed that the image of our sustainability work is at an excellent level. Stakeholders gave our sustainability work a high score of 85 on a scale of 0-100.

Together we create a safe centre

We continued our multidisciplinary and close cooperation in the Hansakortteli to promote the

well-being of young people. In the so-called Hansa model, young people, mentors, Hansakortteli, the police, the city and the third sector are in active dialogue with each other to ensure a safe inner city space for all. A key element of the Hansa model is the youth space Hansa Nuki.

The Hansa model has also attracted a lot of interest elsewhere in Finland. The Hansa Quarter's Safety and Quality Manager, together with Nuki's service provider Valo-Valmennusyhdistys ry, presented the model at a national safety event organised by the Ministry of the Interior.

In August, the City of Turku, Turku Center and Hansakortteli also organised "Turvaa turuilla ja toreilla"-a safety event open to everyone. The programme included safety-related speeches, interviews and musical performances.

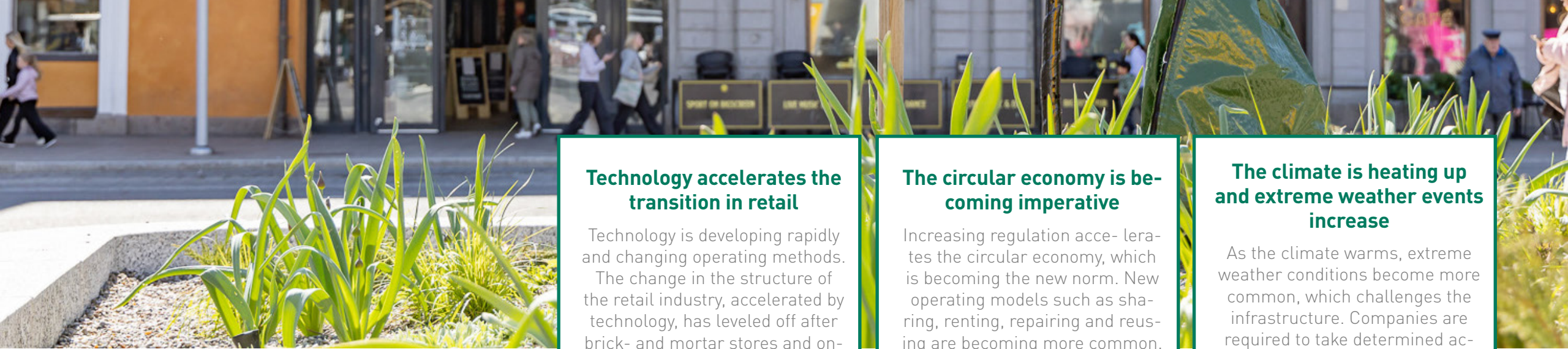
We expanded stakeholder cooperation

During 2023, we worked even more broadly with our stakeholders. With the City of Turku, we continued the tradition we started in 2022 of inviting new Turku residents to a special event in the autumn. We distributed more than 500 product bags to new residents, the contents of which were donated by local businesses.

We also organised various charity events with non-profit organisations. Together with the Keep the Archipelago Tidy we organised a balloon dive at Hansatori, and for every Posanka found, money was donated to the Baltic Sea. We also continued our cooperation with the Hope Association. In the autumn, Hansakortteli offered opportunity to donate school tickets and at Christmas, Christmas presents for underprivileged families. We developed our green terrace in cooperation with the flower farm "Lehmuksen alla", which specialises in growing local flowers.

The development work in the Hansakortteli was also carried out in the Hansa Council, a group of customers. In 2023, the Council participated in the design of the sustainability measures.

An important part of our stakeholder work is also the training and information sessions for tenants, which were organised on topics such as recycling. Active communication on sustainability issues in the Hansakortteli, for example through a weekly tenants' newsletter. We started to publish more and more sustainability information in English for both existing and potential tenants.



GLOBAL MEGATRENDS

Sustainability is more than the laws and regulations require. It is anticipating the global megatrends, responding to the expectations of stakeholders, and thereby creating new operation methods. The purpose is to identify the effects of operations on people, society and the environment throughout the company's value chain.

Among global megatrends impacting the society, we have identified those that particularly effect the operations of Hansakortteli. As a part of our sustainability work, we have evaluated the effects from two different perspectives; how do we prevent the challenges they bring and utilize the opportunities. The identified megatrends are based on Sitra's 2023 megatrend cards.

Technology accelerates the transition in retail

Technology is developing rapidly and changing operating methods. The change in the structure of the retail industry, accelerated by technology, has leveled off after brick- and mortar stores and on-line stores have found a suitable cooperation. As technology develops, needs for work and skills also change.

The circular economy is becoming imperative

Increasing regulation accelerates the circular economy, which is becoming the new norm. New operating models such as sharing, renting, repairing and reusing are becoming more common. The principles of the circular economy are also emphasized when business premises are renovated and new premises built.

The climate is heating up and extreme weather events increase

As the climate warms, extreme weather conditions become more common, which challenges the infrastructure. Companies are required to take determined actions to reduce emissions. In this energy efficiency and renewable energy play a key role.

Population is concentrated in cities

As the population is concentrated in cities, operators such as shopping centres have the opportunity and obligation to promote community spirit. With urbanization, sustainable solutions of individual actors are emphasized as part of sustainable urban planning.

Social problems are increasing

Various crises, information flood and the complexity of life increase social problems, especially among young people. Sufficient resources and multidisciplinary cooperation are needed to solve the problems. A proactive approach helps to ensure safety in shopping centres.

Rapid and direct civic engagement escalates the debate

More and more people take part to societal influencing directly in social media. Direct civic engagement escalates the debate, increases false information and causes confusion. The importance of proactive response and responsible communication is increasing.

UN'S SUSTAINABLE DEVELOPMENT GOALS



The United Nations' Sustainable Development Goals (SDG) are a global action program whose aim is to eliminate poverty, repulse inequality and prevent climate change. We are committed to support all 17 goals in our sustainability work and have identified five most essential in terms of the effects of our operations.



Goal 3: Health and well-being

We promote well-being by ensuring the safety of properties, customers and personnel in the shopping centre. We assure the well-being and comfort of the personnel.

Goal 8: Decent work and economic growth

We promote sustainable economic growth for everyone, full and productive employment and decent jobs by profitably investing the income from business in pension funds and by creating jobs through our tenants and partners.

Goal 11: Sustainable cities and communities

We guarantee safe and sustainable cities and residential communities by supporting local community spirit and by delivering innovative and adaptable spaces. In addition, we take care of protected buildings and ensure sustainability of construction.

Goal 12: Responsible consumption and production

We ensure sustainable consumption and production methods by giving tenants a possibility to operate sustainably in their premises and by increasing the awareness of circular economy. We reduce the climate emissions of transportation with good accessibility.

Goal 13: Climate action

We act urgently to diminish climate change and its effects by ensuring the energy efficiency of our properties and by using renewable energy.

EXPECTATIONS OF STAKEHOLDER

One of the basic pillars of sustainability work is to identify the expectations of the important stakeholders and respond to them. We have identified our six most important stakeholders, with whom we are in regular contact. Open dialogue with them is very important to us.

In the fall 2022, we carried out our first stakeholder survey related to our sustainability work. The survey was sent to our most important stakeholders, excluding consumers, and a total of 41 people responded. We received excellent feedback on our sustainability work. Among the respondents the average impression about the sustainability work of Hansakortteli was 85 on a scale of 1-100. This page reviews the most important expectations of our stakeholders. The results have been used in the formulation of our sustainability program.



Customers

The shopping centre is visited daily by customers expecting easy accessibility, clean premises, pleasantness and safety. Customers appreciate appropriate and up-to-date services, clear communication and events increasing community spirit. Through Hansa Council, also customers get to influence the development of Hansakortteli's operations.

Tenants

Our tenants represent several different industries, from traditional shops to various services and restaurants. We provide suitable and supportive, pleasant and safe facilities for our tenants' activities. In addition, tenants expect us to hear and understand their needs. We have active cooperation with Hansan Yrittäjät Ry, which represents the tenants.

Personnel

Our personnel consists of five employees who expect a comfortable and safe work environment, fair treatment and continuous support for the development of their expertise. Our personnel is constantly working to meet the expectations of other stakeholders.

Owners

Hansakortteli's owners are Veritas Pension Insurance Company, Åbo Akademi University Foundation and Elo Mutual Pension Insurance Company. We offer a stable and productive investment. Owners expect us to be proactive in risk management in addition to overall responsibility. Contact with the owners takes place through board meetings.

The City

We increase the attractiveness of the city of Turku from the tourism and business point of view, by offering a versatile shopping place for visitors. We actively co-operate as a cultural partner of the city of Turku and with local tourism and marketing associations. Safety and coziness as well as open and ethical business throughout the value chain are the most important expectations of the municipality and authorities.

Partners

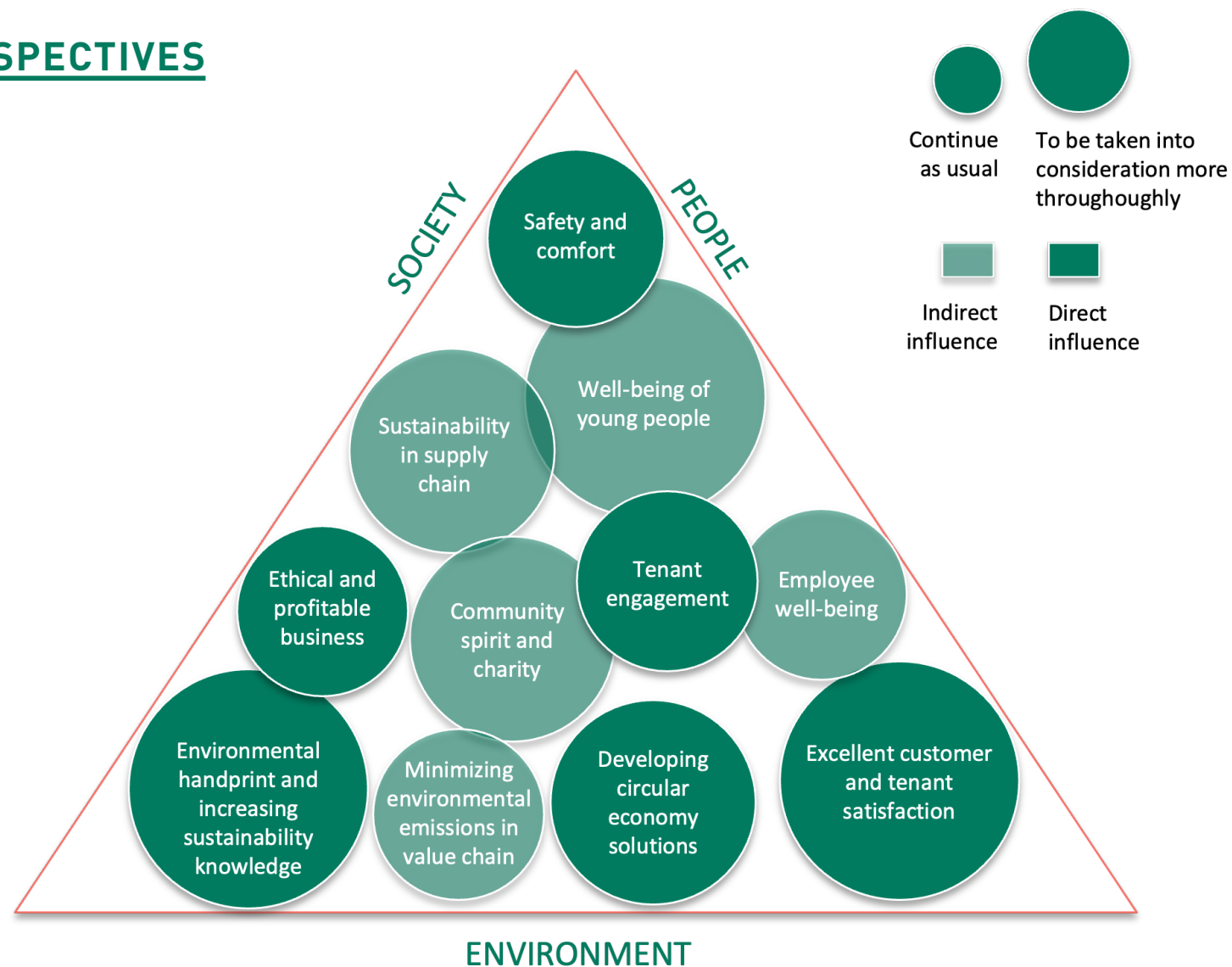
We cooperate with numerous partners in practical everyday arrangements. Our partners expect us to have clear operating procedures and agreements, that consider the sustainability of the entire value chain and prevents the grey economy. Our aim is in uniformed contractual partnerships.

ESSENTIAL SUSTAINABILITY PERSPECTIVES

As a part of the sustainability program update, we have identified our most significant sustainability aspects in the future. These perspectives are defined through the global megatrends and expectations of stakeholders currently on the surface.

We have identified altogether 11 essential perspectives that are the foundation of our sustainability work. These perspectives have been defined throughout our value chain in compliance with the duty of care. In the future, our aim is to identify our impact according to the principle of double materiality: Our handprint, i.e. a positive impact on people, the environment and society in addition to our negative footprint.

All identified perspectives are important to us, and their continuous development is at the core of our sustainability work. However, in order to promote sustainability work, we have identified the areas of specific attention in the coming years. This was done through the expectations of our stakeholders. In addition, we have evaluated in which perspectives we have a direct and indirect influence. This is illustrated in the figure on the right hand side.



SUSTAINABILITY THEMES OF HANSAKORTTELI

Pleasant and safe shopping centre



We want to create a pleasant shopping centre with safe visits. We ensure this by creating safe and pleasant properties. We cooperate comprehensively with young people to ensure safety. Excellent tenant and customer satisfaction is important to us. In addition, we want to increase community spirit by organizing customer and consumer events as well as charity campaigns.

Positive environmental handprint



For a long time, we have worked to minimize our environmental footprint. We are a carbon neutral shopping centre (scope 1-2), but we are constantly working to reduce other indirect emissions of the shopping centre. We want to increase our stakeholders' knowledge about sustainability and develop circular economy through various solutions. Our goal in the future is to measure and increase our environmental handprint.

Profitable added value to the society



Our goal is a profitable business, where the yield benefits the society through Finnish pension funds. A well-being personnel ensures a functioning shopping centre. Through tenants and partners, we employ a large number of people locally in Turku. Ethical and open business is one of our core values. In the future, we invest on ensuring the sustainability of our value chain.

SUSTAINABILITY GOALS

Pleasant and safe shopping centre	Positive environmental handprint	Profitable added value to the society
<p>Safety and comfort</p> <ul style="list-style-type: none"> We take care of the upkeep and supervision of our equipment, facilities and areas We arrange trainings and practical exercises annually for our employees related to operation security We will take crisis communication system into use 	<p>Developing circular economy solutions</p> <ul style="list-style-type: none"> We will increase circular economy knowledge of our customers We will increase the recycling rate of the shopping center to 70% by 2025 	<p>Employee well-being</p> <ul style="list-style-type: none"> We will create a well-being and training plan for our employees We will follow up the training hours of our employees annually
<p>Well-being of young people</p> <ul style="list-style-type: none"> We maintain Hansa Model and multidisciplinary cooperation with authorities and local operators We listen and follow up on the well being of young people and make sure we have early intervention model in place We organize twice a month a follow up meeting with the youth facility operator of the city 	<p>Minimizing environmental emissions in value chain</p> <ul style="list-style-type: none"> We will commission thorough clarification of the possibilities to increase renewable energy sources at Hansakortteli We will report our procurements and their emissions (scope 3) on a more detailed level We follow the energy consumption of our tenants annually 	<p>Ethical and profitable business</p> <ul style="list-style-type: none"> We will follow up the profitability of our operations annually through turnover and vacancy rate We will create a risk management policy
<p>Excellent customer and tenant satisfaction</p> <ul style="list-style-type: none"> In the tenant satisfaction survey we will achieve NPS score of 50 in 2023 and 55 in 2024 Accessibility, communication and listening to tenants will be valued high in the survey We will organize orientation training to all new tenants 	<p>Environmental handprint and increasing sustainability knowledge</p> <ul style="list-style-type: none"> We will commission a clarification in order to measure our environmental handprint and during 2023 we will set a goal concerning our impact work We will organize sustainability related orientation trainings to our tenants We will create sustainability principles for our rental operations during 2023 and we will require sustainability clarifications from our tenants by 2025 	<p>Sustainability in supply chain</p> <ul style="list-style-type: none"> We will follow up the sustainability of our supply chain and we will make sure that 100% of our procurement contracts comply with the procurement policy by the end of 2023 We will require sustainability reporting and emission calculations from all of our largest cooperation partners by the end of 2025
<p>Community and tenant engagement</p> <ul style="list-style-type: none"> We will organize activities and events for tenants We will organize orientations to all new tenants as well as infos monthly We organize customer and consumer events annually 		

SUSTAINABILITY MANAGEMENT

The sustainability work of Hansakortteli is steered by the sustainability policy of the management company, Exilion Management Oy. This policy outlines eight different principles that steers all activities, from partnership agreements to fair treatment of personnel. The sustainability principles follow the principles of the UN's Global Compact and meet the owners' expectations of sustainable investment activities.

The management of the shopping centre is responsible for the sustainability implementation in practice, indirectly together with tenants and other partners. Outsourced sustainability expert is also available through the management company, who together with the personnel helps with the development, implementation and integration of the work into practice.





Pleasant and Safe Shopping Centre

SAFETY AND COMFORT

Number of visitors and the length of visit

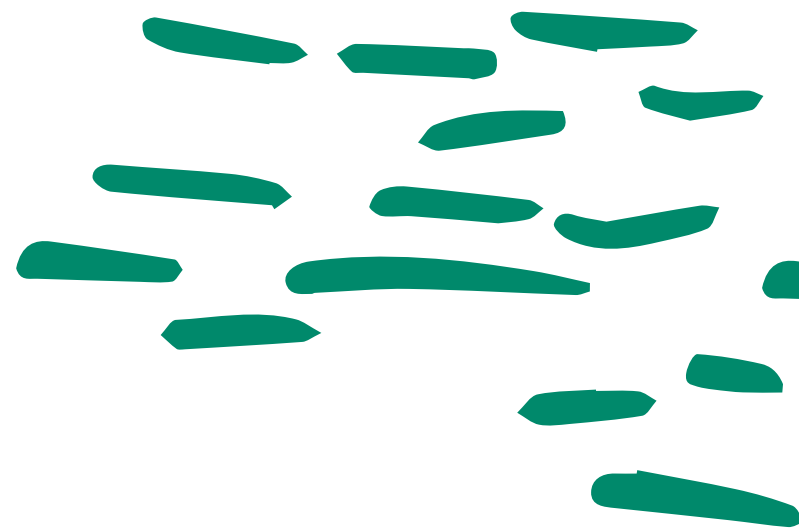
The satisfaction of consumers and visitors visiting the shopping centre is measured by the number of visitors and the length of their visit. Since the completion of the renovation work in Turku city centre, visitor numbers have developed positively. **In 2023, the number of visitors increased by 5% to 10.5 million.** Sales of the shopping centre also increased by around 3% to 229.6 million €.

In the shopping centre sector, one important indicator is the length of time visitors stay. In 2023 **total delay in Hansakortteli was 19 minutes.** We want to further increase the time customers spend in our shopping centre by adding more than just the commercial offer. We do this, for example, by organising events open to all, by bringing art into the shopping centre and by making our facilities available for use by organisations such as ours. We have also improved the shopping centre's attractiveness.



Safe and pleasant premises

Hansakortteli has invested heavily in security over the past few years. We have a modern security control room equipped with comprehensive camera technology. In addition, we have increased the presence of security guards in the shopping centre and trained them not only in various demanding situations, but also in dealing with young people and in preventive work, for example. We also work actively and closely with the police to ensure safe and welcoming premises for our customers. We regularly train in case of emergencies and review the security situation with the authorities.



WELL-BEING OF YOUNG PEOPLE

At the end of 2021, we noticed an exceptionally high number of disturbances caused by young people in Turku city centre, including harassment of other young people. Similar behaviour was also widely observed in other localities, and the problems of young people were highlighted in various media and in the public debate more widely. In Hansakortteli, the decision was taken to adopt a preventive approach, openness and multiprofessional cooperation as the guiding principles for all activities. Our strategic decision was that we did not want to expel or judge young people, but to promote Hansakortteli as a place where there is room for everyone.

Simultaneously, we wanted to highlight a phenomenon that can be seen as malaise among young people. This concerns everyone in our society, not just Hansakortteli or the very centre of Turku.

Continuity is brought by the fact that the Turku Culture and Youth Board decided in October 2023 that the familiar operator, Valo-Valmennusyhdistys ry, will continue to organise youth facilities in Hansakortteli. The Youth center Nuki will have guided activities and adults present. Young people receive support and guidance when needed.

In 2023, the mall security services and Nuki organised regular coffee meetings. Interaction with young people and stewards improved as a result of this cooperation. The cooperation is now weekly: security guards visit the youth room to talk to the supervisors and young people. As people get to know each other, the threshold for asking for help and making contact is lowered. In addition, the Nuki has raised young people's awareness of criminal sanctions.

The model has gained significant visibility

The Hansa model has gained significant visibility. The work done is also attracting interest in other Finnish cities, and in 2023 the Hansa Model was presented at seminars organised by the Finnish Commerce Federation and the Ministry of the Interior, among others.

According to the surveys we have carried out, consumers and staff in Hansakortteli will feel safer during 2023. Positive feedback from young people is also encouraging. Around 700 visitors come to Nuki every month.

"It's so important that Hansa has this place and there are safe adults", says the Deputy Mayor of Turku, Elina Rantanen.

Case: Turku Center Safety Day

In August 2023, Hansakortteli, together with the City of Turku and Turku Center, organised a "Security at markets and squares" event, where people gathered at Turku Market Square to discuss the security of Turku city centre together with different actors and residents. In addition to the interaction, the event included speeches on safety and a stage show. One of the main topics of the event was the challenges posed by child and youth abuse and disorder. Hansakortteli is working in strong and comprehensive cooperation with the City of Turku to improve safety in the city centre. Ville Hakala, the City of Turku's key project manager for the balanced development of community, well-being and residential areas, describes the cooperation as reaching out to the city's residents. As an example of this, Hakala highlights the Hansa youth centre Nuki in the Hansakortteli, where open youth centre activities are organised for young people aged 13-18.

To the first 500 young people who arrived at the event, Hansakortteli distributed a ticket entitling them to a snack from K-Market Hansakortteli.

EXCELLENT CUSTOMER AND TENANT SATISFACTION

Tenant satisfaction is monitored annually with a tenant survey. The online survey measures tenants' opinions regarding the shopping centre's management, marketing and communication, services and their own premises. The survey also has a section concerning sustainability.

Significant increase in willingness to recommend

The comparison of shopping centres produced by KTI Kiinteistötiedo and the partnership survey produced in connection with it show that in 2023, the overall satisfaction of Hansakortteli tenants increased significantly compared to the previous year. Positive developments were seen in all areas.

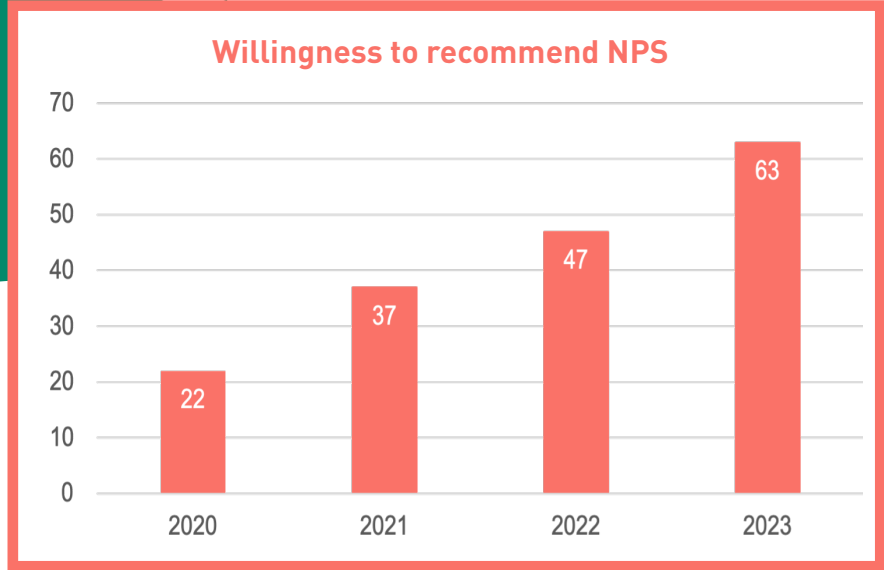
The tenant survey also surveys willingness to recommend, as measured by the NPS Recommendation Index. The NPS index indicates how likely it is to recommend Hansakortteli as a partner or landlord. In the 2023 survey, the NPS index was 63, compared to 47 in the previous year. This figure is well above the average NPS value calculated by CTI for commercial premises.

Praise for sustainability

The CTI survey always has a section focused on sustainability. Based on the 2023 survey, the respondents' perception of the sustainability of Hansakortteli improved from the previous year and is now at a very good level (score 4.2/5). As many as 86% of respondents rated Hansa's sustainability performance as excellent or good.



SUSTAINABILITY
RATING
4,2/5



EXCELLENT CUSTOMER AND TENANT SATISFACTION

In 2023, Hansakortteli continued to provide advice and orientation for tenants, for which procedures have been developed together with the shopping centre's security manager.

There is always an induction and a debriefing session with the new operator, covering safety, mobility, recycling and other guidelines. The induction also includes a review of the sustainability programme and report. This significantly increases tenants' knowledge of our sustainability objectives. The marketing and communication channels of the shopping centre, other possible channels of influence and necessary sources of information will also be introduced at new openings.

Regular briefings

We organise almost monthly information sessions for the actors in Hansakortteli. In addition, we compile the most important instructions in a shopping centre operator's guide and in an intranet for tenants. A weekly newsletter is also sent to tenants, which is an important tool to inform them about sustainability issues.

During 2023, we organised a total of nine information and training events. In addition to providing information, these events are also important networking opportunities for tenants.

Case: Aava as tenant

Aava Turku Hansa opened its doors in Turku's Hansakortteli on 1.9.2020. Aava Hansa serves existing and new occupational health care customers as well as insurance and private customers with an even wider range of services. Aava Hansa's office, laboratory and imaging services are open every day of the week. Aava Terveyspalvelut has also been providing occupational health services for employees in Hansakortteli since 2021.

Tuire Taskinen, Unit Manager at Aava, describes working in the Hansakortteli as uncomplicated. Customers have praised the easy accessibility by car and public transport, as well as the proximity of ancillary services such as a pharmacy and cafés. "If we have a morning lab, it's handy to have a café nearby where we can quickly get breakfast afterwards," says Taskinen.

The comfortable and clean premises in Hansakortteli and excellent security services in the shopping centre add to the comfort of the Aava. The shopping centre organises security training for its operators, which has been found very useful at Aava. Taskinen also highlights waste recycling, which has received a great deal of attention, and the joint events organised by the operators in Hansakortteli, where it is possible to network with other operators.

"Special thanks to the shopping centre manager for the confidential cooperation!"

- Tuire Taskinen, Unit Manager of Aava Hansa

COMMUNITY SPIRIT AND CHARITY WORK

Hansakortteli is a shared space for citizens, and we regularly offer our facilities to non-profit operators free of charge. Through events and activities, we can support organisations' awareness-raising and fundraising activities, for example, while also offering interesting programmes for our customers. Hansakortteli also maintains contact with its customers through the Hansaraati, and representatives elected by customers are involved in the development of Hansa.

A year of events

We organised several charity events in Hansakortteli in 2023. On Valentine's Day, a caricature artist delighted customers, and at the same time there was an opportunity to make a donation to Ukraine.

In the spring "Hansailmiössä", we organised a balloon diving event with the Keep the Archipelago Tidy Association to raise funds for the Baltic Sea. We also offered local small-scale food producers the opportunity to come and present their products at Hansatori.

The Council of Europe's Human Rights Day was celebrated in Hansakortteli in May, with interesting debates filling the shopping centre. We were also present at the Michelin stars for Nordic restaurants, and the event could be followed on a giant screen at the Hansatori.



Before the start of school, the Hansa Quarter offered the opportunity to donate a new school backpack to children from low-income families through the Hope association. At Christmas, we organised a popular Christmas gift collection together with the Hope Association.

In October, we celebrated the second "Hansailmiö" of the year and celebrated new Turku residents by distributing five hundred Welcome to Turku bags in cooperation with the City of Turku and local businesses. We were also delighted with a giant pie, which all customers who arrived on time were able to enjoy with a cup of coffee.

Case: Activities for the Keep the Archipelago Tidy Association

Hansakortteli was involved in several events for the Keep the Archipelago Tidy Association during 2023. The association's activities encourage everyone to act individually and collectively for a better water environment.

The Hansailmiö event in the spring allowed you to dive for burbot in the Baltic Sea from Finland's largest transportable balloon sea. For every porpoise found, Hansakortteli made a donation to the Keep the Archipelago Tidy Association.

In September, Hansakortteli challenged all Turku Center member companies to participate in the Posankka Race on the banks of the Aura River. The charity event saw the adoption of mini-posankas, which raced on a boomed track in the Aurajoki River. The event was held to draw attention to the littering of the Baltic Sea, as a lot of litter ends up in the sea, for example in rivers. Before the event, the posankka's were stored in a trap on the roof of the Hansatori and the number of posankkas was guessed as a game.



Positive Environmental Handprint

DEVELOPING CIRCULAR ECONOMY SOLUTIONS

Circular economy is becoming the new norm. It is more than just sorting waste. It is new operating models such as sharing, renting, repairing and reusing. The principles of the circular economy are also emphasized in business facility changes and in the construction of new facilities. For example, we have tested the reuse of building materials in connection with tenant facility changes.

The utilization rate of waste has improved

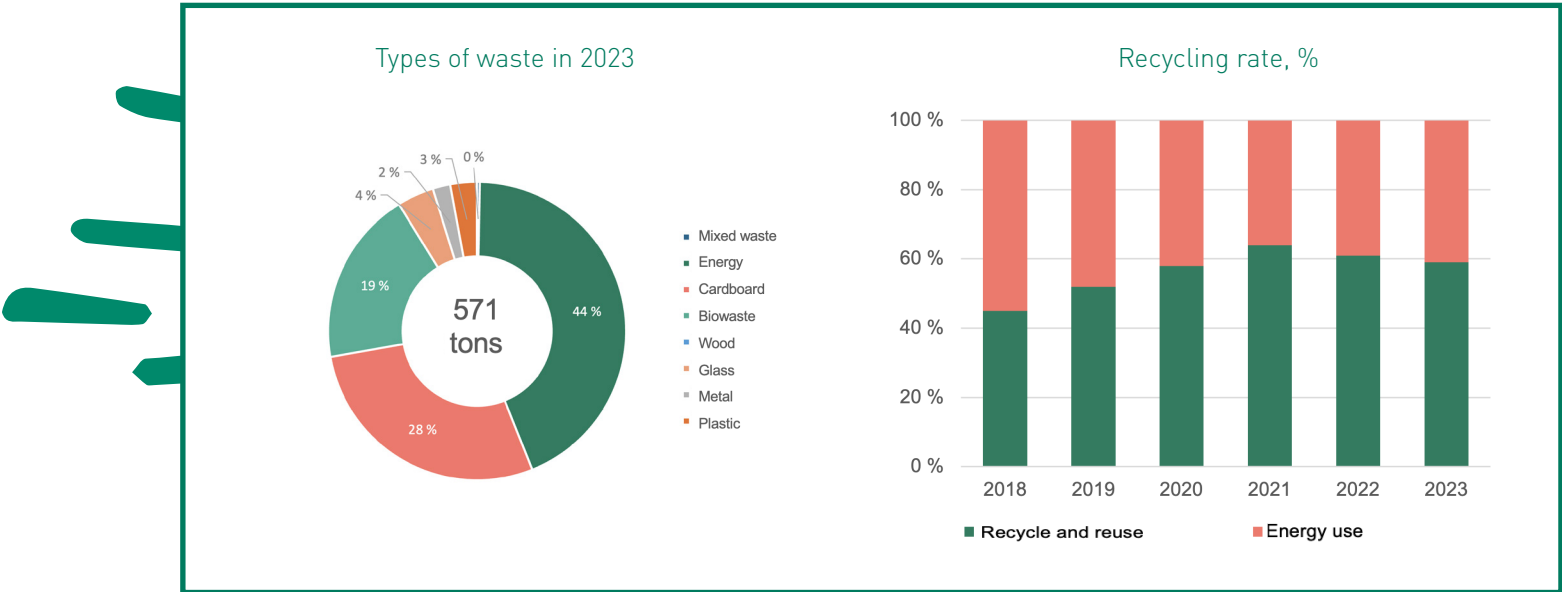
Our main goal is to reduce the amount of mixed waste and to increase the reuse of materials, i.e. the recycling rate. A total of 14 different types of waste are collected in the shopping centre, with cardboard and biowaste being the most numerous. The recycling rate in 2023 was 59%. The correct sorting of fractions has a major impact on the recycling rate, which is why a lot of effort has been put into training and education of tenants.

At the end of 2023, a Rinki collection point was opened in the parking garage of the Hansakortteli, which will make it easier for citizens to sort their waste. Cardboard, metal, glass and plastic packaging can be brought to the point.

Placing a collection point in the city centre is not an obvious solution, as large refuse collection trucks need to be able to empty them. The ecopoint in the Hansa district will aim to serve the sorting needs of people living and moving around the city centre. Waste sorting has a big impact: when packaging is brought to the Rinki ecopoint correctly sorted, the material is recycled and not so much virgin material is needed to make new products.

Carbon neutral waste management

The carbon neutral waste management service has been in use in Hansakortteli since 2020. Lassila & Tikanoja, who is responsible for the waste management, calculates the greenhouse emissions caused by the transportation and handling of waste in the entire Hansakortteli, and the emissions are compensated with the help of Gold Standard certified afforestation projects. During the year, we made a significant investment of around 100,000 euros in new waste compactors.



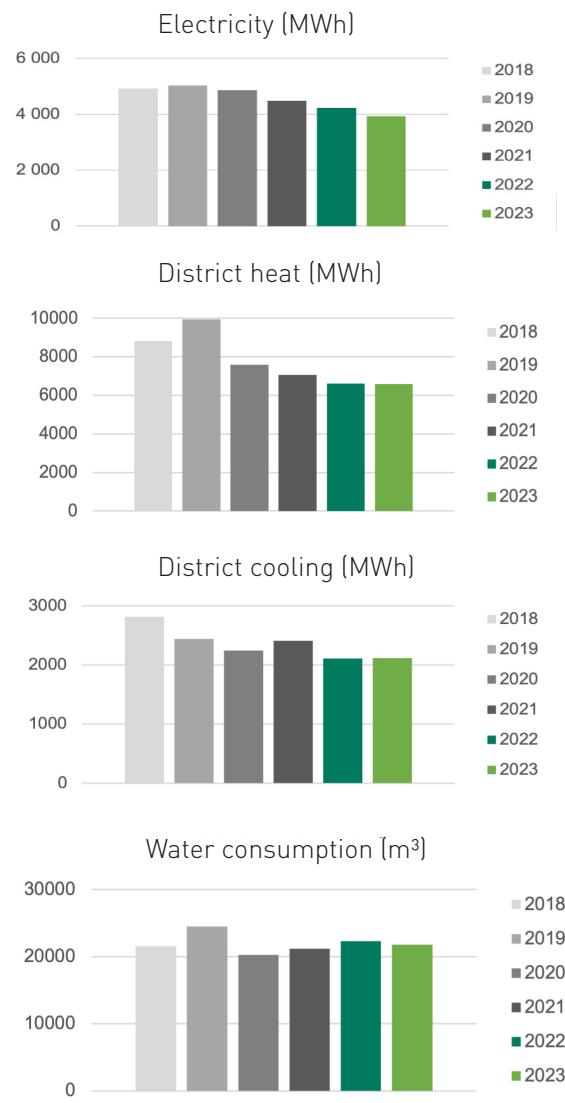
MINIMIZING ENVIRONMENTAL EMISSIONS IN VALUE CHAIN

Water, district heating and district cooling are ordered by Hansakortteli for the entire shopping centre and invoiced from the tenants. Specific consumption has been calculated for a gross area of 40,334 m².

A total of 3937 MWh of real estate electricity was consumed in 2023, which makes the specific consumption 98 kWh/m². Tenants' electricity consumption was a total of about 5244 MWh. The normalized district heat consumption was 6584 MWh, converted to specific consumption 163 kWh/m². District cooling took 2116 MWh, with a specific consumption of 52 kWh/m².

Hansakortteli joined the energy efficiency agreement already in 2016. Within the agreement we are committed to reduce our energy consumption by 10.5% by 2025, using the 2014 consumption as a reference level. During the last years' renovation, energy efficiency improvements have been made by modernizing the automation, ventilation and cooling systems. Consumption of electricity and district heat has been steadily decreasing over the last few years.

Water consumption is measured at restaurants and other large consumers per premises and the actual consumption is billed. The water consumption of other tenants is estimated. The specific water consumption in 2023 was 540 l/m². Water consumption is significantly affected by the number of visitors in the shopping centre.



MINIMIZING ENVIRONMENTAL EMISSIONS IN VALUE CHAIN

In terms of energy use, Hansakortteli has been a carbon neutral shopping center (scope 1-2) since 2021. Carbon neutrality means that the operation does not produce greenhouse gas emissions into the atmosphere. The shopping centre has no direct emissions (scope 1) and the electricity, district heating and cooling (scope 2) purchased for the property are emission-free. District heating and cooling are purchased from Turku Energy. Electricity for the property is purchased as emission-free wind electricity from our subsidiary company Exilion Tuuli. In 2023, electricity was produced in the wind farms in Peitto located in Pori and Varevaara in Tervola.

Energy efficiency first

In achieving the goal of carbon neutrality, we follow good practices and basic principles, where the first step is to improve the energy efficiency of buildings. To support this, we have joined Rakli's energy efficiency agreement, of which goal is to improve the energy efficiency of properties by at least 7.5% by 2025 using the consumption of 2014 as a reference level. The goal has already been achieved. **The total energy consumption has dropped by more than 20 % since 2018.** The goal is to continue the energy efficiency measures in the properties to the extent that their implementation makes sense.

Supply chain emissions

Hansakortteli's emissions consist of other indirect emissions (scope 3), i.e. emissions from the supply chain, which we try to reduce as much as possible. For example, the waste management services we buy have been carbon neutral since 2020. In the past year, our supply chain generated indirect emissions of around 1,074 tonnes of carbon dioxide equivalents. These emissions are estimated in euro terms.

"Emissions from procurement are currently calculated in euros. Our aim is to refine the calculation and require our large partners to report emissions by 2025."

Our climate emissions in years 2020-2023, tCO₂e

Emissions, tCO ₂ e	2023	2022	2021	2020
Scope 1	0	0	0	0
Scope 2	0	0	0	0
Electricity	0	0	0	0
Market-based	0	0	0	0
Location-based	303	525	577	625
District heating	0	0	0	984
Market-based	0	0	0	984
Location-based	1019	1173	1095	961
District cooling	0	0	0	0
Scope 3	1074	1872	1627	1611
Waste management	0	0	0	0
Water and waste water	10	10	10	9
Electricity bought by tenants	404	700	664	847
Repairs and installations	471	1081	862	665
Maintenance	190	81	91	90

INCREASING SUSTAINABILITY KNOWLEDGE

At Hansakortteli, we want to minimise our negative impacts and also encourage our various stakeholders to act more sustainably. This can be called maximising positive impacts.

We have made reporting our environmental footprint one of the objectives of our sustainability work. The handprint is made up of all the positive impacts we can make through our own activities.

We continued to actively communicate on sustainability

We use all the channels at our disposal to communicate on sustainability, from social media channels to a leaflet sent home. During 2023, we will publish a total of 34 sustainability-related posts on social media channels.

The publications reached a total of 232 500 accounts, with 3 400 subscribing to the publications. Reach figures will multiply from 2022 onwards.

Publications included Hansakortteli Energy Action, the Hansaraati Sustainability Workshop, the Safety Day and the Green Terrace.

We reached total of

4,2 million

contact with our sustainability communication in 2023

Sustainability was also featured in nine media releases. In total, the measures generated 20 articles in the local media, reaching an estimated 4.2 million people. We also aim to publish at least one sustainability related publication every month during 2024.

We also use information displays and announcements to guide our customers to sustainable behaviour in the shopping centre. Our range of tools also includes goodwill events, which are a simultaneous reminder of socially important issues.

Case: Cut flowers from the roof of Hansakortteli

Hansakortteli wants to increase biodiversity as part of its sustainability work, which is why we have created a green terrace on the roof of Hansakortteli. Through the peepholes, customers can follow the events on the green terrace.

During 2023, we will renew our green terrace. We asked Lehmuksen alla, a company specialising in slow flowers and growing cut flowers in Ruissalo, Turku, to become our partner. The aim of the partnership was to grow cut flowers on the green terrace of the shopping centre. As far as is known, no attempt has ever been made in Finland to grow cut flowers on the roof of a shopping centre in the city centre.

According to Gina Suomi, entrepreneur under Lehmuksen alla, working with Hansakortteli has been a very positive experience. Lehmuksen alla is located in Ruissalo in Turku and barefoot Gina describes both Ruissalo and Hansakortteli as being "in the heart of Turku!", so she didn't have to think twice about collaborating when the opportunity arose. "Hansakortteli's employees are open-minded, innovative and have a clear creative mindset," says Gina.

Slow Flowers Day was celebrated in Hansakortteli in August, where it was possible to get to know Lehmuksen alla better while enjoying the season's fresh flowers with special offers. The visibility and thus the interest in the Slow Flower technique in particular has increased greatly and an association of around 40 growers has been formed around the method. Gina is keen to continue working with Hansakortteli in the future.



Profitable Added Value for the Society

EMPLOYEE WELL-BEING

In 2023, Hansakortteli had five full-time employees - a shopping centre manager and assistant manager, a property manager, a marketing manager and a safety and quality manager. In October 2023, the Hansakortteli shopping centre manager was replaced by two women and three men. The number of employees remained unchanged from the previous year.

Joint activities of the employees

During 2023, we organized two recreational events for our personnel. We spent the afternoon on a water jet safari from Kaarina to Parainen and back with the instructor. We started the party by learning how to make mozzarella at Hansa's new Pizzeria 450c. From there we went on to explore the facilities and scenery of the Vartiovuori Observatory, before continuing to Paimio to practice shooting on the Hunting and Shooting Simulator. Finally, we enjoyed a delicious meal at the Kaskis restaurant.

Study trip to Riga

To learn something new, we took a study trip with our tenants to Riga, Latvia. The trip was attended by the board of the Hansa Entrepreneurs Association and the board of our owners. The purpose of the trip was to get to know the local shopping centres, their management and to get new ideas for our own activities.

Case: Employee training

Mirva Järvinen, Marketing Manager of Hansakortteli, participated in the Service Design training programme organised by Aalto University Executive Education Ltd in 2023. Service design plays a key role in the development of customer experience, commercial concept, services and different event concepts at Hansakortteli.

Mirva says that during the training programme she gained a comprehensive understanding of service design and was able to try out the methods best suited to the different phases in both individual and group exercises. The teaching was based on the latest international academic knowledge and the very solid practical experience of the trainers.

"The service design perspectives and tools brought new insight into how we could develop Hansakortteli more efficiently and in a more customer-oriented way. Service design methods and principles can be applied to almost everything, and this is a key thing to understand in the ever-evolving and vibrant world of shopping centres," Mirva says.

"During the training, I realised that we have been doing service design in different forms in Hansakortteli for a long time and now I got a confirmation of my knowledge and new tools",

*- Mirva Järvinen,
Head of Marketing*



ETHICAL AND PROFITABLE BUSINESS

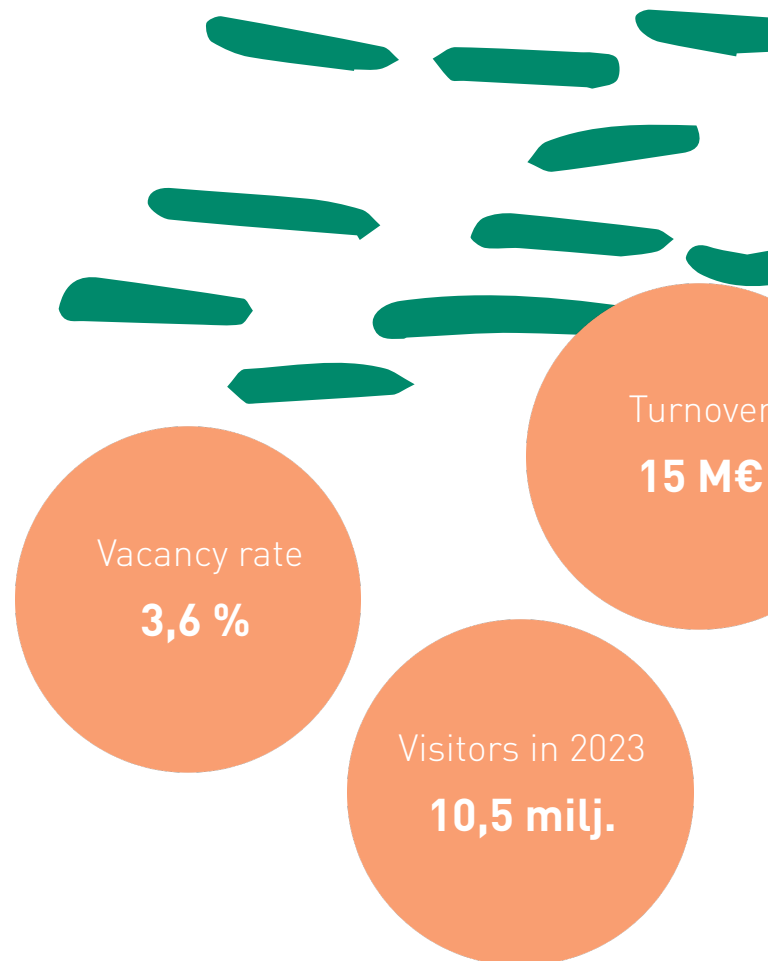
Hansakortteli takes care of the sustainability of the business operation in the long term. As a responsible, well-managed and profitable company, we operate sustainably and transparently.

We provide our owners a **profitable investment that produces e.g. a stable return for the pension funds of Finnish citizen**. We also generate financial benefits for our other stakeholders, such as personnel, service providers and the state, and we enable profitable operations for our tenants.

Profitable business

Our turnover (€15.0 M) mainly consists of rental income. Other relevant incoming cash flows are Hansan Yrittäjät Ry's membership fee invoicing and Turku Hansakortteli Oy's rent compensation invoicing.

The **vacancy rate of the shopping centre decreased to 3.6%** (6,3 % in 2022). According to KTI Kiinteistö-tieto Oy's statistics, the average occupancy rate of shopping centres in Finland is over 93%, which is also Hansa's constant goal.



ETHICAL AND PROFITABLE BUSINESS

Systematic risk management

An important part of responsible and profitable business is systematic risk management, the purpose of which is to ensure the continuity of operations, to produce information to support decision-making and to increase awareness of opportunities and threats.

During the beginning of 2023, we mapped out the risks and opportunities of climate change that significantly affect our operations in accordance with the principles of the TCFD. The risks can be divided into physical risks and transitional risks. Transitional risks are formed, for example, when the market or the political atmosphere changes, when society tries to respond to climate change. Physical risks, on the other hand, are physical manifestations of climate change, such as various phenomena related to temperature rise.

PHYSICAL RISKS

- Extreme weather phenomena such as heavy rains and storms challenge the property's infrastructure in the short and long term.
- The rise in temperature challenges cooling equipment and increases various types of equipment damage. Temperature fluctuations that are more frequent than before also affect the seasonal energy demand in the medium term.
- The risk of flooding increases in the coastal area of Turku due to the rising water level and more frequent storms. The need for stormwater management and delay will become even more prominent in the long term.

TRANSITIONAL RISKS

- Changes in legislation and strictening requirements force us to work more harder for climate change and sustainability. These bring growing investment needs, for example in terms of construction and repair.
- Reputational risk can arise if new requirements or the growing expectations of stakeholders are not met quickly and efficiently enough.

SUSTAINABILITY IN SUPPLY CHAIN

As a part of sustainable operations, we consider the sustainability of purchases. Our procurement is guided by the sustainability and procurement policies of Exilion companies. We use the Code to ensure sustainable practices throughout the supply chain, as we expect all our partners to commit to its principles.

We have included the procurement policy principles in all Hansakortteli contracts, and all new contracts will automatically include the principles as an annex. Our policy requires our partners to comply with the Public Limited Liability Act and to be a Reliable Partner. In this way, we contribute to the fight against the black economy, fair competition and compliance with working conditions. It also sets out requirements for partners to take environmental impact into account.

"Involving consumers in sustainability work is a very good way to ensure that development work is focused on the right issues", says EcoReal's Sustainability Manager, Lotta Kauppinen

Case: Sustainability workshop with Hansaraati

The Hansaraati, a group of 35 Hansakortteli customers, met in May under the guidance of Lotta Kauppinen (EcoReal Oy), an outsourced sustainability expert, to learn about the sustainability work of Hansakortteli.

At the event, the residents of Hansaraati played a playful sustainability quiz, worked in teams to put together idea maps to promote sustainability work, and worked in teams to create proposals and ideas for improving sustainability in the shopping centre. The workshop focused on involving consumers in the sustainability work of Hansakortteli

Ideas were generated on topics such as developing circular economy solutions for consumers, reducing climate emissions and investing in the well-being of young people. The work of the Hansaraati helps Hansakortteli to keep up to date, especially with customer wishes, and to develop its own work to better meet consumer expectations.





APTEEKKI
APOTEK

SUOMALAINEN
KIRJA KAUPPA



RESSO

**HANSA
KORTTELI**

Hansakortteli
20100 Turku
www.hansakortteli.fi

In cooperation with:
EcoReal
PART OF  RAKSYSTEMS