# Citycon
# Green Financing Framework
# Second Opinion

5.11.2019

**Citycon is a real-estate company that owns, manages and developes urban, grocery-anchored shopping centers** in the Nordic region, owning shopping centers in Finland, Norway, Sweden and Estonia and is also established in Denmark.

**The Citycon green financing framework provides a sound framework for investments into projects that align with the Green Bond and Green Loan Principles.** Eligible projects include financing or refinancing investments in green buildings, energy efficiency, renewable energy and waste management, as well as clean transport solutions. Citycon excludes direct fossil fuel and nuclear-energy generation, weapons and tobacco from its use of proceeds.

**Citycon expects to allocate the majority of net proceeds to green buildings, which cover both new and existing buildings.** In addition to green buildings, project categories include energy efficiency, renewable energy and waste management. Clean transport and accessibility by public transport are boundary conditions for projects to be included in this framework.

**Citycon's governance policy and framework meets the Green Bond and Green Loans Principles,** thanks to a track record of clear sustainability policies, environmental objectives and strong metrics which inform reporting in line with GRI sustainability guidelines. Attention is needed in terms of energy targets, climate-related disclosures, resilience, integration of supply chain considerations and rebound effects. The selection process also needs clearer screening criteria for inclusion of eligible projects.

Thanks to Citycon's sustainability strategy and its ambition in the field of waste, renewables and transport, and taking into account that regular updates will make it possible to set clear energy targets and to improve selection criteria for project types that will be financed by the green financing, governance and transparency considerations, Citycon's green financing framework receives an overall **CICERO Medium Green** shading. To improve the quality of the framework, Citycon could set more ambitious and better justified energy efficiency targets, include GHG targets, develop a climate risk assessment and management strategy including adaptation and resilience, and require higher green building classifications. It could further improve its governance by improving the selection process for eligible projects.

### SHADES OF GREEN

Based on our review, we rate the Citycon's green financing framework **CICERO Medium Green.**

Included in the overall shading is an assessment of the governance structure of the green financing framework. CICERO Shades of Green finds the governance procedures in Citycon's framework to be **good**.


### GREEN BOND and GREEN LOAN PRINCIPLES

Based on this review, this Framework is found in alignment with the principles.

CICERO Medium Green

°CICERO Shades of Green

# Contents

# 1 Terms and methodology

This note provides CICERO Shades of Green's (CICERO Green) second opinion of the client's framework dated 5 November 2019**.** This second opinion remains relevant to all green financing instruments including green bonds, green commercial papers, green loans, green hybrid bonds or green private placements, and other type of debt instruments under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client's policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

### Expressing concerns with 'shades of green'

CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

| CICERO Shades of Green | Examples |
|---|---|
| **Dark green** is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Ideally, exposure to transitional and physical climate risk is considered or mitigated. | Wind energy projects with a strong governance structure that integrates environmental concerns |
| **Medium green** is allocated to projects and solutions that represent steps towards the long-term vision, but are not quite there yet. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Physical and transition climate risks might be considered. | Bridging technologies such as plug-in hybrid buses |
| **Light green** is allocated to projects and solutions that are climate friendly but do not represent or contribute to the long-term vision. These represent necessary and potentially significant short-term GHG emission reductions, but need to be managed to avoid extension of equipment lifetime that can lock-in fossil fuel elements. Projects may be exposed to the physical and transitional climate risk without appropriate strategies in place to protect them. | Efficiency investments for fossil fuel technologies where clean alternatives are not available |
| **Brown** is allocated to projects and solutions that are in opposition to the long-term vision of a low carbon and climate resilient future. | New infrastructure for coal |

Sound governance and transparency processes facilitate delivery of the client's climate and environmental ambitions laid out in the framework. Hence, the governance aspects are carefully considered and reflected in the overall shading of the green financing framework. CICERO Green considers four factors in its review of the client's governance processes: 1) the policies and goals of relevance to the green financing framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent.

# 2 Brief description of CITYCON's green financing framework and related policies

Citycon is a real-estate company that owns, manages and developes urban, grocery-anchored shopping centers in the Nordic region, managing assets that total EUR 4.5 billion. Citycon owns shopping centers in Finland, Norway, Sweden and Estonia and is also established in Denmark, with about 170 million visitors on an annual basis.

At the time of publishing their framework, Citycon owns 38 shopping centers. In addition, Citycon leases and manages 12 shopping centers in Norway on behalf of other owners, of a gross area of 1.1 million square meters. This framework extends to the assets financed and owned by Citycon.

### Environmental Strategies and Policies

As an owner and manager of real-estate, Citycon's environmental impacts are related to energy consumption, green-house gas emissions, water use and waste streams mainly. Citycon has a track record of integrating sustainability in its management approach. The company has a sustainability strategy in place, which was launched in 2014 and updated in 2017. It contains short-term goals for 2020 and long-term objectives for 2030. Goals and objectives are evaluated and updated every 3 years, and actions to achieve them identified. The sustainability strategy includes elements of climate, environmental social and governance. It sets out objectives including carbon neutrality (zero scope 1 and 2 emissions), accessibility, convenience & safety, and operational excellence. The next update is planned to be published on Citycon's website in 2020.

Objectives mentioned in the green financing framework are in line with objectives adopted in Citycon's sustainability strategy. Energy consumption reduction objectives in that strategy are based on European legislation.

More specifically, the selection of Citycon's strategic sustainability actions for 2020 that are listed in the framework are:

- Renewable energy production in all assets. Citycon has set out to produce some renewable energy capacity at all assets
- Decreasing energy consumption per square meter by 15% (from 2014 levels)
- Public transportation options proactively developed together with local stakeholders
- Increased electrical vehicle charging possibilities for cars and bikes in all assets
- Youth involvement activities in all assets
- Each asset annually aiming to accommodate some space for local community, NGOs or local businesses
- Clear objectives and cooperation to implement sustainability actions: lessons learned clearly listed, results reported and best practices actively taken into use across all assets
- 100% of properties BREEAM In-Use certified with the minimum level being "Good" or higher

Climate resilience and adaptation to the consequences of climate change are not part explicitly integrated in the framework. Citycon does include water use and waste management in this framework, without specifying targets for reduced water consumption and reduced/reused/recycled waste material.

Citycon monitors and reports on implementing measures to achieve sustainability objectives, and integrates financial and sustainability reporting in their annual report since 2016. The sustainability accounts chapter of

their annual report highlights key objectives, progress made towards those objectives and key environmental figures, based on Citycon's priority sustainability issues. Sustainability disclosures on climate-relevant indicators are not informed by TCFD recommendations, but they are based on GRI sustainability reporting guidelines.

As a member of the European Public Real Estate Association (EPRA), Citycon has been awarded on their financial reporting method for 10 years in a row.

## Use of proceeds

Proceeds from Citycon's green financing instruments will be used to finance or re-finance, in part or in full, eligible green assets, following a number of categories that each intend to provide environmental benefits. With regard to the lookback period for refinanced projects, the property needs to fulfill the criteria specified under section 2 "Use of proceeds" in the framework regardless of its construction date, in order to be an eligible asset.

The first category of eligible assets contains green buildings. For assets under this category, environmental benefits are determined based on compliance with existing certification schemes, applying to constructions/buildings in the countries where Citycon owns and manages real-estate. Only new constructions certified to meet the standards BREEAM "Very Good" or higher, LEED "Gold" or higher fall under the framework, and only if their energy consumption is 15% lower than required by national building codes. A similar approach is followed for exisiting buildings, if these have obtained or are in the process of obtaining a certification and with an energy consumption below a threshold (see section 3 for more details).

The EU energy performance of buildings directive requires buildings to be classified as nearly-zero energy by 2020. Construction projects that already qualify as an EU nearly zero-energy building ahead of the legal obligation, are eligible under this green financing framework. Buildings with an Energy Performance Certificate (EPC) class A certificate are also eligible under this category.

To be eligble, all buildings in this category need to be connected to public transportation, thus encouraging green ways to visit the centres.

The remaining categories in this framework target investments in energy efficiency, renewable energy, and waste management, and cover energy performance in buildings, renewable energy production, waste management and facilitation of clean transport. These project types concern among others properties that do not have a certification from BREEAM/LEED at the classification level set out before. As such they put a higher emphasis on energy efficiency performance by having a more stringent threshold.

Eligible green assets can be owned by any of the parent company Citycon Oyj's subsidiaries or by joint venture companies. For joint ventures, Citycon will only include assets equal to, or less, than the total funding provided by Citycon.

Citycon excludes the use of proceeds for financing nuclear or fossil fuel energy generation, weapons or tobacco. The proceeds from green financing instruments will not be used to finance assets that directly use fossil fuels as a source of energy under this framework.

## Selection:

The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects

can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the governance process.

The evaluation and selection process for eligible green assets is based on the criteria, objectives and boundary conditions presented in the framework.

The selection of eligible green assets is managed by the green finance committee consisting of members from the group treasury, sustainability team and development team. Only project/assets which are approved by all members can be selected as eligible assets. An appointed person within the sustainability team is responsible and has a veto in all decisions connected to the selection of the eligible green assets. For the green buildings category, the selection process is partly informed by the certifier who assesses the assets to provide a certificate.

Citycon has not shared the evaluation and selection methodology that the green finance committee applies to select assets for either of the green asset categories in greater detail than set out in the framework. Eligibility criteria and exclusion criteria presented in the framework apply as selection criteria in the green finance committee's selection process.

A list of eligible green assets is kept by Citycon's group treasury and the group treasurer is ultimately responsible for keeping this list up to date. The updated list will be published on an annual basis, and the total net amounts of assets per green asset category will be published quarterly. The list of eligible green assets is monitored during the term of the green financing instruments to ensure that the proceeds are sufficiently allocated to eligible green assets on a regular basis.

Although we have not seen the selection methodology used by the green finance committee, Citycon has informed us that it will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the eligible green assets. The allocation of proceeds will be subject for an annual review by an external party. A verification report provided by the external part will be published on the company's website.

### Management of proceeds

CICERO Green finds the management of proceeds of CITYCON to be in accordance with the Green Bond Principles.

Citycon will establish a green asset register in relation to green financing instruments issued by Citycon for the purpose of monitoring the eligible assets and the allocation of the net proceeds from green financing to eligible assets. The group treasury is responsible for ensuring that the net proceeds are financing eligible green assets in accordance with the framework.

Eligible green assets under the green buildings category reflect the market value of such assets reported in the balance sheet minus debts from other sources. Eligible green assets under the energy efficiency, energy generation, and waste management category correspond to the relevant invested amount.

Citycon will manage green assets on a portfolio level. This means that a green financing instruments will not be linked directly to pre-determined eligible green assets. Citycon will keep track and ensure there are sufficient eligible green assets in the portfolio to cover outstanding green financial instruments. When relevant, Citycon will disclose the portfolio balance for unallocated proceeds. Assets can, whenever needed, be removed from or added to the eligible green assets portfolio. The portfolio will be reviewed on a quarterly basis.

There may be periods when a sufficient aggregate amount of eligible green assets has not yet been allocated to the green asset register to fully cover the proceeds of each green financing instrument, either as the result of changes in the composition of eligible assets or the issue of additional green financing. Any portion of the net proceeds of green financing instrument that have not been allocated to eligible assets in the green asset register will be held in accordance with Citycon's normal liquidity management policy, excluding activities that are excluded in this framework as well. The green asset register will form the basis for the impact reporting.

## Reporting

Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs. Procedures for reporting and disclosure of green finance investments are also vital to build confidence that green finance is contributing towards a sustainable and climate-friendly future, both among investors and in society.

Citycon commits to regular reporting on its outstanding green finance instruments. The allocation of proceeds will be subject for an annual review by an external part. Reports will be made available on Citycon's website, covering allocation of proceeds (including a verification report provided by the external part) and impact. The allocation of proceeds report will include the total amount of green financing instruments outstanding, a list of eligible assets by category, and share of proceeds used for financing/re-financing.

Impact reporting will take place on an annual basis, including a list of of eligible green assets and their environmental impact, displaying environmental impact metrics such as type of certification and degree of certification for buildings and projects, energy performance of buildings ($kW/m^2$), annual greenhouse gas emissios (tons of CO2 equivalents) and locally produced and consumed renewable energy (megaWatts).

Citycon will publish a quarterly update on its website, showing the total amount of green assets in each category and the total amount of outstanding green financial instruments.

In addition, key performance indicators such as share of visitors arriving by public transport or bicycle and number of charging stations for electric vehicles, bicycle parking will also be published on an aggregated level.

# 3 Assessment of CITYCON's green financing framework and policies

The framework and procedures for CITYCON's green finance investments are assessed and their strengths and weaknesses are discussed in this section. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised in this section to note areas where CITYCON should be aware of potential macro-level impacts of investment projects.

## Overall shading

Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in CITYCON's green financing framework, we rate the framework **CICERO Medium Green.**

## Eligible projects under the CITYCON's green financing framework

At the basic level, the selection of eligible project categories is the primary mechanism to ensure that projects deliver environmental benefits. Through selection of project categories with clear environmental benefits, green bonds aim to provide investors with certainty that their investments deliver environmental returns as well as financial returns. The Green Bonds Principles (GBP) state that the "overall environmental profile" of a project should be assessed and that the selection process should be "well defined".

| Category | Eligible project types | Green Shading and some concerns |
|---|---|---|
| **Green Buildings** | ✓ New constructions that have or with the objective to receive a minimum certification of "BREEAM Very Good [1]" or "LEED Gold [2]", and which have an energy consumption that is at least 15% lower than that required by the respective National Building Requirements for new buildings<br>✓ Construction projects that are initiated before the European | **Medium to Light green**<br>✓ Citycon applies a strict policy on connectivity: all green buildings need to be connected to public transport facilities.<br>✓ The share of fossil fuel in district heating network that the shopping centers are connected to depends on the region. Centers that use fossil fuel energy for heating or cooling directly are excluded from this category.<br>✓ Following standards provides clarity to the market. The additional |

[1] Information available at http://www.breeam.org
[2] Information available at http://www.usgbc.org/certification

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|---|---|---|
| | Directive on Energy Performance of Buildings comes into force and that already meet the requirements to be classified as an EU "Nearly zero-energy building[3]" | requirement on energy consumption prevents lock-in of technological solutions as standards will be updated in time. |
| | ✓ Existing buildings having a certification obtained during the construction period (defined above) or buildings that have or with the objective to receive a minimum certification of "BREEAM-in-Use very Good" or "LEED Gold" and has an energy consumption per gross area that is below 135 kWh/m2/year | ✓ The standards mentioned vary in ambition level. BREEAM Very Good does not include GHG emission tracking.<br>✓ The rating used during standard certification may not provide sufficient information on energy efficiency in Citycon's building stock. Adding the requirement of 135 kWh/m2/year means a substantial contribution to lower energy consumption. However, we encourage Citycon to put in place an energy target that is in line with their carbon neutrality target. The value of 135 is a performance indicator which is not corrected for climate zones or weather conditions. |
| | ✓ New and existing buildings with an Energy Performance Certificate (EPC) class A | ✓ Including nearly zero-energy buildings may provide a good incentive on the short run, as this concerns constructions that are initiated before the EU obligations are in force. However, this is already the case by 2020 and it is not clear yet what the specific requirements for energy performance in buildings in the different countries will look like in order to comply with the regulation. We encourage Citycon to raise the ambition of this project type, because otherwise it will be an eligible project type to finance legal obligations by next year.<br>✓ Consequences of climate change, adaptation to climate change and building resilience are not taken into account explicitly. Certification methods referred to require limited information on key consequences of climate change, and building codes do |

[3] Information available at https://ec.europa.eu/energy/en/topics/energy-efficiency/buildings/nearly-zero-energy-buildings.

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| | | | not include all climate hazards either. We encourage Citycon to improve their climate risk management strategy and integrate it into their sustainability strategy. |
| **Energy efficiency**   | ✓ Improvements conducted for existing buildings resulting in an energy consumption per gross area that is below 125 kWh/m2/year or reducing the energy consumption by at least 20% compared to the current level<br>✓ Energy retrofits such as recovering heat from technical systems and appliances, usage of LED lighting, low-flow water fixtures and toilets and improvements in the ventilation systems<br>✓ Building green roofs to reduce the need for heating or cooling, retain rain water, and ease storm water management<br>✓ Activities enabling clean transportation such as charging stations for electric vehicles, bicycle parking and good pedestrian access to make shopping centres easy to visit without a car | **Medium to Dark green** | ✓ This sub-category concerns all assets, including those that have no certification following BREEAM/LEED or those that have a certificate below "Very Good" or "Gold". To fit the sustainability objetives under this framework, this category puts a higher emphasis on energy efficiency by having a more stringent energy consumption threshold. However, we do encourage Citycon to base this threshold value on a stronger justification, such as a benchmark or a baseline.<br>✓ Proceeds are allocated to the activities in this category and do not represent the value of the building. However, the energy consumption indicators in this category apply to whole buildings' performance.<br>✓ For energy efficiency projects and energy retrofits that need construction materials and products, Citycon should consider emissions intensity and resilience of materials and equipment used.<br>✓ Green roofs can integrate energy performance solutions with climate resilience. In order to maximize co-benefits, Citycon should improve their climate risk knowledge base and management strategy for consequences of climate change.<br>✓ Although electric modes of transportation are clearly preferable to fossil fuel-powered modes, we should nevertheless be aware of the indirect GHG emissions stemming from the production and use, and strive to keep |

| | | |
|---|---|---|
| | | increasing their efficiency. Citycon could for example consider grid factors in life cycle emissions for electric vehicles. |
| **Renewable energy**  | ✓ Onsite renewables energy including solar panels that generate electricity or geothermal energy installations that can be used for both heating and cooling | **Dark green**<br>✓ Citycon aims to install renewable energy solutions at each of their owned assets.<br>✓ To improve the selection process for renewable energy solutions, clear screening criteria need to be put in place, that also consider environmental risks and social considerations.<br>✓ To increase the share of renewable energy that is locally produced, Citycon could specify a target in its sustainability strategy. |
| **Waste management**  | ✓ Improved waste management such as by offering multiple possibilities to recycle and dispose of waste | **Dark green**<br>✓ Citycon has many waste recycling projects to build on.<br>✓ Waste reduction at the source should also be considered, given the commercial nature of the use of Citycon's assets. |

Table 1. Eligible project categories

## Background

In 2014, buildings accounted for over 38% of energy consumption in the EU[4]. In a low carbon 2050 perspective, the energy performance of buildings is expected to be improved, with passive house technology becoming mainstream and the energy performance of existing buildings greatly improved through refurbishments. Efficiency of building envelopes needs to improve by 30% by 2025 to keep pace with increased building size and energy demand – in addition to improvements in lighting and appliances and increased renewable heat sources.[5] Energy efficiency improvements in buildings are thus important building blocks towards reaching the 2°C goal. The EU

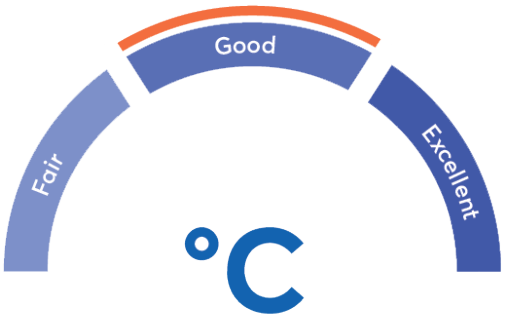
[4] https://ec.europa.eu/energy/en/eu-buildings-database
[5] http://www.iea.org/tcep

sets out policy for countries to improve energy performance of buildings, obliging all new buildings in the EU to meet energy performance criteria in line with he 2°C goal.

Commercial buildings used for wholesale are a catalyst for transport demand. Transport is responsible for 20% of GHG emissions in the EU when excluding aviation and maritime transport[6]. Clean transportation is therefore an important element of climate mitigation strategies in conjunction with energy performance of buildings.

## Governance Assessment

Four aspects are studied when assessing the CITYCON's governance procedures: 1) the policies and goals of relevance to the green financing framework; 2) the selection process used to identify eligible projects under the framework; 3) the management of proceeds; and 4) the reporting on the projects to investors. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent.




The overall assessment of CITYCON's governance structure and processes gives it a rating of **Good.**

## Strengths

Citycon is an early mover when it comes to integrating sustainability in its company policies. The company combines climate, environmental and social objectives and has selected indicators that enable close monitoring of performance in those areas. By setting objectives both for 2020 and for 2030, combined with regular updates of objectives in their sustainability strategy, Citycon prevents lock-in effects of choices made and is able to include the latest developments in environmental and climate impacts. By adopting a participatory approach in the areas where Citycon operates, the company includes local stakeholders' and their knowledge in the sustainability policies.

Citycon has been assessed by external experts and is rated high (2nd highest in a 7 scale rating system) on the ESG performance classification system applied by them. This rating is regularly updated. In addition, Citycon has been awared repeatedly, for their energy efficiency measures as well as innovative local renewable energy generation initiatives. Other awards include quality of reporting on sustainability issues.

Within the framework, the asset categories chosen are targeted and well-defined. They are coherent with internal environmental policies, and the ambitions of this framework have even pushed internal investment policies one step further towards sustainability, by applying the same exclusion criteria as adopted in this framework to general investment policy.

## Weaknesses

No significant weaknesses observed at this point.

[6] https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases/transport-emissions-of-greenhouse-gases-11

### Pitfalls

Citycon has no climate scenarios, resilience planning or adaptation policy in place. Based on our conversations, they may lack awareness of the climate-related risk are relevant for their operations, both in terms of supply chain dependencies and resilience of buildings. We encourage Citycon to conduct a screening exercise for these risks, to take informed decision to sustain climate resilience of their assets and their business.

Energy performance requirements presented in this framework are set on the basis of current energy consumption in the buildings in stock that meet BREEAM "very good" requirements. Adding the requirement of 135 kWh/m2/year means a substantial contribution to lower energy consumption. However, Citycon has not yet put in place an energy target that is in line with their carbon neutrality target.

In addition, the requirement for energy consumption in this framework is therefore not based on in-depth research and benchmarking within or beyond Citycon's portfolio. This results for example in one single value for buildings that are located in a variety of climatic/meteorological zones. Further specification of targets is something to be included in updates of Citycon's sustainability strategy as well as future versions of a green financing framework.

With respect to nearly zero-energy buildings, the framework incentivizes investors to already comply with the requirements to be labeled as nearly zero-energy – requirements that will be mandatory in the EU by the end of 2020. It is unclear how this part of the EU energy performance in buildings directive will be implemented, as implementation will differ per country. This makes it unclear what compliance with the regulation means for 2030 and 2050 low carbon strategies.

Citycon has put in place a selection committee for eligible projects that works on the basis of criteria set out in the framework, but it lacks a detailed methodology that includes screening criteria, environmental and social impacts, and cut-off points for including or excluding projects based on the result of project's assessments. This is mainly a pitfall for project categories that are not based on certification – those projects follow the certifyer's assessment methodologies which are publically available and scrutinized by the legislator. Other project categories (green roofs, waste management, energy efficiency and renewables) should ideally be assessed on their life cycle performance, negative externaities across the supply chain and potential rebound effects together with environmental and social risks, and we hence encourage Citycon to refine their selection process accordingly.

# Appendix 1:
# Referenced Documents List

| Document Number | Document Name | Description |
|---|---|---|
| 1 | Sustainability accounts 2018 | Citycon's report on sustainably strategy implementation, including GRI compliant key indicators and an external assurance report. |
| 2 | Sustainability accounts 2016 | Citycon's report on sustainably strategy implementation, including GRI compliant key indicators and an external assurance report. |
| 3 | Annual and sustainability report 2015 inc. financial statements | This report includes the financial statements on sustainability investments |
| 4 | Citycon code of conduct | Citycon's policy requirements on human rights, working conditions, environment, business ethics and communication. |
| 5 | Financial review 2018 | Citycon Group's financial performance, including EPRA performance, 5 year outlook, and sustainability information |
| 6 | Annual and sustainability report 2014 | Includes early sustainability strategy, complete with objectives, indicators and metrics. |
| 7 | Citycon's sustainability web page: https://www.citycon.com/sustainability/creating-value-through-sustainability | Provides overview of reporting and example projects. |

# Appendix 2:
# About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University and the International Institute for Sustainable Development (IISD).