



# Sustainability report 2021



# Contents

- 3 VVT Kiinteistösjointus
- 4 Sustainability in our operations
- 5 Our sustainability programme
- 6 Our actions in 2021
- 7 Our stakeholders and impact
- 8 Environmental certification
- 9 Energy consumption of properties
- 10 Emissions from energy consumption and water consumption
- 11 Waste

Image on the cover: Granin Kauppakeskus



Granin Kauppakeskus

# VVT Kiinteistösijoitus

VVT Kiinteistösijoitus is a property investment company that manages real estate capital funds investing in domestic business premises, and is established in 2012. The funds mainly make direct and indirect real estate investments in business premises located in growth centres in Finland.

The investors in the funds are Varma Mutual Pension Insurance Company, the State Pension Fund and Tradeka-Invest Ltd. At the end of 2021, the total value of the fund's properties was almost EUR 240 million.

Being a responsible real estate investment company, VVT Kiinteistösijoitus always offers

premises for rent that support its customers' business. The company develops the properties it manages in close collaboration with its customer tenants. At VVT Kiinteistösijoitus, sustainability is part of our everyday work, and our comprehensive sustainability programme guides how we manage our portfolios.

Our current properties are located in the Helsinki Metropolitan Area, Tampere, the Turku region, Lahti and Vaasa. According to the situation at the end of 2021, our premises are used as offices (2 properties), commercial premises (5 properties) and for logistics purposes (1 property under construction).

Our key figures	2019	2020	2021
Business premises, pcs	5	5	5
Other properties (logistics, office), pcs	4	3	3
Size of real estate portfolio, m2	57 000	73 000	64 500*
Occupancy rate, %	96	96	92*
Number of leases, pcs	157	144	140*

\* Premises under construction not included.



Vaasanpuistikko 18



Martinlaakson Ostari

## Sustainability in our operations

### Sustainability in the real estate sector

The real estate sector plays a socially important role as a provider of premises and a custodian of national wealth. At the same time, the real estate sector also has a great responsibility for sustainable operations, the mitigating climate change and the preservation of the environment. In the real estate sector, sustainability does not mean environmental issues only but also, of course, social responsibility and good governance.

### Our sustainability principles

For us, sustainability means making sustainable investment decisions and following ownership practices that enable us to offer our customers environmentally efficient and functional spaces in the right locations.

We have drawn up our own sustainability principles which we use to communicate our commitment to responsible action. Our board of directors and staff are fully committed to our sustainability principles, and they have all agreed to them.

### Sustainability management

Our sustainability work is based on reviewing and developing our operations from the perspectives of environmental efficiency, social responsibility and good governance. We have systematically scrutinised the different aspects of our operations from these perspectives of sustainability and set targets for developing our operations.

We regularly monitor the achievement of these targets through our scheduled sustainability programme with assigned persons responsible. In our company, we have separately appointed a person responsible for developing sustainability issues.

### Actions in our sustainability programme

Our sustainability programme includes a total of 30 different actions related to people, good governance and the promotion of environmental responsibility.

# Our sustainability programme

## Environmental responsibility

Environmental responsibility is about taking the environment and climate into account in all business operations. It is important to us to take account of the environmental impacts of our operations. In addition to mitigating climate change, we also pay attention to supporting biodiversity.

The energy efficiency of buildings, the production and acquisition of renewable energy, and environmental certification are among the most important environmental responsibility actions we have taken. Promoting recycling and reducing water consumption are also important themes.

We also want to support the users of our properties in adopting sustainable mobility by providing charging stations for electric cars and bikes, parking spaces for bikes and good social facilities in our premises. Our office and business properties are centrally located and accessible by public transport.

## Social responsibility

Social responsibility means the consideration and equal treatment of people, including our employees as well as property tenants and users. As a property owner, we want to offer the users of our properties comfortable and safe premises.

We inform our tenants about sustainability matters and ask our tenants for annual feedback on our premises and services. We strive to meet the wishes and needs of the tenants. In addition, each year we participate in two sustainability campaigns.

In our operations, we require that all people are treated equally, and we make efforts to interact continuously with our various stakeholders, by collecting feedback on our operations, for example. We are committed to non-discrimination against our colleagues, partners and customers.

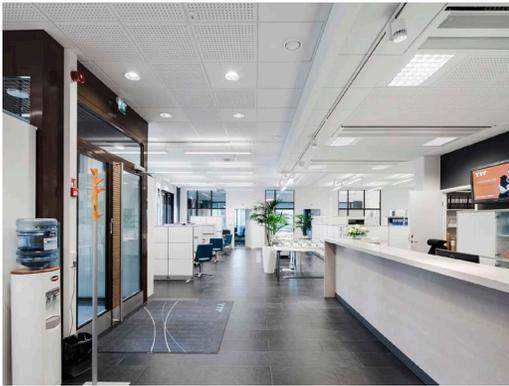
## Good governance

Good governance refers to compliance with laws and regulations, and open and transparent operations. This is the starting point for all business activities. In all our operations, we adhere to the principles of good governance. We are committed to the principles of integrity and to the prevention of money laundering. In addition, all our owners have signed the UN Principles for Responsible Investment (PRI), which we also comply with in our operations.

We strive to keep our operations transparent and publish an annual sustainability report for our stakeholders, in which we report on our societal impact in the form of the taxes we have paid and the people we employ, both directly and indirectly. To increase transparency, we are constantly developing our reporting by means such as automation.



## Our actions in 2021



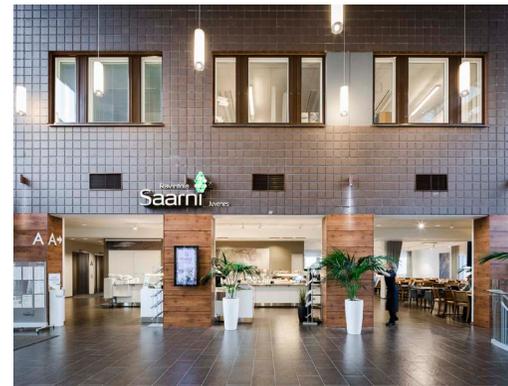
### Sustainability criteria of investment decisions

During 2021, we have established a new fund, VVT Property Fund II Ky. Any investments acquired into the fund will be evaluated not only through the normal purchasing process but also through sustainability criteria, including the possibility of producing renewable energy, the property meeting environmental certification requirements and energy efficiency.



### Sustainable mobility

We make efforts to promote the sustainable mobility of our tenants. During 2021, we have improved the accessibility of our properties by bicycle by providing more social facilities and parking spaces for bikes. In addition, we are constantly mapping out the possibilities or adding charging stations for electric cars in our properties, and during 2021 we started installing 38 new charging devices.



### Boosting energy efficiency

Our primary target for improving the environmental responsibility of our premises is to boost their energy efficiency. In addition to continuous monitoring and adjustment measures, we make energy investments on a regular basis. In 2021, we have, among other things, been replacing ordinary luminaires in our premises with LED lighting units.



### Dialogue with real estate users

We carried out a tenant survey in the properties we manage at the beginning of the year and a sustainability-themed survey during energy saving week in September. In addition, we improved communication with our tenant in the form of welcome letters. We will continue to continuously develop our premises, and in 2022 we will focus particularly on the proposals for improvement that emerged in the surveys.

# Our stakeholders and impact

## We offer facilities for over 100 companies

Our most significant stakeholders are our owners, tenants and partners, such as our property managers and the service providers in our properties. Our stakeholders also include authorities, for example in the context of renovation projects and town planning. We have more than 100 businesses as tenants, and our properties have thousands of users every day.

## We provide employment both directly and indirectly

In 2021, the amount of employment we provided amounted to 86 person-years. Our own staff totals two people. For the managing our properties and expert services, we need the contribution of about three person-years from Newsec. In addition, by calculation based on costs, in 2021 we provided about 48 person-years of employment in property maintenance, about

## Employment 2021

86 person-years

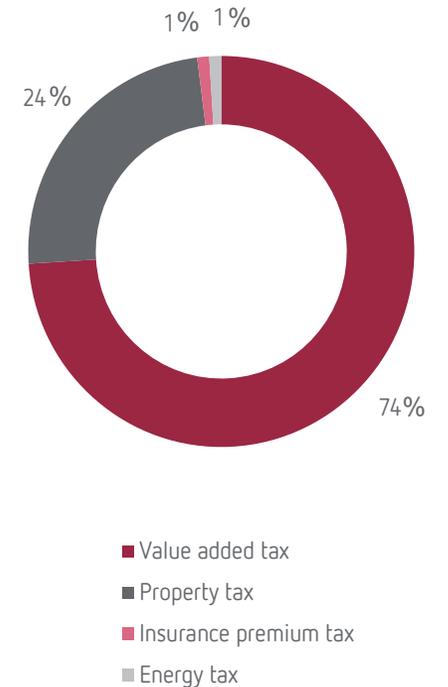
18 in renovation construction, and about 15 in new construction. Since 2020, our capacity to employ has grown by 18 person-years. This consisted mainly of employment in new construction, i.e., the property under construction purchased by VVT Property Fund II.

## Tax footprint

In 2021, we paid approximately EUR 3.5 million in taxes. Most of them, around 98 per cent, consisted of VAT and the real estate tax. In addition to these, we also paid insurance premium tax, energy tax and asset transfer tax on investments. We only pay energy tax on gross properties, i.e., properties whose electricity contracts are under our control. We pay all our taxes to Finland.

In calculating employment and tax footprint, we have followed the corporate responsibility reporting recommendation of KTI-Rakli.

## Tax footprint



# Environmental certification

## Certification of properties

When acquiring new properties and making renovations, we evaluate whether the property meets environmental certification requirements and acquire environmental certificates for selected properties. Environmental certifications enable us to measure, verify and improve the environmental performance and impact of our properties. All our properties have been issued either BREEAM or LEED certification. A certified property meets certain criteria for environmental performance and has also been inspected by

an external auditor. Environmental certifications can also be used for comparing the environmental performance of buildings at an international level.

## BREEAM In-Use certifications

During 2021, we acquired the environmental BREEAM In-Use Part 1 certificate for five of our properties. BREEAM In-Use certification covers the building during its use, taking into account such factors as the well-being of property users, sustainable mobility and technical solutions under the owner's

control. In BREEAM certification, buildings are rated into five different categories: Pass, Good, Very Good, Excellent and Outstanding.

## LEED certifications

Two of our properties are certified with LEED Core and Shell certificates. The LEED Core and Shell certificate is a construction-stage environmental certificate that covers the facilities under the owner's control. In LEED certification, buildings are classified into four different certification levels: Certified, Silver, Gold and Platinum.

Property	Certificate	Level
KOy Martinlaakson Kivivuorentie 4	LEED Core and Shell	Gold
KOy Tampereen Ratinankaari	LEED Core and Shell	Gold
KOy Lahden Apilakatu 1	BREEAM In-Use Part 1	Very Good
KOy Kauppapuistikko 15	BREEAM In-Use Part 1	Very Good
KOy Vaasanpuistikko 18	BREEAM In-Use Part 1	Good
KOy Helsingin Vanhanlinnantie 3	BREEAM In-Use Part 1	Good
KOy Granin Kauppakeskus	BREEAM In-Use Part 1	Good

Environmentally certified properties

100%



Helsingin Vanhanlinnantie 3

# Energy consumption of properties

## Energy consumption of properties

We monitor the energy consumption of our properties and strive for efficient use of energy. This page shows graphs of the energy consumption of all the properties we own. This year, we have included a net rental property in the report, so the consumption figures differ from previous reports. The rental property's consumption has also been taken into account in the graphs for previous years.

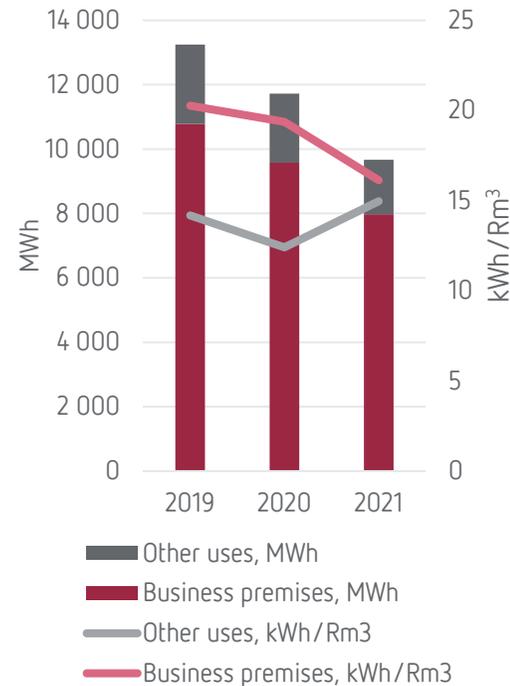
In terms of heating consumption, the consumption consists of the property's total consumption and, in terms of electricity, the consumption or total consumption of real estate electricity. The annual consumption includes the consumption of properties owned by VVT Kiinteistösijoitus at the end of the year in question.

## Temperature variations between years affect energy consumption

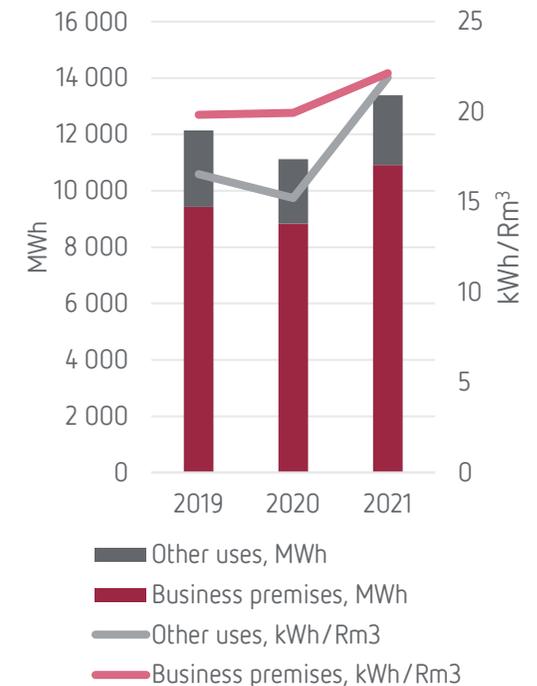
Due to the decrease in the number of properties in the portfolio, electricity consumption has decreased clearly from previous years. The impact of the coronavirus pandemic on electricity consumption has decreased as the use of office and commercial properties has returned closer to the normal level in 2021. The changes in the portfolio and the shift of focus to office and business properties slightly increases the specific consumption, as the warm summer of 2021, increased the demand for cooling.

Heating consumption was particularly affected by the clearly colder temperatures in 2021 than in previous years. Changes in the size of the portfolio during the year reduced the impact of the growth in actual heating consumption. The specific heating consumption also increased due to the cold winter and changes in the portfolio.

## Electricity consumption



## Heating consumption



# Emissions of energy consumption and water consumption

## Reducing emissions guides our operations

Emissions of energy consumption in buildings are our most significant environmental impact. In our sustainability work, we focus especially on curbing emissions from our properties by purchasing green electricity and taking energy efficiency measures.

Since 2020, emission-free electricity has been purchased for all our properties. The emissions from the use of electricity was zero in 2021. The emissions from heating are calculated using locality-specific emission factors reported by energy companies. The factor particularly affecting emissions from heating are the energy companies' emission reduction measures. In 2021, despite the decrease in the real estate stock, the emissions were higher than in previous years. The main reason for this was the colder winter in 2021 than in previous years. In 2021, the heating months (January-

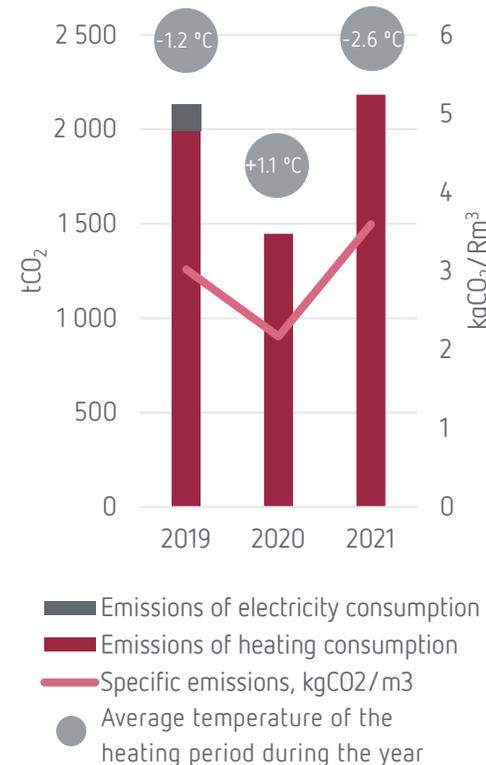
April and October-December) were even colder than the temperature levels in the Finnish Meteorological Institute's long-term reference period\*. While the heating months of 2020, were significantly warmer than the temperature levels in the reference period. In 2019-2021, the average temperatures of the heating periods were, -1.2°C, +1.1°C and -2.6°C in Finland. The corresponding average for the reference period is -2.1°C.

## The effects of the pandemic are still visible in water consumption

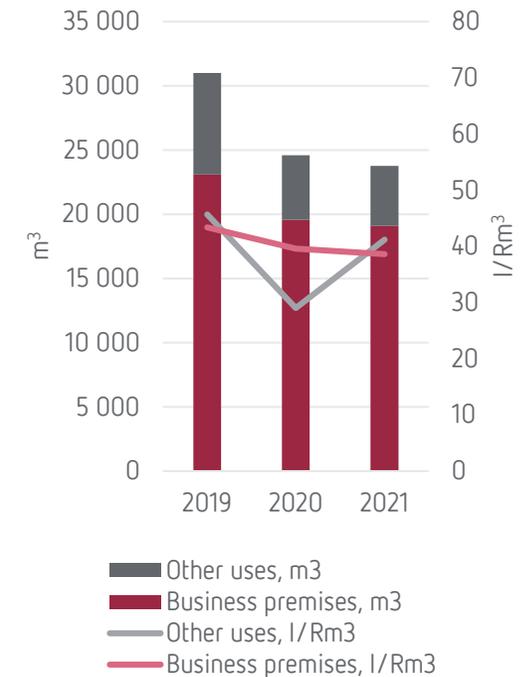
The pandemic has also had an impact on the water consumption of properties. Due to the lower use of properties, water consumption has been lower than before the pandemic. However, both the water consumption and the specific consumption have been affected by changes in the real estate stock. Both the specific consumption and water consumption in relation to the number of properties increased slightly.

\* The period selected as the reference period is the recent 30-year observation period of the Finnish Meteorological Institute 1991-2020.

Emissions of energy consumption



Water consumption



# Waste

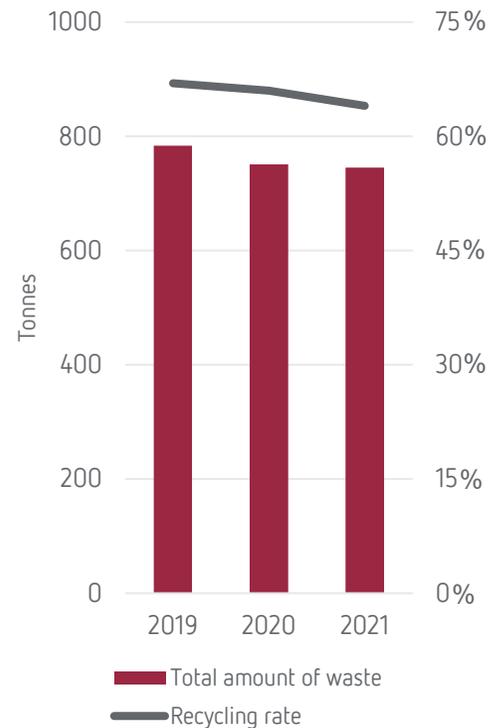
## Recycling

By sorting and recycling waste correctly, we can extend the time materials remain in circulation and reduce the use of natural resources. As an owner, we can contribute to successful sorting by offering our tenants comprehensive sorting opportunities and providing guidance on efficient recycling. The total amount of waste has decreased by around six tonnes since 2020. Our recycling rate has also fallen by around three per cent since 2020.

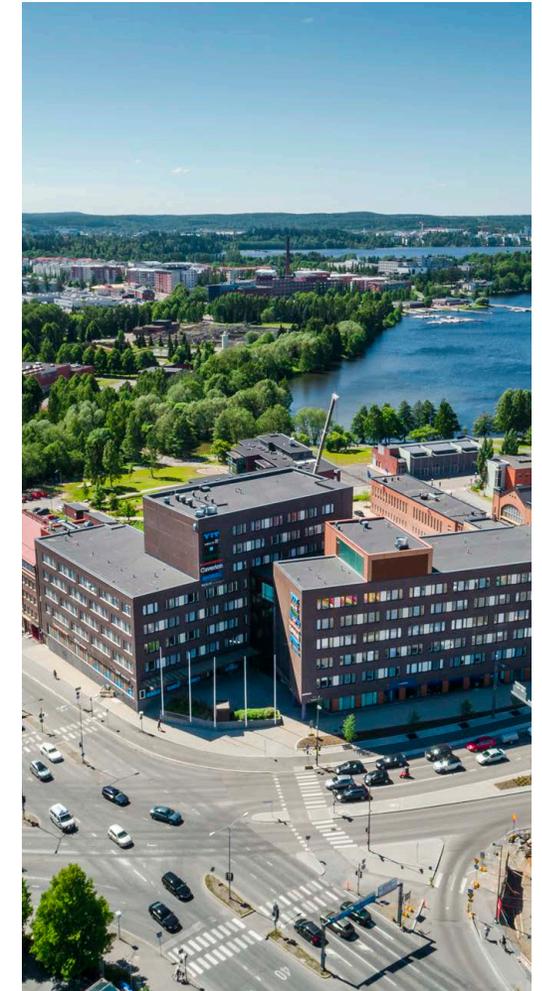
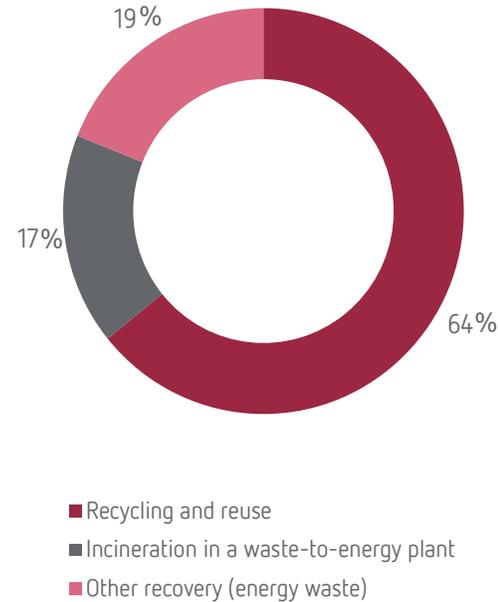
## Improving recycling efficiency

During 2021, we made the way we communicate about recycling to tenants and users of our properties more efficient. In 2022, our goal is to further improve recycling opportunities and to develop the monitoring of waste data. The waste data covers all the properties that have been in our possession all year and where we are responsible for managing waste ourselves.

Waste volumes and recycling rate



Recovery of waste



Tampereen Ratinankaari

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