



# Sustainability Report 2022





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Image on the cover: Hatanpään valtatie 11 (bottom left)

Martinlaakson ostari

# VVT Kiinteistösijoitus

VVT Kiinteistösijoitus is a property investment company founded in 2012 that conducts responsible management of private equity property funds investing in Finnish business premises. The funds make direct and indirect real estate investments mainly in business premises located in growth centres in Finland.

Varma Mutual Pension Insurance Company, the State Pension Fund of Finland and Tradeka-sijoitus Oy are investors in the funds. At the end of 2022, the total value of the fund's properties amounted to nearly EUR 210 million. VVT Kiinteistösijoitus is a responsible property investment company

that offers leasable business premises that support its customers' business. The company develops the properties it manages in cooperation with tenants. At VVT Kiinteistösijoitus, sustainability is part of our daily work, and our comprehensive ESG programme guides the management of our portfolios.

Our current properties are located in the Helsinki Metropolitan Area, Tampere, Turku area, Lahti and Vaasa. As of the end of 2022, the properties are used for office space (2 properties), retail (4 properties) and logistics (1 property under construction). The property under construction is not included in the key figures.

Our key figures	2020	2021	2022
Business premises, pcs*	5	5	5
Other properties (logistics, office), pcs*	3	3	3
Size of real estate stock, m <sup>2</sup> *	73 000	64 500	64 500
Utilization rate, %**	96	92	94
Number of leases, pcs**	144	140	110

\* Situation during the year.  
 \*\* Situation at the end of the year.



Vaasanpuistikko 18 and Kauppapuistikko 15





Vaasa Market Square

## Sustainability in our operations

The real estate sector is responsible for a significant part of Finland's emissions and has the potential to significantly reduce its environmental impact. Properties have an impact not only on the environment, but also society and people. In addition to environmental efficiency, the health, safety and user satisfaction of buildings play a key role in the development of our operations.

### Our ESG principles

For us, sustainability means sustainable investment decisions and ownership practices that allow us to offer our customers environmentally efficient and functional properties in good locations. The occupancy rate of our properties has remained at an excellent level at all times, demonstrating the success of our strategy.

We follow the UN Principles for Responsible Investment and have also prepared our own ESG principles. Our Board of Directors and

employees are committed to and have signed our ESG principles.

### ESG management

Our sustainability work is based on promoting environmental and social responsibility and good governance. Every year, we systematically review our operations from the point of view of ESG and have set several targets for the development of our operations.

We regularly monitor the achievement of our targets through our annually reviewed ESG programme. Our ESG programme currently includes 29 measures related to people, good governance and the promotion of environmental sustainability. We have also designated a person responsible for ESG development and the implementation of development measures.

# Our sustainability programme

## Environmental responsibility

The focus areas of our environmental responsibility are the reduction of environmental impacts and the mitigation of climate change. We have also explored different options for projects that promote biodiversity. We also involve our tenants in promoting environmental responsibility through various campaigns and sustainability checklists.

The energy efficiency of properties, use of renewable energy and minimisation of water consumption are among our most important sustainability measures. Our properties use zero-emission electricity, and we have also conducted a survey of carbon-neutral district heating in our properties. We want to support environmentally sustainable mobility, so our properties are easily accessible by public transport and by pedestrians and cyclists. Each year, we have also added new electric vehicle charging stations and bike parking spaces for our properties. We also invest in recycling.

## Social responsibility

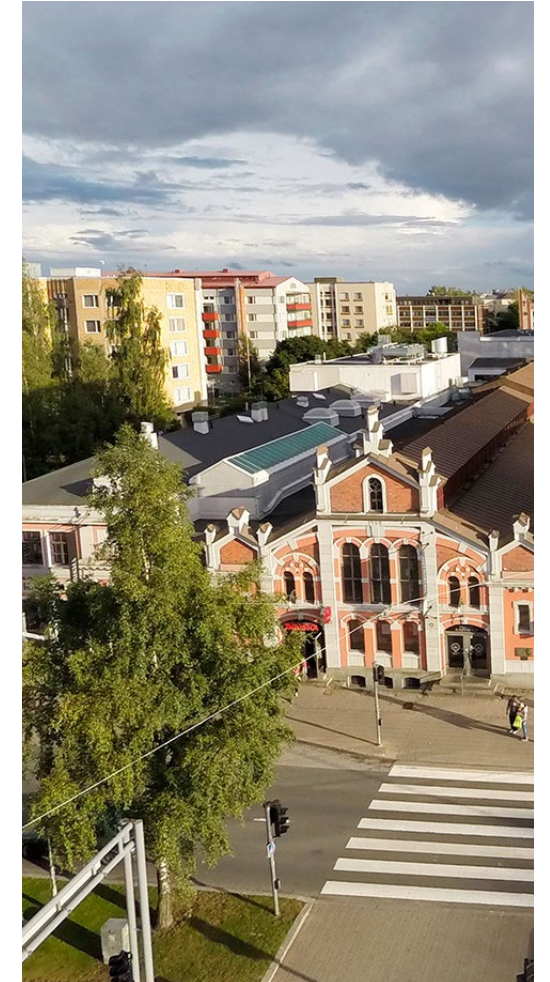
Social responsibility is about caring for people. We encourage and require equal treatment, both among our employees as well as the tenants and users of our properties. We are also committed to the principles of non-discrimination in all our operations, and the principles are regularly reviewed employees who work with tenants.

As a property owner, we want to offer comfortable, healthy and safe premises for our tenants and users. We constantly carry out improvements to our properties and take care of their efficient maintenance. We strive to be in constant interaction with our stakeholders and regularly collect feedback on our operations. For example, we carry out an annual NPS survey and tenant satisfaction survey and use the feedback as the basis for the development of premises and services where possible.

## Good governance

Good governance is the foundation of all our work. The principles of good governance include compliance with laws and regulations, combating the grey economy and open and transparency of operations. We are also committed to the principles of integrity and the prevention of money laundering.

We carry out case-by-case risk assessments of new tenants to ensure the principles of responsible business throughout the value chain. As members of Finland's Sustainable Investment Forum Finsif, our owners are publicly committed to responsible investment and its integration as part of operations. In addition, all our owners have signed the UN Principles for Responsible Investment (PRI). We are committed to acting as a reliable partner and communicating about our operations transparently. As part of this, we publish the annual sustainability report for our stakeholders.



## Our actions in 2022



### Improvements in environmental efficiency

In 2022, The BREEAM environmental certification of Grani Shopping Center was raised from Good to Very good. In addition, 32 new electric vehicle charging stations were installed in the office building in Ratina, and a survey of potential charging stations was carried out in two properties. An energy survey was conducted for several properties, and lighting was changed to use more energy efficient LED lights.



### Participation in environmental campaigns

In accordance with our ESG programme, we participate in annual sustainability campaigns. In spring 2022, we participated in Earth Hour organised by the WWF, during which our office properties were completely without lights for one hour. In the autumn, we participated in the Energy Awareness Week by distributing information about for energy saving to office properties and shopping centres.

Photo: Liisa Takala/WWF



### Office property receives a facelift

We carried out a facelift for the unique high-value property in Vaasanpuistikko 18. The building combines history with the latest services required by modern businesses. The interior of the property underwent a redecoration in which the lighting, surface materials, movable furniture and fixtures were renewed. The neon signs and logos in the facade we also renewed. In connection with the renovation, the property's energy performance certificate was updated.



### New eco-friendly logistics centre

A new logistics centre was built in Lieto that meets our sustainability criteria. The building is heated with ground source heat and includes a reservation for installing solar panels in the future. The building has been applied for level Very Good of the BREEAM environmental certificate for new constructions and also meets modern logistics standards. From the beginning, the project was developed in close cooperation with the tenant and contractor.





Granin kauppakeskus



## Collaboration with youth services

Shopping centre Grani involved business course students from Kauniainen upper secondary school in the centre's development. The cooperation had a positive impact on both the shopping centre and students.

For several years, shopping centre Grani has been an important partner of Kauniainen upper secondary school and a stepping stone to the working life and economy. The school's business course students carried out a market survey of services used by the shopping centre's customers and the effects of COVID on customer behaviour. The students designed the survey form and interviewed groups of customers.

There were a total of 155 respondents and based by the responses, customers were very loyal to the shopping centre and satisfied with its services. The shopping centre is not only for shopping but also a meeting place for the

community where people come to eat or enjoy a cup of coffee. COVID was found to have a relatively minor impact on how customers used the shopping centre's services. However, the popularity of home delivery services and take-away food had increased some. Location was found to be important in customers' choice of shopping centre, and most customers lived in Kauniainen or Espoo.

Heli Vainio, director of the shopping centre, has frequently visited the school to give lectures on the operations of the shopping centre and developed practices related to business cooperation with the school. "I enjoy these community projects and feel that their significance for the reputation of businesses will only continue to increase," says Vainio. Kauniainen upper secondary school has also been pleased with the cooperation and feels that it is supportive of the school's marketing and sales education. Through the cooperation, students get a glimpse of business and working life, and feedback from them has also been positive.

## Our impact on society

### We offer premises for several kinds of businesses

We own a wide range of office, retail and logistics properties across Finland. At the end of 2022, we had more than 80 different businesses as tenants, including office tenants, sports equipment and grocery stores, restaurants and cafés. Our most significant stakeholders are our owners, tenants and partners. Our stakeholders also include the authorities and thousands of users of services each day.

### We employ directly and indirectly

In 2022, we employed a total of 240 person-years. The number of our own personnel is two people, but overall, our most significant impact on employment comes from the maintenance of our sites. In addition, new construction and renovation will increase our person-years employed, and especially the construction of the new logistics centre in Lieto will be reflected in the figures for 2022 as a significant increase in

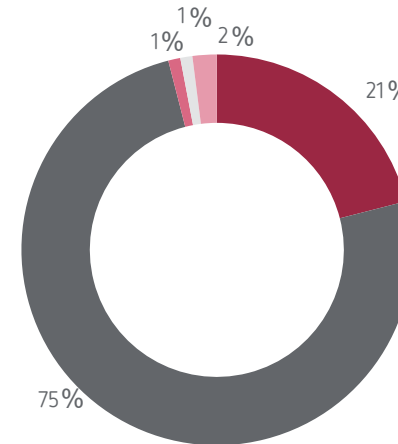
person-years. On the other hand, our person-years employed in renovation decreased from the previous year as no significant basic renovation projects were carried out in 2022.

Employment 2022  
**240 person-years**

### Tax footprint

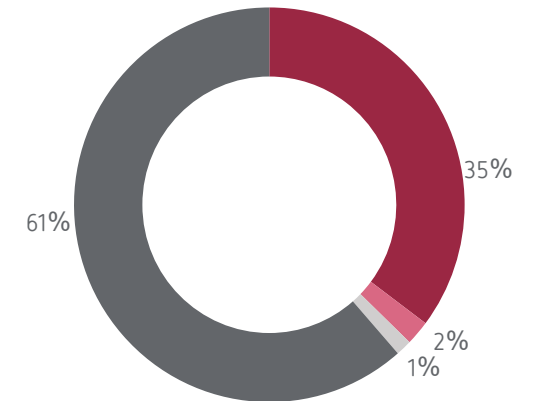
In 2022, we paid approximately 1.4 million euros in taxes, all of which in Finland. The majority of our tax footprint consisted of property tax and value added tax. We also paid tax on insurance premiums and energy tax. We pay energy tax on properties whose electricity contracts are under our management, which includes all properties with the exception of one. Our tax footprint and person-years employed have been calculated in accordance with the KTI-Rakli recommendation on corporate responsibility reporting.

### Employment



- Maintenance
- Construction of new buildings
- Renovation
- Personnel
- Management

### Tax footprint



- Value added tax
- Insurance premium tax
- Energy tax
- Property tax



# Certificates as a measure of the sustainability of properties

## Certification of properties

All of our properties are certified under either the BREEAM or LEED standards, which are internationally acknowledged and respected certification standards. A certified property meets certain criteria related to a sustainable built environment and has been inspected by an external auditor. Certifications allow us quantify, validate and improve the sustainability of our properties and compare properties at the international level. We assess eligibility for certification when acquiring new properties and the

possibilities of improving the certificate rating when carrying out modernisations.

## BREEAM certifications

In the BREEAM certification standard, buildings are classified into five rating categories: "Pass", "Good", "Very Good", "Excellent" and "Outstanding". The certificate can be applied for at different stages of a building's life cycle, which are New construction, In-Use and Refurbishment and fit-out. We obtained BREEAM In-Use certificates for our properties in 2021 and are

currently in the process of applying for our first BREEAM New construction certificate for the design phase of a new property.

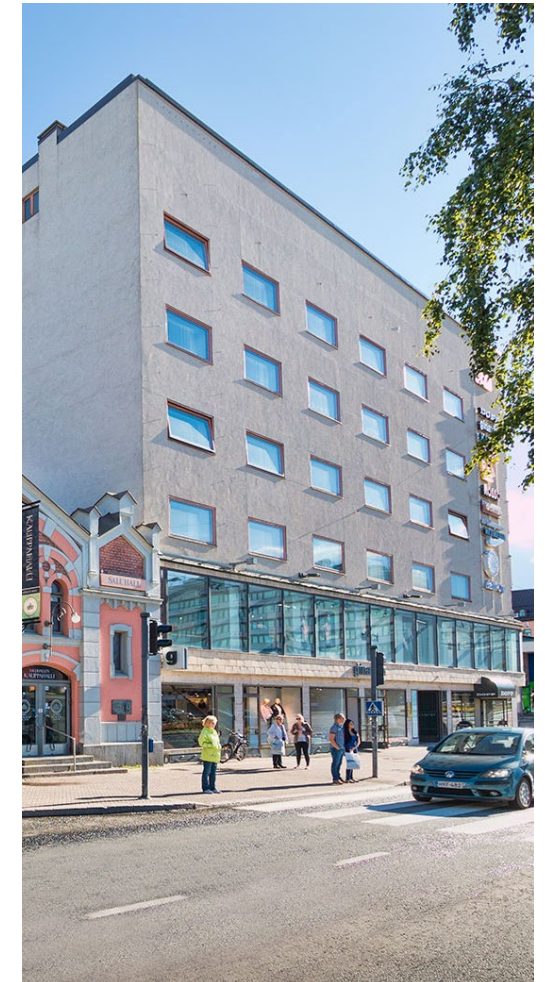
In 2022, we raised the BREEAM certification level of shopping centre Grani from "Good" to "Very Good". This involved the addition of 14 new bicycle parking spaces, replacing showers with water saving shower heads, installing water saving faucet aerators for hand wash basins, and updating the property's long-term maintenance plan.

## LEED certifications

In the LEED certification standard, buildings are classified into four rating categories, which are "Certified", "Silver", "Gold" and "Platinum". Two of our properties hold a LEED Core and Shell certificate with the rating "Gold". Core and Shell is an environmental certificate for the construction phase of the property and covers premises under the control of the owner.

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	Very Good

\*sold in late 2022



Kauppapuistikko 15

# Energy consumption of properties

## Heating and electricity consumption in our properties

Energy efficiency is one of the most important priorities in our environmental sustainability work and we continuously monitor the energy consumption of our properties and strive for the most efficient use of energy. Any deviations are inspected immediately. The graphs show electricity and heating energy consumption of all our owned properties for the past three years.

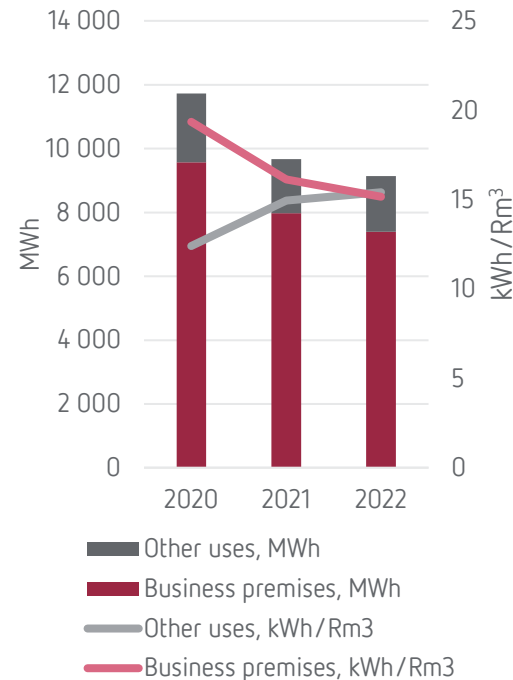
Heating and electricity consumption are presented in the graphs as total consumption (MWh) and specific consumption (kWh/Rm<sup>3</sup>) of the properties. Annual consumption includes the consumption of all our owned properties during the year, also the properties that we have owned only a part of the year in which consumption is measured for the period of the ownership.

## A warmer-than-average year impacted the energy consumption of properties

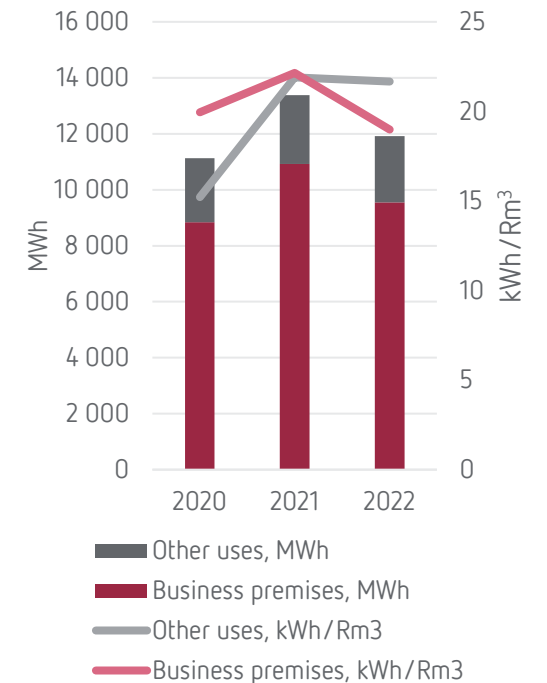
Due to the decrease in the number of properties in our portfolio, total electricity consumption has decreased steadily after 2020. In the case of business premises, specific electricity consumption has also decreased slightly, which can be partly explained by employees continuing to work from home after the pandemic. In other properties, specific consumption has slightly increased.

Changes in portfolio size during the year have also contributed to total heating energy consumption, which has clearly decreased from the previous year. The decrease in total heating energy consumption has also been affected by the energy saving measures taken and the warmer than average winter, which is especially visible as a decrease in the specific heat consumption of business premises. In other properties, specific heating energy consumption remained almost unchanged from 2021.

## Electricity consumption



## Heating consumption





# Emissions from energy consumption and water consumption

## Our emissions decreased from the previous year

The majority of our emissions are caused by the energy consumption of our properties, which is why we focus our sustainability efforts on energy consumption in particular. We mitigate emissions produced in our properties by using zero-emission electricity and implementing various energy efficiency measures, among other means. Thanks to zero-emission electricity, since 2020, our emissions have mainly come from heating energy consumption.

Emissions from heating energy consumption are calculated using location-specific emission coefficients reported by energy companies. Emissions from heating energy consumption are particularly affected by the emission reduction measures taken by energy companies in their efforts to achieve net zero emissions by 2030 or some other target year. In 2022, the heating period of the year (January to April

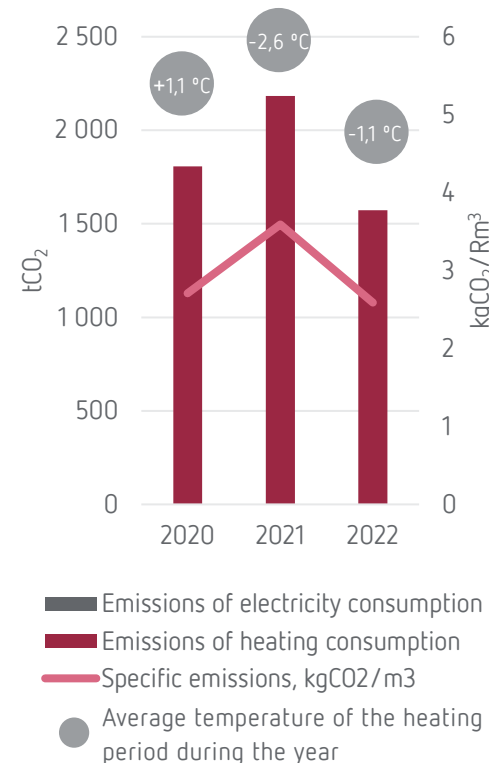
and October to December) were warmer than average according to the Finnish Meteorological Institute's long-term comparison period\* while in 2021, the heating period were significantly colder than average temperatures over the comparison period. This affects our efforts to reduce heating energy consumption and emissions. In 2020, 2021 and 2022 average temperatures during the heating period in the whole of Finland were +1,1 °C, -2,6 °C ja -1,1 °C, whereas the average over the comparison period is -2,1 °C.

## Increase in water consumption

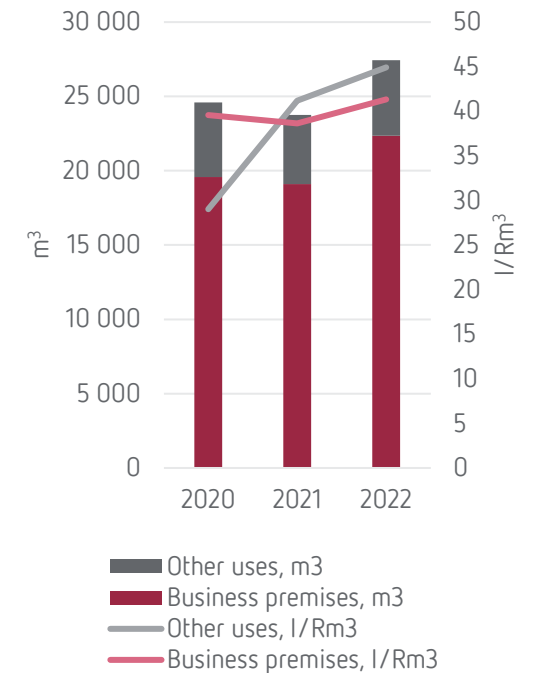
Total water consumption and specific consumption increased from recent years in business premises such as shopping centres, which is partly due to the bounce-back in customer volumes to pre-pandemic levels. In other properties, such as office premises, specific consumption of water increased. The increase is partly due to employees returning to office work after remote work caused by the pandemic.

\* 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

## Sorting of waste

By sorting and recycling waste correctly at the source, materials can be reused most efficiently and significant amounts of natural resources can be conserved. The most important thing is to reduce the amount of waste, however.

In 2022, approximately 1,400 tonnes of waste was generated in our properties, of which mixed waste accounted for 18 %. The amount of waste per square metre was 10,6 kg/m<sup>2</sup>, which is slightly less than in the previous year. The most common type of waste was recyclable cardboard waste, and the share of mixed waste was also moderately high.

The waste data includes all properties that we have owned during the year and for which we are responsible for waste management. Since 2021, the reported waste data has also included a property where the tenant is responsible for waste management, which explains the large increase in the amount of waste from 2020.

## Improving the efficiency of recycling

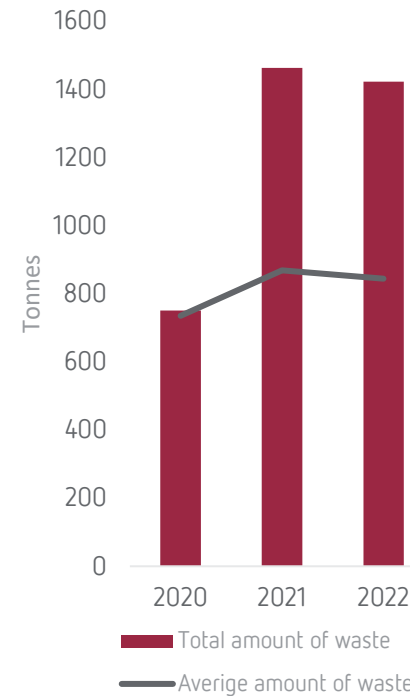
Since 2021, we have made efforts to enhance our communication about recycling issues to tenants and users of our properties. We have also added sorting instructions at waste collection points and translated the instructions into several languages. Our goal has been to improve the efficiency of recycling, and we have been able to increase our recycling rate to over 70 % (+8 %\*).

Recycling rate 2022  
**72 %**

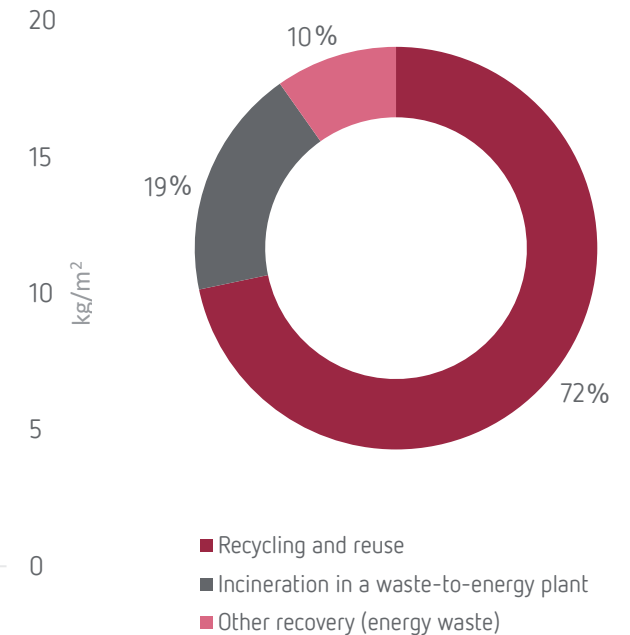
Recycling is also considered important among our tenants. In feedback surveys, tenants have expressed the wish for more recycling opportunities, and we have listened to these wishes by making improvements to our properties' waste management. We aim to implement further improvements this year and we are asking for new feedback as part of our tenant satisfaction survey.

\* Compared to 2021.

## Waste volumes



## Recovery of waste







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