

Y L V A

Sustainability 2021



Contents

[A Transparent Corporate Activist 2](#)

[Ylva Punches Above Its Weight 3](#)

[Choose To Do Good –
Every Day, Over And Over Again 4](#)

[The Year 2021 6](#)

[Sustainability At Ylva 7](#)

[Sustainability Management 8](#)

[Real Estate 11](#)

[Restaurants 17](#)

[People 23](#)

[EU Taxonomy Report 29](#)

[TCFD Report 34](#)

[Indices 41](#)

A Transparent Corporate Activist

Ylva is a pioneer of sustainable business in Finland. We have made headlines during the past few years by deciding to stop serving beef at our UniCafe restaurants and defending the EU taxonomy, which has come under criticism. We are now pursuing carbon neutrality by 2025. We work to promote sustainability and engage in communications on the importance of sustainability because humankind simply has no other option. The climate crisis and biodiversity loss must be halted. The solutions cannot wait.

At the time of writing, the outcome of the vicious and deplorable offensive war in Ukraine remains uncertain. All we can do right now is hope for peace and help those who need it. The silver lining is that it appears the war will accelerate the sustainability transition in Europe rather than slow it down. We truly hope this will be the case, and we hope for peace and an end to the war in Ukraine.

The sustainability report you are holding, or perhaps reading on the screen of your laptop, is one of our most important ways of engaging in corporate activism. In this report, we discuss the steps we are taking to build

more sustainable business. We want to be transparent in revealing our achievements as well as our failures.

We are motivated by the need to remain within the limitations of our planet. We believe that all human activity should be carried out within the limits necessary to address the excessive consumption of natural resources, the acceleration of climate change and the loss of biodiversity. We also place a high priority on the social aspects of sustainability: we seek to promote human rights, non-discrimination and inclusion, and to prevent inequality. When new approaches are taken, it is important to ensure that the changes are implemented through a fair transition. Observing economic responsibility is what makes our operations possible.

This report is divided into three sections. In the introduction, we discuss the principles behind our sustainability. In the section on our businesses, we highlight the actions we have taken to promote sustainability. The list is already quite long. We intend to make it even longer this year.

As part of our sustainable operating methods, we report comprehensively on our

sustainability efforts. Ylva has adopted the revised universal GRI standards ahead of schedule. We also apply the EU taxonomy and its latest draft criteria, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the corresponding preliminary Taskforce on Nature-related Financial Disclosures (TNFD) framework. We also discuss how the 10 principles of the UN Global Compact (UNGC) are realised in our operations.

Our ambitious sustainability efforts go beyond the Ylva organisation. We recognise that the world can only be changed through action. We hope that our efforts inspire others, as our contribution alone is not enough to solve the challenges facing the world. We want our actions to be held up as an example for others.

We hope you enjoy reading about our solutions!

Ylva Punches Above Its Weight

Ylva is the asset manager of the Student Union of the University of Helsinki (HYY). Our income enables an active student life and allows us to build a more sustainable society. Our business activities are focused on real estate and financial investments, as well as the restaurant industry.

Ylva is a corporate activist. We believe that corporations have the power to steer the world in a more sustainable direction. We want to wield this power to ensure that future generations will have a habitable planet to live on. The core of our operations is to find sustainable solutions that mitigate climate change, promote human rights, and help humankind live within the boundaries of the planet. To this end, we develop and manage all of our business areas in an ecologically, socially and economically sustainable manner.

Sustainability permeates everything we do and every business area we operate in.

For example, we intend to achieve carbon neutrality by the end of 2025 – much faster than our industries on average and well ahead of the target stipulated by the Paris Agreement. At the same time, we want to demonstrate that climate targets can be accomplished without financial compromises and without making concessions on the quality of our work.

In addition to having a strong commitment to sustainability in our own operations, we promote the development of sustainable business in Finland. That is why transparency is so important to us. We are happy to be held up as an example, but we are also open to being challenged and criticised. We are pleased to engage in dialogue, and we constantly look for ways to improve our operations and make the world around us a little bit better.

If you find that you are faster or better than us when it comes to sustainability, that is great! Let us know how we could improve.

YLVA'S VISION

The Helsinki of the future

YLVA'S MISSION

We enable an active student life. We are owned by the Student Union of the University of Helsinki, which is why we are committed to building a vibrant and sustainable future.

YLVA'S VALUES AND OPERATING PRINCIPLES:

PERSEVERANCE

We intend to be here for the next 150 years.

DYNAMISM

We are the builders of the Helsinki of the future.

SUSTAINABILITY

We are a corporate activist that punches above its weight.

2025

Ylva will be carbon neutral by the end of the year.

26,000

owners

Enabling an active student life since

1868

More than

EUR 150 million

in investments in Helsinki during the period 2020-2023

7× Winner of the Finnish organic food championship

Market value of real estate

425.9 M€

Choose To Do Good – Every Day, Over And Over Again

Over the past few years, I have often wondered when defending the environment, human rights and equality will stop being perceived as a radical stance. As it turns out, all it took for society to make a significant course correction was a black swan on the outskirts of Europe.

In February 2022, war broke out about 1,300 kilometres south of Helsinki. The ongoing conflict and humanitarian catastrophe have shaken up our European sense of basic security. The threat of armed conflict now once again casts a shadow over our lives after decades of peace.

At Ylva, we condemn Russia's military action in Ukraine. Those responsible for the attack must be held responsible for their actions in our systems of justice. We respect the united front that EU Member States decided to form to act collectively for peace. This is exactly how things should be. Those in a position to wield power and influence must use their position for good.

The war in Ukraine also triggered an unprecedented wave of corporate responsibility. In addition to state sanctions, international and Finnish companies have

decided to voluntarily exit the enormous Russian market instead of compromising on their values and sense of justice. In a matter of days, strong opinions and statements become a corporate obligation instead of being perceived as a risky breaking of ranks that threatens revenue. Under the new circumstances, remaining silent is no longer an option.

We believe that, in the 2020s, companies will change the world by influencing the things they are most familiar with through their business activities. Making sustainable decisions is not always easy. If it were so, they would not represent conscious choices or strategies, but rather just drifting along. Ylva is not one of the largest players in its industries, but that does not prevent us from punching above our weight. We have made a conscious decision to be a corporate activist that accelerates the renewal of its industries. We choose low-emission



Leea Tolvas,
CEO

Ylva's Year 2021



A NEW LANDMARK IS BEING BUILT IN KALLIO USING GREEN FINANCING

We signed a green development financing agreement totalling EUR 65 million for the Lyyra block project, with Nordea and the Nordic Investment Bank.

EQUAL RIGHTS FOR EVERYONE

At Ylva's construction sites, equal treatment of employees is realised significantly better than at construction sites in general.

[» READ MORE ABOUT THE RESULTS OF OUR INCLUSIVE SITE PROJECT](#)

CARBON CALCULATOR REDUCES EMISSIONS ONE PURCHASE AT A TIME

The carbon calculator we developed reveals how much a low-carbon option reduces a project's emissions and what the cost of the emission reduction is per tonne of carbon.

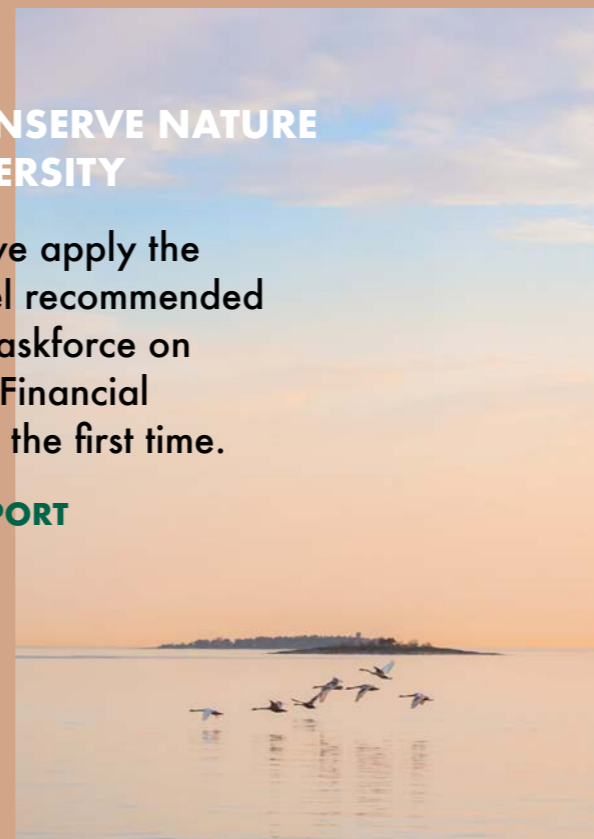
OUR TARGET IS TO REDUCE THE CARBON FOOTPRINT OF OUR CONSTRUCTION SITES BY

5-10%

HELPING CONSERVE NATURE AND BIODIVERSITY

In our report, we apply the reporting model recommended by the TNFD (Taskforce on Nature-related Financial Disclosures) for the first time.

[» READ OUR REPORT](#)



EAT IN OR TAKE AWAY?

Of all the meals we sold in 2021, take-away meals represented

11.6%

[» READ ABOUT THE SUSTAINABILITY EFFORTS OF OUR RESTAURANTS](#)

LANGUAGE IS A TOOL OF INCLUSION

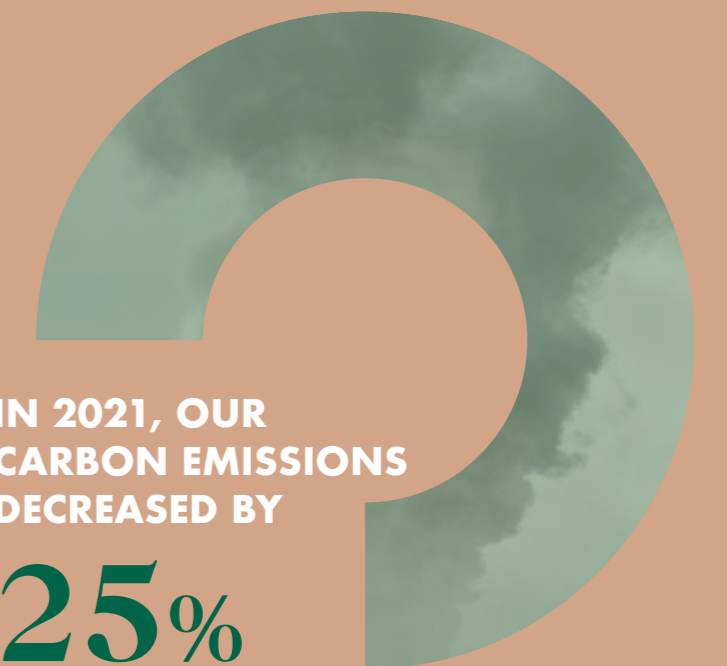
We updated our equality plan in 2021 to recognise non-binary gender identities alongside traditional gender concepts at Ylva.

[» READ MORE](#)

WE PILOTED THE TAXONOMY CRITERIA THAT ARE BEING DRAFTED

In our taxonomy analysis, we assess our operations from the perspective of environmental criteria and the social taxonomy, which are still in the drafting stage.

[» READ OUR ANALYSIS](#)



IN 2021, OUR CARBON EMISSIONS DECREASED BY

25%

We will need to work hard in 2022 to ensure that emissions do not return to the previous levels when the customer volumes of our restaurants recover.

Sustainability At Ylva



WE ARE A CORPORATE ACTIVIST. OUR BUSINESS IS ECOLOGICALLY, SOCIALLY AND ECONOMICALLY SUSTAINABLE.

Real estate

Aiming to build the world's most sustainable buildings.

Our properties will be carbon neutral by 2022.

We promote equality and non-discrimination at our construction sites.

Restaurants

We serve tasty, nutritious and affordable meals.

60% of the meals sold by our restaurants will be vegan or vegetarian by 2025.

We are a research platform for future food innovations.

People

People make Ylva a pioneer.

Our goal is to be the best workplace in Finland.

We advocate for human rights and inclusion.

Sustainability Management At Ylva

Ylva's operations are guided by the values of the student union of the University of Helsinki (HYY) and the general operating principles set out in the ownership strategy. In accordance with our ownership strategy, our goal is to be a sustainability pioneer in our industries, one that challenges other organisations and inspires them to accelerate their sustainability efforts.

From the perspective of sustainability, the most significant negative impacts of our business operations are associated with the carbon footprint of construction, the energy consumption of properties, and the carbon emissions of the raw materials used by our restaurants. It is also important for us to know who we engage in business with. The war in Ukraine makes it even more important to have an in-depth understanding of supply chains, subcontracting chains, and the business activities of our tenants, for example.

The targets and performance indicators of our climate efforts are described in more detail in the [TCFD report](#). Employee well-being

and inclusion at our construction sites are also important aspects of sustainability for us. Our actions in these areas are discussed in more detail in the [Real estate](#) and [People](#) sections.

Ylva's ethical guidelines and business principles are documented in Ylva's [Code of Conduct](#). We implemented the Code of Conduct in 2021 and will continue to put it into action in 2022. We have a third-party [whistleblowing channel](#) that anyone can use to send us feedback or anonymously report any observed misconduct or shortcomings.

THE CARBON BUDGET PROVIDES THE FRAMEWORK FOR BUSINESS

Our operations are guided by the [UN Sustainable Development Goals \(SDGs\)](#). The measures aimed at achieving our targets are documented annually in our carbon budget. Drafted by Ylva's Executive Team and approved annually by the Board of the Student Union and the Representative Council, the carbon budget ensures that we make progress on our path towards

THE OWNER'S VALUES PROVIDE A STRONG MANDATE FOR SUSTAINABILITY ACTION

Ylva's ownership strategy, which is updated once every four years, defines our owner's objectives regarding the direction of our business and provides the foundation for our business strategy. The ownership strategy is also a source of continuity as the representatives of our owner change.

Our owner has set a clear objective of Ylva being a pioneer of responsibility and sustainability, which is reflected in the mission and general operating principles included in the ownership strategy:

- Ylva's mission is to conduct responsible business operations by building a vibrant and sustainable city and producing services for the University community.
- As a pioneer of responsibility, Ylva is building a more just and sustainable society.
- All areas of business in Ylva are managed and developed in an ecologically, socially and financially sustainable manner.
- Ylva recognises its role as a domestic and societally significant operator, and in this role, actively promotes the development of responsible business operations in Finland.
- Ylva is committed to the 1.5-degree goal set in the Paris Climate Agreement.

carbon neutrality. Ylva has already achieved an advanced level with regard to setting and monitoring targets for carbon emissions and energy efficiency, which are the key issues in terms of the impacts of our operations. As regards the other SDGs, we are in the process of developing our performance indicators based on the EU's sustainable finance taxonomy, as well as other new information and research. In 2022, we will also take the circumstances created by the war in Ukraine into account in the development of our performance indicators.

Ylva's sustainability targets are taken into account at all levels of decision-making, and they are reflected in Ylva's day-to-day business operations. Sustainability topics are on the agenda of business-level weekly meetings and every Executive Team meeting. Construction projects also hold separate meetings on inclusion and environmental issues once every 3–4 months.

Sustainability is a permanent component of Ylva's strategy. Ylva's Executive Team evaluates sustainability targets and the actions aimed at their achievement at least once a year as part of its strategy-related work. The Executive Team reports to the Board of Directors three times per year on the key sustainability indicators and related actions.

The responsibility for the achievement of the defined sustainability targets in business op-

erations and investment operations ultimately lies with Ylva's CEO. The CEO is supported by the Chief Sustainability Officer. The directors in charge of the real estate business and the restaurant business are responsible for addressing climate and sustainability issues in their respective business areas.

Sustainability targets are incorporated into the incentive schemes of Ylva's Executive Team. Incentives are based on financial targets, carbon reductions and employee satisfaction.

SOLVING SUSTAINABILITY CHALLENGES REQUIRES CLOSE COOPERATION WITH STAKEHOLDERS

Our sphere of influence covers a wide range of parties who are affected by our operations and who, in turn, influence Ylva's operations and the surrounding society. Our key stakeholders include employees, customers, the university community, construction and procurement organisations, suppliers, the City of Helsinki, and the key advocacy organisations in the real estate and construction industries.

Solving the sustainability challenges facing the restaurant and real estate industries requires innovation and new approaches. We aim to address these challenges together with our stakeholders. For example, our restaurants are used as pilot platforms by various research

projects. We reciprocate by having our experts visit various stakeholder events each year to deliver lectures on sustainability topics. In energy efficiency projects, our role often extends well beyond merely placing orders for services: our cooperation-based model brings together various service providers and has enabled us to develop new tools and operating practices for the real estate sector, such as the carbon calculator discussed on page 14 of this report.

In 2022, we will draft a sustainability strategy to support our business strategy. As part of the strategy process, we will engage in extensive dialogue with organisations involved in various aspects of sustainability. The aim is to ensure that our sustainability strategy will be genuinely focused on the key sustainability challenges facing our industries and on actions that have the most impact.



THE ANNUAL CALENDAR ILLUSTRATES YLVA'S SUSTAINABILITY EFFORTS

At Ylva, sustainability issues are an integral part of day-to-day business, the work of the Executive Team, and the meeting agendas of the Board of Directors. Each year, we carry out a wide range of sustainability actions that are illustrated and monitored with the help of an annual calendar.

Each year is planned, and the necessary conditions are created, in connection with carbon budgeting during the final quarter of the preceding year. Carbon budgeting involves setting the sustainability targets for the next year and confirming the necessary

investments. Budgeting is especially important from the perspective of the energy efficiency actions taken at Ylva's properties and the calculation of the carbon footprint of restaurant operations, as significant financial commitments are required for both. The carbon budget is approved by Ylva's Board of Directors and the Representative Council.

Sustainability reports published in the first quarter of each year are typically among the most visible aspects of companies' sustainability efforts. For Ylva, sustainability reporting is an important tool for

reflecting on the past year, stimulating discussion on significant sustainability challenges, and inspiring industry-wide action aimed at solving those challenges.

Ylva's Executive Team reports to the Board of Directors three times per year on the progress made towards the key sustainability targets. This KPI reporting provides the Board of Directors with a comprehensive overview of what actions have been taken towards the targets, the progress made, and the factors involved.

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<p>21 January 2021 Ylva's office is again awarded a Great Place to Work® certificate.</p> <p>25 January 2021 Our opinion advocating the reduction of emissions in the construction industry is published in Helsingin Sanomat.</p>		<p>26 March 2021 Ylva publishes its first sustainability report, combining several reporting frameworks: GRI, TCFD and the new EU taxonomy.</p>		<p>12 May 2021 Ylva signs an agreement on loan financing of EUR 205 million that supports Ylva's sustainability targets.</p> <p>21 May 2021 The contracting agreement for Grand Hansa is signed. Sustainability will play a significant role in the project's implementation.</p>	<p>28 June 2021 Ylva takes part in Helsinki Pride – because the city belongs to everyone.</p>	<p>1 July 2021 Varma joins the Lyyra project as a long-term partner</p>	<p>30 August 2021 An analysis of the impacts of Ylva's tenants' business operations is completed.</p>	<p>15 September 2021 Interview survey related to the Inclusive Site project conducted at the Lyyra and Grand Hansa construction sites</p>	<p>1 October 2021 The Meatless October campaign inspires the customers of UniCafe restaurants to choose vegetarian meals.</p>	<p>29 November 2021 Our opinion defending the EU taxonomy, which has come under criticism, is published in Kauppalehti.</p>	<p>20 December 2021 Green development financing of EUR 65 million is secured for Ylva's Lyyra project.</p>
<p>SUSTAINABILITY KPI REPORT SUBMITTED TO THE BOARD OF DIRECTORS, FOLLOWED BY A FEEDBACK DISCUSSION</p>				<p>SUSTAINABILITY KPI REPORT SUBMITTED TO THE BOARD OF DIRECTORS, FOLLOWED BY A FEEDBACK DISCUSSION</p>				<p>SUSTAINABILITY KPI REPORT SUBMITTED TO THE BOARD OF DIRECTORS, FOLLOWED BY A FEEDBACK DISCUSSION.</p>	<p>27 October 2021 UniCafe wins the Finnish organic food championship for the seventh time.</p>	<p>PRELIMINARY DEBATE ON THE CODE OF CONDUCT BY THE BOARD OF DIRECTORS</p>	<p>22 December 2021 We announce the winners of our annual sustainability competition.</p>
		YLVA'S SCENARIO PROCESS					SUSTAINABILITY AND CORPORATE ACTIVISM AS PART OF THE STRATEGY PROCESS				GPTW SURVEY
									SUSTAINABILITY BUDGETING FOR 2023 INCLUDING THE CARBON BUDGET AND THE FINANCING OF ACTIONS		

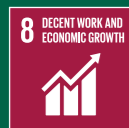
Sustainability And Profitability Are Not Mutually Exclusive – Not Even In The Real Estate Sector



We invest in energy efficiency and smart control at our properties. We increase the use of renewable energy through energy purchasing and investments.



We choose low-carbon materials. We maximise the reuse and recovery of construction waste. We invest in measures that help extend the property life-cycle and promote circularity.



We ensure inclusivity at our workplaces and construction sites. We seek solutions that promote innovation and the adoption of new technology.



The operational carbon emissions of properties were reduced to zero by 2022. We inspire our industry to move towards low-carbon business operations. We lead by example and demonstrate that change is possible.



Our aim is to be the world's most forward-thinking urban developer, one that creates a sustainable city through the development of sustainable buildings. Our projects and services support sustainable choices. We improve safety and comfort and help create a city where everyone can be themselves.

High in emissions and slow to change, the real estate and construction sector is sorely in need of pioneers that have the courage to seek new ways of working. Ylva’s real estate business is carbon-neutral in terms of the use of properties from the beginning of 2022, and we aim to achieve carbon neutrality in construction operations by 2025. Through our actions, we want to demonstrate that it is possible to operate sustainably with regard to the climate and people, without making financial compromises.

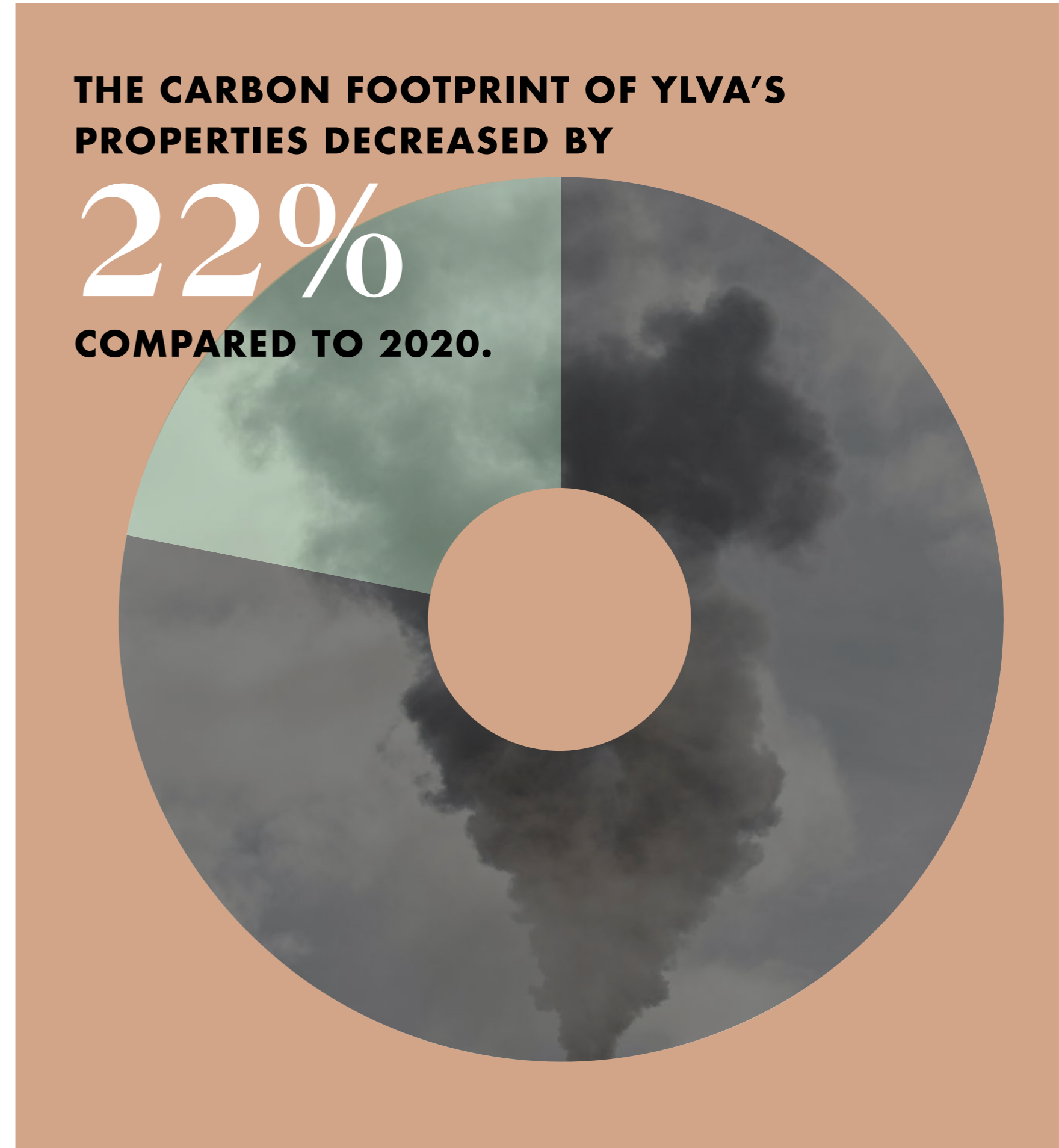
The real estate and construction industries generate approximately 40 per cent of global carbon dioxide emissions. Carbon dioxide stays in the atmosphere for centuries. This means that the emissions that arose from the construction of the Old Student House 150 years ago still have an impact on the earth’s climate. Even if carbon-neutrality were to be achieved in new construction, organisations in the real estate sector must also take responsibility for the carbon debt of the existing property stock. We are currently seeking solutions for this.

The real estate and construction sector has traditionally been a laggard with regard to sustainability, and the structures of the sector tend to hinder progress towards sustainability targets. As the sector is characterised by high volumes, the industry participants have traditionally sought to minimise risks through the standardisation of operating practices and models, which means doing things the way they have always been done. Nevertheless, we see

positive signals of change. Ylva is committed to seeking and piloting more sustainable solutions in its real estate projects, even when they come at a higher cost or lack previous references.

YLVA’S PROPERTIES OPERATE ON A ZERO-EMISSION BASIS FROM THE BEGINNING OF 2022

Ylva’s real estate business involves the management and development of a real estate portfolio consisting of approximately 80,000 square metres of leasable space built over the years and currently under construction. The most prominent aspects of our real estate business are our major construction projects in central Helsinki: Grand Hansa, which will bring a new luxury hotel to the heart of the city, and Lyyra, a science and economics block under construction in the city’s Hakaniemi district. In addition to these projects, we maintain and lease business premises and housing in premium locations in Helsinki.





Ylva's goal is to achieve carbon neutrality by the end of 2025 in all of the company's operations, much faster than other industry participants. This will require significant investments in reducing emissions, both in future construction projects and in property maintenance and renovation projects. Nevertheless, we believe it is possible to achieve this goal without making financial compromises. Thanks to our sustainable approach to business, we already have access to cheaper loans, for example. As regulation develops and the financial incentives become genuinely more sustainable, the green transition of the real estate sector will accelerate further.

For our part, we accelerate the renewal of the real estate sector by sharing knowledge in various industry forums. We are committed to the most significant sustainability initiatives in the real estate sector, such as the [Net Zero Carbon Buildings initiative](#), which aims for full life-cycle carbon neutrality for buildings by 2030. We have also joined the [Green Deal](#) between the Ministry of the Environment and the Finnish Association of Building Owners and Construction Clients RAKLI, which aims to increase the reuse and recovery rate of construction and demolition waste. We promote social responsibility through our involvement in the [B4IG \(Business for Inclusive Growth\) coalition](#), which is supported by the OECD.

AMBITIOUS SUSTAINABILITY EFFORTS ATTRACTED INVESTOR INTEREST

Both of our major projects progressed as planned in 2021 in spite of the difficult market climate. In 2021, both projects focused on evaluating low-carbon options for all purchases.

The ambitious sustainability goals of the projects also attracted investor interest. For example, the pension insurance company Varma joined the Lyyra project as an investor partner. Varma is a pioneer among institutional investors in taking the ESG aspects of its investments into consideration, which means that Varma's and Ylva's operating practices and values are in alignment with each other. Lyyra is scheduled to be completed over several stages in 2023.

Financing was also secured for the construction contract of the Grand Hansa hotel, which is set to open in summer 2023. The financing of the Grand Hansa project and the Lyyra project is linked to sustainability criteria.

THE IMPACTS OF THE INCLUSIVE SITE PILOT ARE ALREADY VISIBLE: YLVA'S CONSTRUCTION SITES ARE BETTER WORKPLACES THAN THE INDUSTRY AVERAGE

People's safety and health are always the first priority at Ylva's construction sites. We want all of the professionals who work at our construction sites to be treated equally and without

discrimination. The significance of our efforts to promote inclusion is further highlighted in the present world situation, which has been changed by the war in Ukraine. We have professionals of both Russian and Ukrainian origin working at the construction sites of our two major projects. We want to ensure that our construction sites are safe and free of discrimination for everyone, both now and in the future.

The aim of the Inclusive Site pilot project currently under way at the Lyyra and Grand Hansa construction sites is to develop solutions for eliminating potential human rights violations and increasing equality at construction sites. As part of the project, we have incorporated an appendix on the principles of an inclusive construction site into our contracting agreements, to engage the commitment of all of our contractors to the principles. We communicate the principles in various languages during construction site orientation training, and there are reminders of the principles in the construction site environment. The construction sites also have an anonymous [whistleblowing channel](#) that anyone can use to report any incidents of ethical misconduct.

In autumn 2021, we conducted an interview survey focused on the experiences of equality and non-discrimination at our construction sites among workers and various construction



CARBON CALCULATOR HELPS REDUCE CONSTRUCTION EMISSIONS COST-EFFICIENTLY

“The built environment and infrastructure account for the majority of Finland’s energy-related emissions. Consequently, it is critical for society to minimise emissions during construction. As a client, we have a lot of responsibility and influence when it comes to more sustainable choices concerning construction. In my opinion, the prevailing industry practice of “do it the way it has always been done” can only be changed by persistently demanding that suppliers and service providers use new solutions and production methods.

The implementation stage of our major construction projects, Lyyra and Grand Hansa, began in earnest in 2021, with the procurement of materials for the frames of the buildings. In new construction, the frame of the building accounts for the majority of construction stage emissions, which makes it essential to find low-carbon materials.

Ylva’s approach to procurement starts with identifying the purchases that involve the highest emissions and requesting the participants in the bidding process to offer the lowest-carbon alternatives for each product. The challenge is that the bids rarely include a calculation of the long-term cost-efficiency of solutions that come at a higher cost but involve lower emissions. With this in mind, we developed our own calculator to support our decision-making. The carbon calculator reveals how much a low-carbon option reduces a project’s emissions and what the cost of the emission reduction is per tonne of carbon. The goal is for the calculator to help us reduce the carbon footprint of the construction stage by 5–10 per cent.

The calculation method for low-carbon procurement that we have created is a groundbreaking development in the industry. It has also attracted interest among contractors and material suppliers. We are happy to promote the wider use of this calculation method to increase the availability of genuinely competitive low-carbon options and support the more extensive use of the low-emission production methods we have chosen.

Verner Lehtovirta, Construction Manager

industry stakeholders. The survey revealed considerable differences in the awareness and realisation of basic workers' rights between different groups of workers. Workers who are Finnish or otherwise have a good level of Finnish language proficiency know their rights and know to demand those rights, while foreign workers may not be aware of the wages, working hours or supplemental pay they are entitled to. Bullying, racism, gender discrimination and exclusion due to the language barrier are also examples of problems that still exist at construction sites. The positive takeaway from the survey was that, according to the respondents, basic rights are realised at Ylva's construction sites significantly better than at construction sites in general. The respondents also rated Ylva's construction sites higher than average with regard to the equal treatment of employees and the degree to which their work is valued. These promising results show that our efforts to promote inclusion are genuinely meaningful.

THE ENERGY EFFICIENCY OF OLD PROPERTIES CAN BE IMPROVED TO RIVAL NEWLY CONSTRUCTED BUILDINGS

Ylva's properties operate entirely with zero-emission energy. We also continuously develop the energy efficiency of our properties, which is sensible from the perspective of the climate and nature, as well as from the perspective of

our financial performance. We successfully implemented all of the actions stipulated by the **energy efficiency agreement for commercial properties (TETS)** by 2020, five years ahead of schedule. However, this does not mean our work is finished. We do not optimise our properties for sale. Instead, we develop their sustainability with a long-term view. This means that we can implement solutions with regard to energy systems, for example, that are not the lowest-cost options at the time of implementation but will generate cost savings in the long run.

In 2021, we sought ways to further improve the energy efficiency of our properties. For the Domus Academica student housing complex,

we used modelling to assess various measures to improve energy efficiency. The modelling revealed that, through sensible investments, even old buildings can be upgraded to energy efficiency category B or A, rivalling newly constructed buildings. However, this requires advanced planning, as well as new tools and partnerships.

We will start to implement an energy efficiency leap for Domus Academica in 2022. With the modelling-based approach having proved useful, we will next apply it to our properties in central Helsinki, to improve their energy efficiency.

GREEN ENERGY BROUGHT EMISSION REDUCTIONS

The carbon footprint of Ylva's properties decreased by 22 per cent compared to 2020 in spite of the fact that the cold weather increased our overall energy consumption. The positive development was particularly accelerated by the decision to purchase zero-emission heating energy. Zero-emission heating represented roughly a quarter of our total heating energy purchases in 2021. Starting from 2022, all of the heating energy we purchase will be zero-emission heating. In addition, all of the electricity used by Ylva's properties was purchased as fully renewable

THE EMISSIONS OF OUR PROPERTIES: OUR RESULTS IN 2021

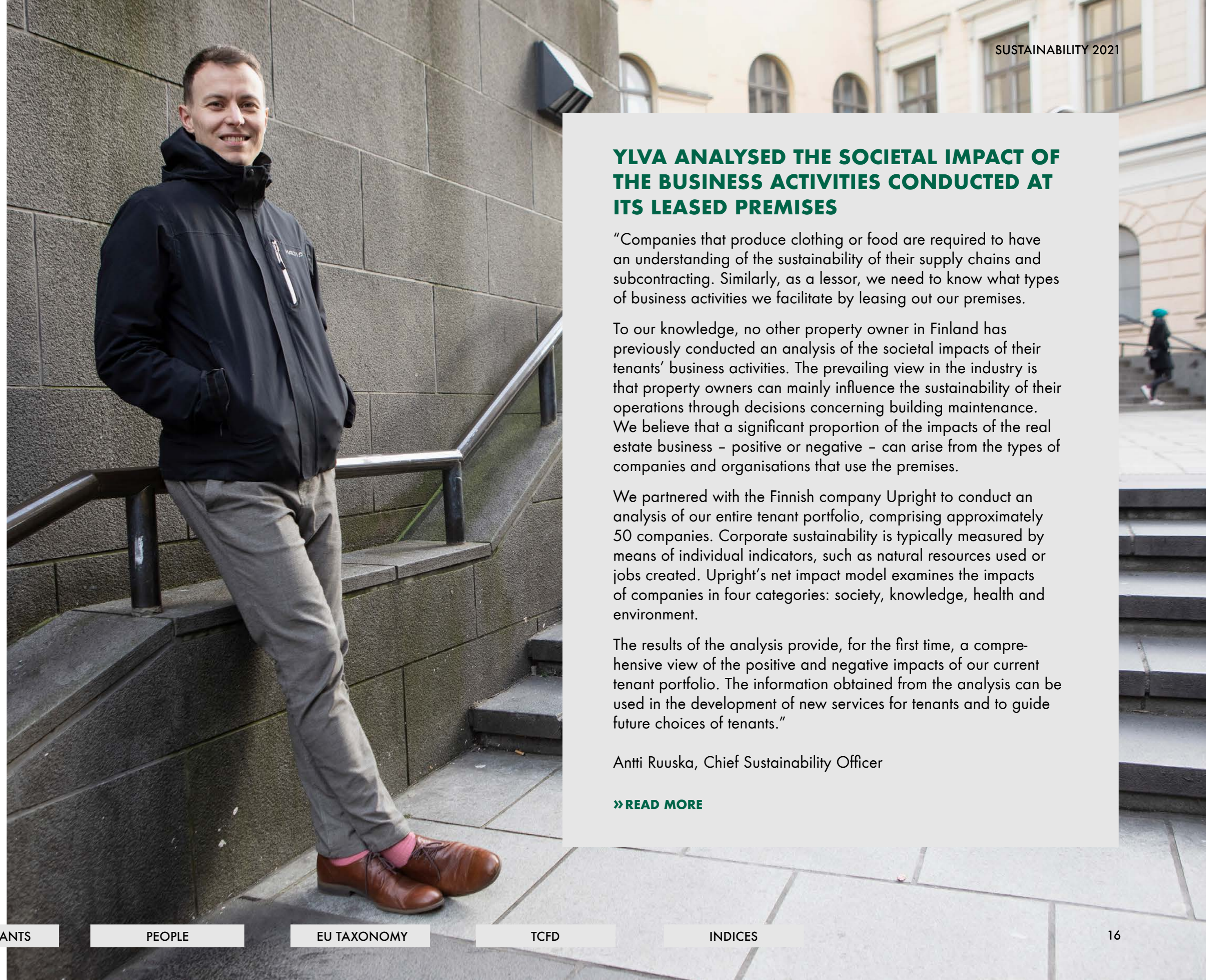
Emission category	2021	2020	2019
Direct greenhouse gas emissions (Scope 1), tCO ₂	0	0	0
Greenhouse gas emissions from purchased energy (Scope 2), tCO ₂	1,200	1,530	2,400
Other indirect greenhouse gas emissions (Scope 3), tCO ₂	0	0	0
Greenhouse gas emission intensity, kgCO ₂ /gross m ²	13.7	17.5	26.6
Reduction of greenhouse gas emissions	-22%	-35%	-
Compensation of greenhouse gas emissions, tCO ₂	-	134	98

Ylva's emission calculations cover energy consumption during the use of properties. The emissions of construction projects are accounted for in the year of completion. No fossil fuels (such as heating oil) were used at Ylva's properties that would have given rise to direct Scope 1 emissions. Energy losses in transmission and distribution, which are categorised as Scope 3 emissions, are taken into account in Scope 2 emissions. The Scope 3 emission impacts of power plants and distribution line construction are not taken into account in the calculations.

wind power, with the help of guarantees of origin. These actions meant that our original target of carbon neutrality in the real estate business by the end of 2025 was achieved ahead of schedule, at the beginning of 2022. All of the electricity and heating energy used by our properties is produced in Finland.

RESTAURANT TENANTS SUFFERED FROM COVID-19

COVID-19 was again a significant factor in Ylva's operations in 2021. While the impacts on the real estate business were substantially smaller than the impacts on the restaurant business, they were nevertheless reflected in tenant turnover and a higher vacancy rate. Restaurant tenants were in a particularly difficult position and dependent on the Finnish Government's changing COVID-19 restrictions, and they were unable to restore their operations to a pre-pandemic level. During the pandemic, we have supported our tenants by agreeing on rent concessions and granting extensions to due dates for rent payments, for example.



YLVA ANALYSED THE SOCIETAL IMPACT OF THE BUSINESS ACTIVITIES CONDUCTED AT ITS LEASED PREMISES

"Companies that produce clothing or food are required to have an understanding of the sustainability of their supply chains and subcontracting. Similarly, as a lessor, we need to know what types of business activities we facilitate by leasing out our premises.

To our knowledge, no other property owner in Finland has previously conducted an analysis of the societal impacts of their tenants' business activities. The prevailing view in the industry is that property owners can mainly influence the sustainability of their operations through decisions concerning building maintenance. We believe that a significant proportion of the impacts of the real estate business – positive or negative – can arise from the types of companies and organisations that use the premises.

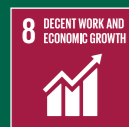
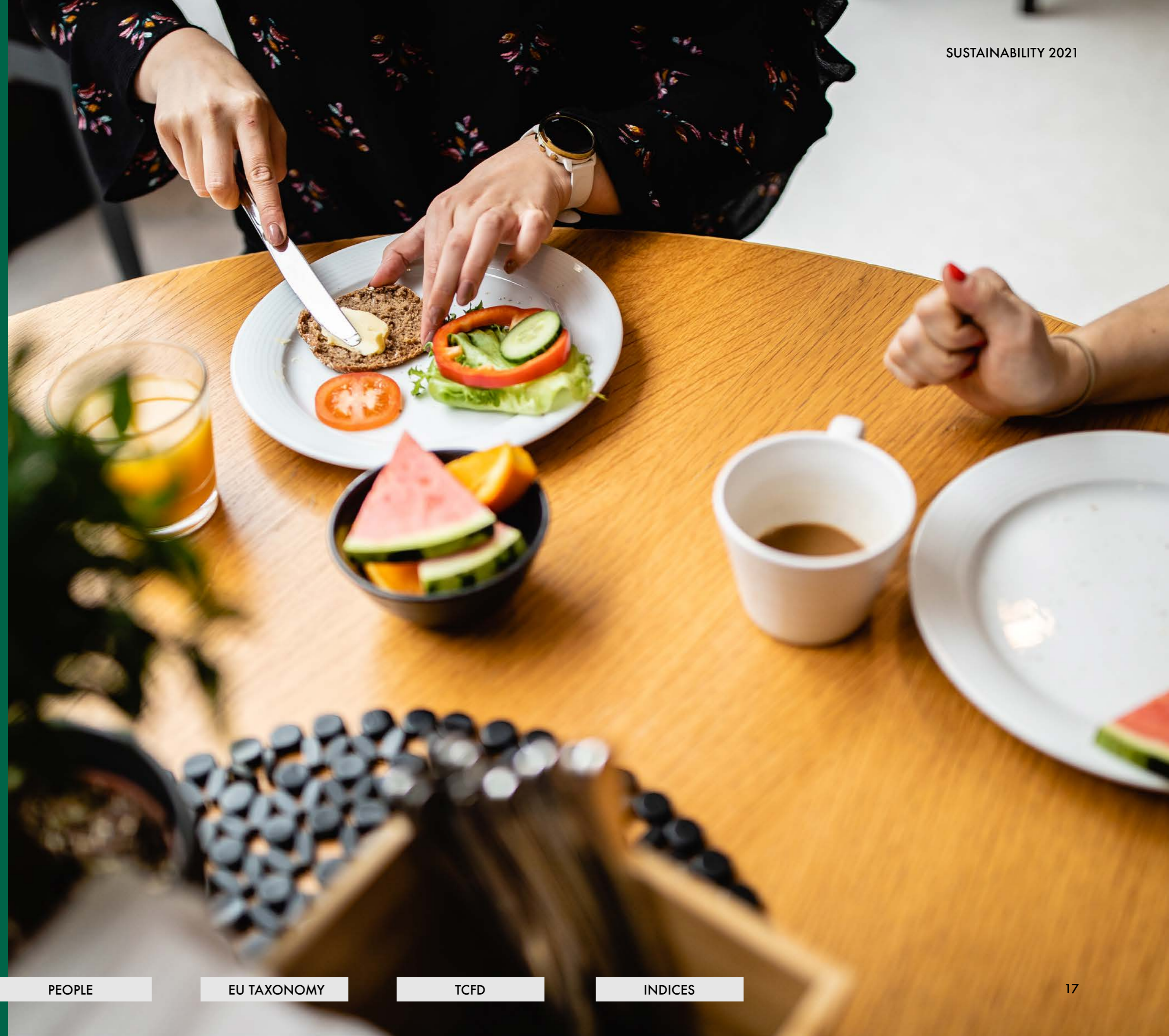
We partnered with the Finnish company Upright to conduct an analysis of our entire tenant portfolio, comprising approximately 50 companies. Corporate sustainability is typically measured by means of individual indicators, such as natural resources used or jobs created. Upright's net impact model examines the impacts of companies in four categories: society, knowledge, health and environment.

The results of the analysis provide, for the first time, a comprehensive view of the positive and negative impacts of our current tenant portfolio. The information obtained from the analysis can be used in the development of new services for tenants and to guide future choices of tenants."

Antti Ruuska, Chief Sustainability Officer

[»READ MORE](#)

Our Restaurants Are Good For People And The Environment



We purchase certified products. This ensures that farmers are fairly compensated for their work, even in the case of long subcontracting chains.



We encourage our customers to make smart choices and transition towards plant-based diets. We promote sustainable consumption by prioritising low-carbon and ethical products.



We choose low-emission ingredients. We enable carbon compensation and minimise waste.

Food is an impactful way to change the world. Ylva aims to be a trailblazer in the Finnish restaurant business and to lead the entire industry towards a more sustainable future. Our vision of a more sustainable restaurant business spans our entire value chain, from the production of raw materials to promoting eating habits that are more sustainable from the public health perspective. While there is still much more work to be done, we hope that our experiences as a pioneer will serve as a helpful example to others.

FOOD CAN CHANGE THE WORLD

Food accounts for approximately one-fifth of the carbon footprint of the average Finn. The food that ends up on the plates of restaurant customers makes a difference in the big picture. The impacts of food also extend well beyond the walls of the restaurant. Choices of raw materials and ingredients determine the development of agriculture and the associated emissions, as well as the impacts of food production on biodiversity and soil health, for example. The choices made from farm to fork also influence the working conditions of employees throughout the value chain, the transport emissions of food production facilities, and the amount of waste generated by production operations. We continued to work to improve these choices at Ylva in 2021.

While the earth’s carrying capacity creates the framework for our operations, our first priority is to serve nutritious, affordable and tasty food to our customers. Our raison d’être is to

ensure that students eat at least one delicious and balanced meal each day. Lunch is also important from a social perspective. Sustainably produced food enables us to simultaneously look after people and the environment.

UniCafe restaurants have a long track record of prioritising Finnish ingredients. Ensuring food security will become increasingly important in the near future, as the war in Ukraine increases uncertainty regarding the price and availability of food in Europe and globally.

Our goal is for Ylva as a whole to be carbon-neutral by 2025. Achieving this goal requires action, and we have been taking action for several decades now. We first added Fair Trade products to our selection in the late 1990s. We then made headlines in 2019 when we decided to stop using beef due to its large carbon footprint. This means that the easy solutions to reduce the carbon footprint of our operations have already been implemented.





CARBON FOOTPRINT CALCULATION LAYS OUT THE PATH TO EMISSION REDUCTIONS

“We want to further reduce the carbon footprint of our restaurants. To accomplish this, we need data and research on the emissions associated with food and materials. Our goal for 2022 is to calculate the carbon footprint for all of the lunches on our menu. The information will also be displayed to our customers on the menu.

We have worked to reduce our carbon footprint for more than 10 years now. For example, in 2013–2014, we implemented the [Climate Lunch research project](#) in collaboration with Natural Resources Institute Finland. The outcome of the project was the Climate Choice logo to indicate meals whose carbon footprint is 20 per cent smaller than our other meals. In autumn 2021, in our Climate Meal campaign, we served one meal every day at our Kaivopiha restaurant that had a calculated carbon footprint of less than one kilogram. The campaign increased the sales of vegetarian meals for the year as a whole.

We most recently calculated the carbon footprint of our meals in 2020. We now intend to make the calculations even more accurate. The information will be incorporated into our restaurants’ recipes and our systems.

The easy solutions to reduce the carbon footprint of our meals have already been implemented. Eliminating beef from our recipes reduced the emissions of our ingredients by approximately 11 per cent. Next, we will pursue emission reductions within categories of ingredients; for example, by using different varieties of potatoes or rice. We know this will create many more opportunities for reducing emissions.”

Susanne Reiju, Product Development and Purchasing Manager

WE MAINTAINED OUR COMMITMENT TO SUSTAINABILITY EVEN DURING THE COVID-19 PANDEMIC

The second consecutive year of COVID-19 presented significant challenges to our business operations. The strict COVID-19 restrictions imposed by the authorities affected the restaurant business the most, limiting our opening hours and customer capacity. Of our 15 restaurants, only 10 were open even during the least restricted periods of 2021. The restrictions again resulted in a substantial decline in our customer volume, which also led to lower profitability in our restaurant business.

From the environmental perspective, there were also many positives in 2021. Our total emissions decreased by nearly 25 per cent compared to the previous year. This was almost directly attributable to a corresponding decline in the number of meals sold. We were not able to reduce our emissions per meal during the year. We will need to work hard in 2022 to prevent the total emissions of our restaurants from returning to the previous level. In order to achieve our ambitious targets, we will start using new tools that enable us to take emissions into account more precisely in our recipes and choices of ingredients.

We reduced our food waste in 2021: the amount of food waste per meal was the lowest it has ever been. Our restaurants offered limit-

OUR MEATLESS OCTOBER CAMPAIGN ENABLED US TO INCREASE THE RELATIVE SHARE OF VEGETARIAN AND VEGAN MEALS SOLD AT OUR RESTAURANTS BY SEVEN PER CENT OVER THE COURSE OF A SINGLE MONTH.



ed menus during the pandemic. Consequently, the amount of ingredients used in our kitchens and the number of food serving trays on the buffet lines decreased. Our kitchens also made choices of ingredients that reduce the amount of food waste. Together, these actions enabled us to significantly reduce food waste. The increased sales of take-away meals also helped reduce food waste on our buffet lines and the amount of biowaste generated by our customers.

Kela again allowed the selling of take-away student meals in 2021. We sold thousands of take-away meals across Helsinki to students who studied remotely. The option of selling take-away meals will remain available until July 2022 at least.

AIMING FOR A 50 PER CENT SHARE OF VEGETARIAN MEALS

The share of vegetarian and vegan meals sold by our restaurants increased to 50 per cent in late 2020, and we expected the same trend to continue in 2021. However, this was not to be, with the popularity of vegetarian and vegan meals reaching only 47 per cent at our restaurants. Our target for next year is to increase the share of vegetarian and vegan meals to 51 per cent of total sales.

Our Meatless October campaign inspired many of our customers to choose plant-based meals. The campaign also helped us increase the percentage share of vegetarian and vegan meals for the full year. The campaign made us

RESTAURANT SUSTAINABILITY INDICATORS: OUR RESULTS IN 2021

Key Performance Indicator (KPI)	2021	2020	2019
Food-related greenhouse gas emissions (Scope 3), tCO ₂	1,120	1,600	2,950
Food-related greenhouse gas emission intensity, kgCO ₂ /meal	1.2	1.2	1.5
Share of vegetarian and vegan meals of all meals sold	47%	48%	40%
Share of vegan meals of all meals sold	42%	35%	26%

The emissions arising from the business premises used by the restaurants are included in the emission calculations for Ylva's real estate (see p. 15). The emissions of the restaurants that operate at premises owned by the University of Helsinki are not included in the figures, as their share of the total is estimated to be very small.

recognise the significance of active communications and marketing in achieving sustainability targets.

We will further enhance our communications concerning our vegetarian and vegan meals in 2022. We will also engage in communications with our personnel to increase awareness of the goal of increasing the sales of vegetarian and vegan meals. Vegetarian and vegan meals are always listed first on our menus and placed first on our buffet lines. This makes plant-based options more accessible and increases the likelihood of customers choosing to buy them. The key is to ensure that our vegetarian and vegan meals are tasty and appealing, as the path to our customers' hearts ultimately goes through the stomach.

In 2021, we also piloted the carbon footprint calculation for individual meals at our most popular restaurant in Kaivopiha. During the pilot, we participated in the Climate Meal campaign, serving one meal each week that had a calculated carbon footprint.

The Climate Meal options were designed to have a carbon footprint of less than one kilogram of CO2 emissions per meal. The popularity of the campaign among our customers exceeded our expectations and inspired us to set a goal of providing information on the carbon footprint of each meal, every day, by the end of 2022.



FINE DINING GRADE INGREDIENTS AND A NEW SENSE OF COMMUNITY

“Yhteispelto is a local food project that we are launching in collaboration with Perho Culinary, Tourism & Business College. The project will start in 2022. The project will enable us to cultivate some of the vegetables used by UniCafe restaurants locally in our own fields. In addition to giving us access to clean, locally produced ingredients, the project will also provide us with intangible benefits by giving us concrete visibility to the origin of our ingredients. We also intend to spend occupational well-being days with our restaurant personnel at the fields used for the cultivation project. The cultivation site will also be visited by restaurant students and day-care centres. This will enable us to increase society’s awareness of food production and the stages involved.

At the project field in Viikki, we will get to choose which vegetables to cultivate. The annual harvest will support and diversify the vegetables we purchase from wholesalers, but it will not replace them entirely. Starting from autumn 2022, meals produced with vegetables from our own field will be served at least at UniCafe Kaivopiha. The seasonal vegetables will make our meals more diverse but also more visually appealing, as we intend to use natural flowers for decoration.

The local food cultivation project is aligned with our values and is economically efficient. The collaboration will enable us to apply the seasonal harvest approach more extensively in the planning of our menus. Communicating the project to our stakeholders and customers also enables us to create wider awareness of the value of local food. We hope that we will soon have the opportunity to use ingredients from our seasonal harvest at our other restaurants, as well.

The shared fields in Viikki are also used to grow vegetables for some of Finland’s best restaurants. It is quite a feat for a student restaurant to serve food prepared using the same ingredients as top restaurants, and at very affordable prices!”

Anne Immonen, Business Director, Restaurants

In addition to measuring our performance against our sustainability targets, we also keep a close eye on customer satisfaction. In spite of the challenges created by COVID-19, we were pleased to again improve our customer satisfaction in 2021. Our daily satisfaction score was 74/100, representing a year-on-year improvement of four points.

UniCafe won the **Finnish organic food championship** for the seventh time in 2021. The key to victory was having a six per cent share of organic food in our procurement of ingredients.

WE ASSESS SUSTAINABILITY THROUGHOUT THE VALUE CHAIN

All of the meals and products served in all of our restaurants are made from sustainable ingredients. Sustainability is achieved through our own action, but our partners and suppliers also play an important role in this regard. In our menus, we prioritise domestic and locally produced ingredients and producers, for which we are able to obtain comprehensive information on sustainability throughout the value chain. We require all of our service providers and suppliers to commit to Ylva's principles and goals.

We adhere to criteria stipulated by various certification frameworks related to sustainability and transparency. In our procurement activities, we prioritise the following categories

of products, for example: **Fair Trade**, **MSC (Marine Stewardship Council)**, **ASC (Aquaculture Stewardship Council)** and **FSC (Forest Stewardship Council)**, **Puhtaasti Kotimainen (certification framework for Finnish vegetables)**, **Key Flag**, **Hyvää Suomesta (Produced in Finland)**, the **EU organic logo**, **Heart Symbol**, and **RSPO (Roundtable on Sustainable Palm Oil)**. We also observe the criteria of our quality and environmental management certificates in our operations.

We use seasonal ingredients in our meals and prioritise Finnish vegetables. All of the meat served at our restaurants is 100% Finnish.

In spite of the careful selection and monitoring of supply chains, achieving complete certainty regarding the sustainability of ingredients is nearly impossible. In 2022, we will participate in the Yhteispelto local food project, which will see us produce some of the ingredients used in our operations. This will also give us the opportunity to influence the entire supply chain, from farm to fork.

In the future, climate change will inevitably change people's eating habits. The prevailing view that everyone is entitled to eat everything will change in the near future. In particular, the role of local ingredients is expected to become even more significant.

TOWARDS EVEN MORE AMBITIOUS SUSTAINABILITY TARGETS IN THE RESTAURANT BUSINESS

Setting ambitious targets motivates us to further improve our performance. Seeking sustainable solutions and making them available to others is an essential aspect of our journey towards a more sustainable society.

We have made significant sustainability decisions to exclude certain ingredients from our recipes for several years now. For example, we discontinued the use of beef in all of our meals in early 2020. When it comes to the sustainability of our restaurant business, the easy solutions have already been implemented.

For several of the ingredients we use, we make sustainability choices at a very granular level. For example, 99 per cent of the rice we use has been sourced from Europe instead of Asia for a long time now, which significantly reduces its carbon footprint. The tofu we use in our meals is also always sourced from Europe and produced from Fair Trade soybeans at the Jalofoods plant in Tammisaari. We need increasingly accurate information on the carbon footprint of the ingredients we use. Our goal is to calculate the carbon footprint of all of our meals in 2022.

Our most significant goal is to achieve carbon neutrality by 2025. We already know we cannot achieve this goal simply by reducing

the carbon footprint of the meals we serve. Although our primary goal is to reduce all of the emissions arising from our operations to zero, we will also need to rely on emission compensation to accomplish carbon neutrality.

Since 2019, our customers have had the option of compensating the carbon footprint of their meal when they pay for it. In the coming years, we aim to find new ways to increase carbon compensation at our restaurants.

In addition to taking action ourselves, we offer our UniCafe restaurants for use as research platforms by various projects that promote sustainable restaurant operations. In 2022, our restaurants will be used by three different research communities for projects focused on the food of the future, the carbon compensation of meals, and the development of an application that provides information on ingredients.

People Make Ylva A Pioneer



We advocate for human rights. We want to provide a safe and healthy workplace environment where everyone can take pride in their work.



We encourage our employees to make more sustainable consumption choices. We support the use of bicycles and public transport. We seek sustainability solutions together with our personnel.



We lead by example. Everyone at Ylva is committed to building a more sustainable Helsinki of the future.

A responsible employer looks after its employees and all the people within its sphere of influence. With this in mind, we keep a close eye on people's well-being at all stages of our supply chains. Our employees make Ylva a pioneer and drive us towards even more impactful corporate activism.

Of the many effects of the COVID-19 pandemic, the impacts on our personnel have been the most significant. The statutory employer–employee cooperation proceedings that began in spring 2020 were still under way at the time of writing this report.

Although we haven't fully achieved the exceptionally high standards we have set for ourselves with regard to our personnel in the past couple of years, we have successfully taken measures to improve the daily life and well-being of our employees even during the exceptional circumstances.

In 2021, we further increased the provision of psychologist services and improved our employee benefits. We have placed a high priority on looking after our employees, both those at work and those who have been temporarily laid off, to maintain strong trust in ourselves as an employer. The war in Ukraine has quickly caused a permanent change in the security situation in Europe and, in many ways, the ongoing crisis touches us at Ylva and the professionals who work for us. Although we hope that the pandemic will abate in 2022, it is clear that

a return to normal will not happen for a long time yet. We want to continue to support our workplace community in the changed circumstances: without our professionals, there would be no Ylva.

In 2022, we will start equality and non-discrimination training to further strengthen our workplace community's capabilities regarding diversity in daily life. Our goal for the future is to grow into an even stronger advocate of human rights, non-discrimination and inclusion.

WE LOOK AFTER OUR PROFESSIONALS

Ylva is an organisation of big personalities and people who put their heart into their work. Their handprint is visible throughout the city, both in new buildings being erected in central Helsinki and in healthy meals on people's plates. We want everyone to be themselves and let their expertise shine, which is why our employees stay with us for a long time. For example, the long and accomplished career of our restaurant employee Simo Matikka from Uni-Cafe Kaivopiha was featured in the Restaurant Museum in 2021.

YLVA'S EMPLOYEES STAY WITH THE COMPANY FOR A LONG TIME. THE AVERAGE DURATION OF EMPLOYMENT AMONG THE PERSONNEL WAS

13
years





Challenging times reveal the true values of workplace communities. During the pandemic, we have placed a high priority on looking after our employees even better than before. For employees who have been temporarily laid off and those under threat of redundancy, we have offered the opportunity to visit an occupational psychologist at the employer's expense. We have also expanded our employee benefits. For example, we offered a sports benefit to our employees, fully paid by the employer, for part of the pandemic.

While the pandemic has required people to keep a physical distance from each other, we have wanted to pay close attention to the well-being of our employees. In 2021, we monitored the well-being of our restaurant employees by conducting pulse surveys approximately once every two months. The survey revealed the importance to well-being of work and encounters between people. The survey responses, especially those from temporarily laid off employees, repeatedly highlighted the wish that the pandemic would end and work would continue. At the same time, the employees who have been able to return to work have been grateful and happy about it. The surveys also revealed feelings of frustration and perceived injustice, which is certainly understandable as the pandemic continues for a third year.

We also surveyed the occupational well-being of our office personnel in autumn 2021. Ylva's workplace community and pleasant colleagues were singled out for special praise in the pulse surveys and employee surveys. Our comfortable premises and culture of encouraging a healthy work-life balance are also appreciated by our employees and highlighted in the survey responses. The occasional heavy workloads and consequent stress are examples of development areas highlighted in the surveys. The complications in daily life created by COVID-19 have also been pointed out in all of our surveys.

We recognise that we cannot measure the occupational well-being of our office personnel and restaurant personnel using identical indicators, as our employees have a diverse range of job descriptions. We ensure that, regardless of their job description, all of our employees have the same employee benefits and everyone's work is supported equally.

LANGUAGE AND TRAINING ARE TOOLS FOR BUILDING AN EQUAL WORKPLACE COMMUNITY

Equality and non-discrimination are important values for our workplace community. Realising these values in daily life requires everyone at Ylva to contribute to and be informed of prac-

tices that promote equality and inclusion. The best results are always achieved by strengthening the competence of the personnel through training and by encouraging everyone to treat their colleagues equally.

It is important for us that all day-to-day actions are in line with Ylva's goals, regardless of the employee's position or team. In early 2022, we will start equality training, which we encourage all of our employees to take part in. We use an early intervention model in our workplace community. The model clearly specifies who should intervene, when intervention is necessary, what should take place in the meetings, and what the subsequent steps are. We will also organise supervisor training on early intervention in 2022.

Our work is guided by clear processes and steps. Our office and restaurants use an early intervention model, and performance and development discussions are guided by document templates. Our equality and non-discrimination plan guides all our supervisory work and human resource management, regardless of the personnel group. Each year, we create a training calendar for our restaurant personnel that supports us in the development of work-related competencies.

We have 25 employees at our office, with almost everyone having different job titles. Training for our office workers is usually

planned on an employee-specific basis due to their highly individual needs.

Language shapes the world. At Ylva, we are systematically adjusting the language we use to support equality and inclusion. For example, we have adopted a gender-neutral Finnish-language term for supervisors. We updated our equality plan in 2021 to recognise non-binary gender identities alongside traditional gender concepts at Ylva.

We understand that we still have a lot of work to do with regard to equality and inclusion. We want to increase our awareness and understanding in order to create solutions that are aligned with today's expectations. We are also prepared to include our shortcomings in discussions, as identifying them and finding solutions to them may be useful for other companies, as well. This way, our goal of being a pioneer extends beyond the Ylva organisation.

WORKING TO PROMOTE HUMAN RIGHTS AND INCLUSION

In addition to looking after our employees, we want to ensure that human rights, non-discrimination and inclusion are realised at our construction sites and at every stage of our supply chain. We operate in the restaurant and real estate industries, where many employees have backgrounds and native languages that are different from the majority



NON-DISCRIMINATION TRAINING FOR ALL EMPLOYEES

"It is important for us that every Ylva employee feels like an equal member of our workplace community. To this end, we want to strengthen our personnel's equality competence through training.

We will organise a total of four equality training events in spring 2022. The training events are intended for all of our employees, and their topics include terms and concepts relating to sexual and gender minorities, discrimination and equality in working life, and norm-critical and sensitive conduct. The training will also cover LHBTIQ+ legislation and its history.

The training events will emphasise the restaurant and customer perspectives, to ensure that they are relevant to the work of our personnel and the situations they encounter on a day-to-day basis. One of the training events will be held in English, to ensure that language proficiency will not be an obstacle to equal participation. After the training events, we will collect feedback from the participants on the content of the training and the insights they had.

We have partnered with Helsinki Pride since 2019. We want our offices, restaurants and properties to be safe spaces for everyone who uses them. We have already been recognised for these efforts."

Aino Pekkarinen, Culture & People Officer

population, which makes them vulnerable workers. The world has been changed by the war in Ukraine, which makes it particularly important to ensure that we provide safe and non-discriminatory spaces for our professionals and customers.

The number of workers at our construction sites is twice as high as the number of Ylva's direct employees. It is important for us that they, too, can enjoy a high level of well-being. The Inclusive Site project we are currently implementing at all of our construction sites aims to find new ways to promote equality and non-discrimination. More information on the project is provided on page 13.

The longer supply chains are, and the further they extend, the larger the number of human rights risks involved. For this reason, we keep supply chains short at our construction sites. In our restaurant operations, we manage risks by means of Fair Trade certificates and by choosing Finnish products and ingredients whenever possible. We also engage in discussions with our partners as necessary. We also recognise that not all incidents of ethical misconduct in various areas are always revealed.

Occupational safety is the starting point for everything we do. Our restaurants have a quality management system that covers occu-

pational safety, and we are also a member of the [Zero Accidents forum](#). In Ylva's construction projects, our goal is always to have an accident-free construction site. Our contracting agreements include a separate incentive model that rewards contractors for achieving occupational safety targets. In our projects, occupational safety is monitored by means of on-site safety inspections, and we take immediate action to address any deviations. During the COVID-19 pandemic, we have taken care to ensure that safe distances can be maintained in the social premises of construction sites and that hand sanitiser and face masks are always available.

YLVA'S OVERALL SCORE IN THE GREAT PLACE TO WORK SURVEY IMPROVED BY 8 PERCENTAGE POINTS COMPARED TO 2020.

96%
OF YLVA EMPLOYEES WERE OF THE OPINION THAT, ON THE WHOLE, YLVA IS A GREAT PLACE TO WORK.



Money Expedites The Sustainability Transition

NATURE AND CLIMATE RISKS AFFECT ALL BUSINESS ACTIVITIES.

[Ylva's Updated Taxonomy Analyses 29](#)

[Targets Related To Climate Change 29](#)

[Four New Environmental Targets 31](#)

[Social Taxonomy 32](#)

[The Impacts Of Climate Change And Biodiversity Loss On Our Operations \(TCFD, TNFD\) 34](#)

[Global Reporting Initiative \(GRI\) Index 41](#)



Ylva's EU Taxonomy Report

We conducted our first sustainability analysis in accordance with the EU taxonomy in 2020. In this section, we discuss our updated analysis of the criteria pertaining to climate change. We also assess our operations with regard to the new environmental criteria that are still in the drafting stage and the social taxonomy. While the taxonomy in its current form is still open to interpretation and requires further development, it serves as a useful guideline in the development of sustainable business. Going forward, the taxonomy criteria will guide all investment decisions concerning our real estate business, for example.

THE DEVELOPING SET OF CRITERIA CREATES A COMMON LANGUAGE BETWEEN COMPANIES AND INVESTORS

The sustainable finance classification system, known as the EU taxonomy, was published by the EU in 2020 and became legally valid in late 2021. The classification system taxonomy defines what types of investments represent a path towards a carbon-neutral and sustainable economy. It provides a framework for reorienting public and private capital flows in a more environmentally sustainable direction. The part of the taxonomy that was in effect for 2021 was the taxonomy regulation concerning climate change mitigation and adaptation, according to which large listed companies and financial market participants are required to report the proportion of their turnover, capital expenditure and operating expenditure that can be considered to be sustainable.

The taxonomy reporting obligations will enter into effect gradually. In the first stage, financial market participants and companies are required to only report their taxonomy eligibility with regard to the two previously mentioned goals pertaining to climate change. In practice, this means that companies are required to assess the proportion of their business activities that currently fall under the taxonomy regulations.

Later, companies will be expected to report at a more detailed level on their taxonomy alignment, meaning whether their economic activities meet the technical screening criteria defined for “substantial contribution” and the criteria aimed at ensuring that the economic activities do no significant harm to the achievement of other environmental objectives (DNSH criteria).

The taxonomy legislation is still subject to continuous development. The taxonomy

framework will be expanded in the coming years when the technical screening criteria are extended to cover environmental objectives related to water and marine resources, the transition to a circular economy, environmental pollution and biodiversity. The first draft of the new screening criteria was published in August 2021. The first draft of the social taxonomy was published slightly earlier, in July 2021.

We have decided to assess the taxonomy-eligibility and taxonomy-alignment of our business activities and report on these on a forward-looking basis in spite of the fact that we are not within the scope of the current taxonomy reporting obligations. We expect that the taxonomy will become a widely used standard for evaluating corporate sustainability in the future. While the criteria are not complete or perfect, they provide a much-needed common language between companies and investors

in the complicated world of ESG investing. The EU taxonomy is a science-based tool that makes it possible to channel investor interest in sustainable investing into actions that have a genuine positive impact.

YLVA'S UPDATED TAXONOMY ANALYSIS CONCERNING CLIMATE-RELATED OBJECTIVES

We first assessed the taxonomy-alignment of our business activities in our report for 2020. We are amending our analysis now that the taxonomy regulation is in effect, the reporting obligations are clearer, and the technical screening criteria have been updated. For the time being, only Ylva's real estate business is covered by the taxonomy. The restaurant business, for example, is not yet within the scope of the taxonomy.

Real Estate Business

The turnover of our real estate business can be considered to be fully taxonomy-eligible, and it corresponds to the following economic activities listed in the taxonomy:

- 7.1. Construction of new buildings, concerning the Lyyra project
- 7.2. Renovation of existing buildings, concerning the Kaivopiha retail block and the Grand Hansa project
- 7.7. Acquisition and ownership of buildings, concerning the other properties we own (the city centre property and the Leppäsuo block known as “Domma”)

In addition to assessing taxonomy-eligibility, we also further specify the previous year’s assessment of the taxonomy-alignment of our real estate business. While the screening criteria have been updated to some extent during the year, the energy efficiency of buildings remains one of the key screening criteria concerning a substantial contribution to environmental objectives when it comes to construction and real estate.

Our view is that our new construction project Lyyra – a block that combines office premises, a hotel, apartments and services – meets the three criteria for what constitutes a substantial contribution to climate change mitigation. The primary energy consumption

of newly constructed buildings must be at least 10 per cent lower than the nationally defined level of near-zero energy construction, the airtightness of the building must be ensured, and a full life-cycle carbon footprint calculation is required for buildings whose size exceeds 5,000 m².

The Kaivopiha retail block and the Grand Hansa project also meet the criteria for a substantial contribution to climate change mitigation concerning renovation projects and their energy efficiency.

The assessment of taxonomy-alignment for the other properties we own represents the other end of the scale, as none of them meets the criteria for a substantial contribution to environmental objectives. From the perspective of climate change mitigation, properties built before the end of 2020 should have a Class A energy efficiency certificate at a minimum, or they should be in the top 15 per cent nationally or regionally. It should be noted that buildings completed in 2021 or thereafter are subject to the criteria set out for new buildings. However, the taxonomy criteria for new buildings only entered into force officially in 2021, which means that it may not have been possible to take the criteria into account in time.

In addition to meeting the criteria for a substantial contribution, our new construction and renovation projects, as a rule, also meet

the DNSH criteria set out for these activities. According to our assessment, the projects are not subject to significant risks caused by climate change and, as a rule, their recycling rate of construction waste exceeds the 70 per cent level stipulated by the taxonomy. However, the DNSH criteria also include certain requirements that our projects do not necessarily satisfy. One such example is the requirement concerning the flow rate of showerheads, where the availability of products that meet the requirements may become a challenge.

Consequently, there are still challenges and ambiguities with regard to the achievement and verification of full taxonomy alignment. In the event that all of the DNSH criteria need to be

met down to the letter, none of our economic activities can be considered to be fully taxonomy-aligned even if the criteria for a substantial contribution to environmental objectives are met with regard to new construction and renovation.

The national measurement methods may differ from the taxonomy verification requirements. For example, the energy efficiency classification system used in Finland is not purely based on the consumption of primary energy, that is, unrefined natural energy, which is the definition used in the taxonomy criteria. In addition, the indoor air emissions of construction materials, for example, are addressed by the taxonomy in a manner that differs from

SUMMARY OF YLVA’S TAXONOMY RESULTS FOR 2021

Total net sales, EUR million	19.9
of which taxonomy-eligible	80.4%
of which taxonomy-aligned	0%
Total investments, EUR million	33.3
of which taxonomy-eligible	100%
of which taxonomy-aligned	0-100%

the Finnish regulations. At this time, it is not yet possible to predict the regulatory developments, the final interpretation of the requirements, and whether there is any flexibility involved.

Restaurant Business

No specific criteria have been defined for the restaurant business in the EU taxonomy. This means that the restaurant business is not taxonomy-eligible, at least for the time being.

Nevertheless, restaurants play an important role in the selection of environmentally sustainable food ingredients. The EU also recognises that operations that encourage lower-carbon personal choices – such as vegetarian and vegan diets – represent significant potential for reducing emissions. In our view, the net sales of vegetarian and vegan meals should, in the future, be calculated as supporting the low-carbon transformation under the taxonomy.

THE TAXONOMY FRAMEWORK WILL BE EXPANDED WITH REGARD TO FOUR OTHER ENVIRONMENTAL OBJECTIVES

In 2021, the EU published a draft regarding four other environmental objectives. These concern water and marine resources, the transition to a circular economy, environmental pollution and biodiversity. The taxonomy defines activities and screening criteria for these objectives.

Among our economic activities, these criteria only apply to the real estate business. The taxonomy does not address the restaurant business. While the regulation is still in the draft stage, we want to understand, analyse and express an opinion on the future criteria.

The draft taxonomy proposes a comprehensive set of criteria regarding the transition to a circular economy. Newly constructed buildings and renovation projects must be designed and implemented in accordance with the principles of resource wisdom and adaptability, for example, and they are not allowed to contain asbestos or substances of very high concern (SVHC). In addition, the required reuse and recovery rate of construction waste is high at 90 per cent. Our construction projects already meet these criteria to a large extent.

New construction and renovation projects are also required to include a life-cycle analysis conducted in accordance with the EU's generally accepted standards, as well as the use of digital tools that promote the versatility of buildings and the extension of the building life-cycle. Such tools include building information modelling (BIM) or a digital twin that includes data on materials, as well as a maintenance plan that includes the technical specifications of the building. We support these requirements and they are already met by our construction projects.

Going forward, the need to protect and restore biodiversity in a new way must be taken into account in construction projects. For example, construction on arable land or land of high biodiversity value will be practically prohibited. From the Finnish perspective, it is perhaps even more interesting that this will also apply to forests. If a municipality has zoned plots of land in areas that were formerly forests or used for agriculture, sustainable construction on the plots in question may not be possible. This will lead to significant debate and major changes in municipalities' zoning activities, the acquisition of land by construction companies, and the values of plot portfolios.

Ambitious biodiversity-related criteria have also been set out regarding the outer surfaces of buildings, for example. According to the criteria, 60 per cent of the external horizontal surfaces of buildings should be allocated for use by different nature types, and 80 per cent of the surface should be permeable to water. This can be achieved by building green roofs, for example. Lyyra will have a water-permeable green roof. The taxonomy also requires that at least one insect hotel, birdhouse or similar structure is built for each 100 m² of non-residential buildings. This represents an entirely new type of requirement that will also increase the significance of local nature in cities.

Certain criteria, such as the requirement to use 30 per cent recycled or reused materials stipulated by the circular economy criteria, may be practically impossible for the time being due to the existing legislation, industry practices and insufficient market development. This may create major challenges, especially for new construction projects that seek to be classified as sustainable.

The taxonomy specifies that the requirement concerning the proportion of recycled or reused material must be met provided that the valid technical standards allow it. The processing and transport of the recycled material must also not generate higher emissions than using new material would. These concessions make practical sense, and we believe that the taxonomy regulations will, in the long run, promote changes in national legislation and industry practices.

The biodiversity criteria also include requirements that are noteworthy with regard to practical operations. For example, the taxonomy stipulates that a biodiversity strategy must be drawn up for new construction and renovation projects. The strategy must include assessments prepared during the building's design phase and after the completion of construction on whether the building's net impact on biodiversity is positive and whether the building supports increasing the populations

of native species. In addition, once every two years, the property owner is required to verify their adherence to the biodiversity plan. The requirements may seem excessive with regard to construction and renovation projects in the existing urban structure, for example. Ideally, however, they may promote the return of natural solutions to cities and ensure the well-being of urban nature.

The proposed taxonomy criteria regarding the transition to a circular economy and the protection of biodiversity will create pressure on the construction industry to move in a more sustainable direction. At the same time, it is important to ensure that the taxonomy is interpreted in a practical manner and in line with national legislation, and that linking the fulfilment of the taxonomy criteria more closely to financing in the industry does not lead to unnecessary bureaucracy.

THE SOCIAL TAXONOMY PUTS THE FOCUS ON BUSINESS PRACTICES IN VALUE CHAINS

Thus far, taxonomy regulations have been largely focused on environmental classification frameworks but, in 2021, the first draft of a potential social taxonomy was published. The main principle of the social taxonomy is to protect human rights and sufficient livelihoods from two perspectives. According to the current draft, the social taxonomy would focus

on a company's products and services (the vertical dimension) and the operating practices throughout its value chain (the horizontal dimension).

The actual taxonomy-eligible activities and their screening criteria have yet to be defined. The criteria for the vertical dimension, which concerns products and services, will be developed in accordance with the principles of availability, accessibility, acceptability and quality (AAAQ). Accessibility means that a product or service is not only physically accessible but also economically accessible, meaning affordable. Acceptability means that a product or service does not offend or discriminate against any groups of people.

The principles concerning a company's own operations and value chains emphasise the importance of providing good working conditions and protecting consumers' interests.

UniCafe Restaurants As Part Of A Broader Change In Dining Culture

We find it interesting to analyse our restaurant business, in particular, in accordance with the tentative criteria of the social taxonomy. The lunches sold by UniCafe restaurants are affordable – even more so for students covered by the meal subsidy scheme of the Social Insurance Institution of Finland (Kela). The quality of the food is guaranteed not only by Finnish quality

management systems concerning food safety and hygiene, but also by Ylva's quality criteria regarding taste and nutritional value. UniCafe restaurants are located close to campuses, which means that the food is easily available. During the COVID-19 pandemic, availability has also been improved by the option of buying take-away meals during the restaurants' flexible opening hours.

We aim to increase the share of vegetarian and vegan meals sold by our restaurants. While the intentions behind this goal are positive, it is not a straightforward matter. Transitioning to more climate-friendly eating habits requires changes in attitudes and culture while respecting different religious views and opinions.

The Accessibility Of Old Buildings Stands To Be Improved

Finnish legislation concerning buildings largely ensures that the physical accessibility requirements concerning buildings are satisfied. Ylva's new properties are built to be highly accessible as a rule, but the needs of people with reduced mobility are not always met in our old properties. Ylva has several projects under way to improve accessibility, with the addition of a lift to stairwell A of the New Student House being among the most important of these.

Our properties are intended to serve not only the needs of our business activities, but

also the needs of the city and other stakeholders as effectively as possible. This is reflected particularly in our current large construction projects. Grand Hansa will provide the city and businesses with better opportunities for hosting international conferences and accommodating visitors. In Kallio, old government office buildings are being replaced by much-needed new premises and services that improve the vitality of the district as a whole.

Social Responsibility Throughout The Value Chain

The fair treatment of workers throughout the supply chain is an important theme for Ylva. At both of our major construction sites, we are implementing the [Inclusive Site project](#), which is one of the pilot projects of the [Business for Inclusive Growth network](#) supported by the [OECD](#). The project aims to identify new ways to promote equality and non-discrimination at construction sites.

By limiting the number of subcontractors, Ylva minimises risks further along the supply chain with regard to human rights violations, for example. We also pay special attention to the sustainability of our purchasing activities.

Protecting the interests of consumers is also seen as being part of the horizontal dimension of the social taxonomy. This can involve measures aimed at promoting healthy eating, for

example, or communications pertaining to the environmental and social impacts of products. Especially in the restaurant business, Ylva bears significant responsibility for promoting sustainability marketing and communications targeted at consumers. At our UniCafe restaurants, we encourage customers to make healthy and climate-friendly choices in various ways. Vegetarian and vegan meals are always placed first on our buffet lines and menus. We also promote the achievement of sustainability goals through various theme days and campaigns. Our Meatless October campaign in autumn 2021 enabled us to increase the share of vegetarian and vegan meals among all meals sold by approximately seven per cent over the course of a single month. In addition to running campaigns, we highlight sustainability themes on UniCafe's website and social media channels all year round.

MEATBALLS REPLACED TURNIPS OVER A PERIOD OF 150 YEARS – HOW DO WE GET BACK TO THE WAY THINGS WERE?

Our target is for vegetarian and vegan meals to account for half of all meals sold by Ylva's restaurants in 2022. A restaurant business strategy that prioritises plant-based food is not without problems, however, as the popularity of meat has increased significantly over the past decades. In the 1950s, the average Finn consumed 20 kilograms of meat per year. Today, that figure is as high as 80 kilograms. This was not always the case.

When Ylva's Old Student House was built 150 years ago, turnip was the main ingredient in Finnish food. Potatoes only made their way to Finland later, with their popularity peaking in the 1950s. They were followed on Finnish plates by rice and pasta. 150 years ago, meatballs were a special delicacy for the upper echelons of society. When the availability of minced meat increased, meatballs became a weekend food item and, later, an everyday food. Today, meatballs are a convenience food that can be bought at the local supermarket at a low price.

Over the past decades, meat has gone from a delicacy of the upper echelons of society to something akin to a basic right in people's minds. Transitioning to consumption patterns that are more sustainable with regard to natural resources requires a change in attitudes and culture that will bring us closer to the way things were 150 years ago. While this is a major challenge, it is not impossible to solve. However, the change must be accelerated substantially if we are to provide future generations with the conditions for a good life.



The Impacts Of Climate Change And Biodiversity Loss On Our Operations

We apply the TCFD (Task Force on Climate-related Financial Disclosures) recommended model for reporting on climate-related impacts, risks and opportunities. In our report, we discuss our targets and performance indicators related to climate change mitigation, as well as how we prepare for the 1.5°C and 4°C climate scenarios. Inspired by the upcoming TNFD (Taskforce on Nature-related Financial Disclosures) framework, we also address our impacts on nature.

Our goal is to achieve carbon neutrality by the end of 2025. We intend to achieve this goal much faster than our industries on average – without making financial compromises. We encourage all of our competitors to do the same. We are also committed to the [Paris Agreement goal](#) of limiting the increase in the global average temperature to 1.5°C.

Protecting and promoting biodiversity is finally making its way to corporate agendas alongside climate change mitigation. [The Taskforce on Nature-related Financial Disclosures \(TNFD\)](#) was established to assess nature-related impacts, risks and opportunities, following

in the footsteps of the [TCFD](#). The TNFD is expected to publish a draft of its framework in early 2022, reflecting principles that are already familiar from the TCFD reporting recommendations.

At Ylva, we want to understand our impacts on nature and take them into consideration in our operations. In addition to climate-related impacts, we describe the risks to our business presented by biodiversity loss in this report. The information can be found in the tables on page 36. As companies improve their ability to assess their climate-related and environmental impacts, the attention will shift to the assess-



ment of social impacts and risks. We expect to see an international framework developed for this purpose in the next few years.

YLVA'S CLIMATE RISK MANAGEMENT AND STRATEGY

Consideration of sustainability goals and biodiversity plays an important role in all of Ylva's decision-making, operations and purchasing. We do not view sustainability issues as reputation or risk factors that are separate from our business activities, as the well-being of the environment is not merely a by-product of our operations.

Pursuant to Ylva's Articles of Association, the Board of Directors shall assess the climate risks of our business activities and prepare a scheduled and science-based plan for adapting the operations of the group company and its various businesses to the 1.5°C warming limit stipulated by the Paris Agreement. Climate risks, the adaptation plan and its implementation shall be reported annually, starting from the Annual General Meeting 2021.

We have signed the [World Green Building Council's Net Zero Carbon Buildings initiative](#) to underline our commitment to pursuing carbon neutrality in the use of our properties by the end of 2025. We achieved this goal ahead of schedule at the beginning of 2022. We were

one of the first organisations in Finland to sign the updated version of the NZCB commitment, which saw us commit to carbon neutrality in our new construction projects also with regard to emissions arising from materials.

The principles and policies that govern our sustainability efforts are discussed in more detail in the section on sustainability management on pages 8–10.

The main purpose of Ylva's investment operations during the strategy period 2022–2024 is to balance the risks of the real estate and restaurant businesses and serve as a cash reserve. The securities portfolio managed by our external asset manager eQ is entirely fossil-free with regard to equity investments. This means that the investments exclude fossil fuel production, refining and distribution activities, as well as fossil energy production. However, fixed-income instruments account for a significant share of the portfolio. We will further specify our sustainability principles concerning fixed-income investments and assess the climate and nature risks related to our investments in 2022.

THE IMPACTS OF CLIMATE CHANGE ON YLVA'S BUSINESS

Climate change mitigation is a significant guiding principle in Ylva's operations. The most

significant impacts of our business operations are associated with the carbon emissions of our properties and the raw materials used by our restaurants. Consequently, the main focus of our sustainability efforts is on reducing our carbon footprint. We want to set an example that promotes the adoption of new practices in our industries and inspires other organisations to improve with regard to environmental responsibility.

Climate change presents various risks to our business activities. We aim to assess these risks to our operations as comprehensively as possible. We have not defined a separate process for the assessment of climate risks. Instead, we address them, and other sustainability issues, with a proactive approach as part of our practical day-to-day business operations at all levels of decision-making. The various risks to our business activities are described in the table below. With regard to our investment operations, we will update and further specify our sustainability principles concerning fixed-income investments and assess the climate and nature risks related to our investments in 2022.

In 2020, we conducted scenario analyses for our real estate and restaurant businesses on the basis of the low-carbon roadmaps drafted by [RAKLI](#) and [the Finnish Hospitality](#)

[Association MaRa](#). The scenario analyses are published in full in our sustainability report for 2020, but we have summarised the main findings in the table below and supplemented the information concerning nature-related risks.

REAL ESTATE BUSINESS		
Risk type and explanation	Management methods	Changes in the operating environment in different scenarios
<p>Transition risks</p> <p>The transition to a low-carbon economy will be reflected particularly in changes in markets and legislation as the demand for zero-emission energy and construction grows among customers and investors and from the broader perspective of urban development. The prices of emission rights and energy have already risen significantly, which is partly attributable to the green transition.</p> <p>Inability to anticipate and respond to customer needs could complicate our operating conditions through adverse reputational impacts, for example. It is also clear that the financing of construction projects will be increasingly linked to environmental and climate-related criteria as a result of the introduction of the EU’s sustainable finance framework. The EU taxonomy is also in the process of being expanded to cover biodiversity. In the future, the construction industry will need to have the ability to measure and reduce its negative impacts on biodiversity.</p> <p>The EU taxonomy will bring new requirements concerning how biodiversity value is taken into account in choosing construction locations. Consequently, land assets in industry participants’ portfolios may decline in value if they are located in forests or on arable land. Ylva does not own such land assets.</p> <p>Regulations related to climate change mitigation may also lead to circumstances in which the prices of emission rights, carbon taxes or the real estate industry being included in the emissions trading scheme may increase construction and maintenance costs with regard to new technologies and resources. Material costs may also increase due to higher demand for certified materials that are sustainable in terms of biodiversity and the climate.</p>	<p>We are preparing for the possibility that our tenants will start to demand that their business premises are low-carbon, and we will offer suitable solutions to our tenants in the form of carbon-neutral properties starting from the beginning of 2022. This means that we are bringing our original target of carbon neutrality by 2025 forward by three years.</p> <p>In new projects, our goal is full life-cycle carbon neutrality, and we have calculated the carbon debt of our property portfolio in order to prepare for its potential repayment.</p> <p>We actively assess the carbon risk of our operations and the related hidden costs by monitoring the EU ETS market’s emission prices and their development. We also keep a close eye on legislation related to our industry, such as the EU’s sustainable finance taxonomy, and we take a forward-looking approach to analysing its potential impacts on the construction industry and the financing of our projects.</p> <p>In contracting enquiries in the Lyyra and Grand Hansa projects, we request contractors to provide information on low-carbon options and their costs. We assess the information using our construction site carbon footprint calculator, and we implement the chosen emission reductions.</p> <p>With regard to biodiversity, we have focused on the local impacts of our current projects. For example, we have included green roofs in our Lyyra project. Going forward, we expect that our customers will increasingly ask us biodiversity-related questions concerning the surface materials of our properties, for example. With regard to potential future projects, biodiversity perspectives concerning the location of construction will be emphasised. We continuously update our awareness of this topic.</p>	<p>If emission reduction measures are too slow or not ambitious enough, there is a risk that society will end up on a catastrophic path in which average temperatures increase by three or even four degrees. In that scenario, the significant increase in extreme weather phenomena would lead to widespread political and social instability, which could result in the reduced availability and higher prices of raw materials, for example.</p> <p>At the same time, potential mass migration to Europe may increase the availability of labour in the construction industry. However, if the mobility of labour and people is restricted, the availability of labour in the construction industry may decline, particularly in the main growth centres, where the need for construction is expected to remain high. This may lead to unexpected costs, delays in construction projects, higher costs, and interruptions in earnings for Ylva. On the whole, the positive impacts would be marginal compared to the catastrophic impacts of climate change.</p> <p>If the goal of limiting the average temperature increase to 1.5°C is achieved, it would likely mean the widespread development of clean, cost-efficient and data-driven construction technologies and services. Investments in renovation and new construction would increase and the energy sector would have evolved to be very low in emissions.</p> <p>Biodiversity and nature conservation goals would make many previously acceptable plots and zoned areas questionable in terms of sustainability. The origin of wood would also be subject to greater scrutiny than before.</p>

REAL ESTATE BUSINESS		
Risk type and explanation	Management methods	Changes in the operating environment in different scenarios
<p>Physical risks Acute risks caused by extreme weather phenomena – such as flooding, wind-driven rain or high winds – may delay and complicate the progress of work on construction sites and pose problems to our properties located in the city centre. High temperatures and prolonged periods of hot weather may also increase the costs of cooling business premises. While periods of hot weather would become more common in summer, the risks of exceptionally cold periods and winter storms would increase in winter.</p>	<p>Thus far, our preparations for these risks include reviewing the flood surveys concerning Helsinki’s city centre and conducting more detailed assessments as part of our construction projects where necessary. We also aim to take future weather phenomena into account in planning and designing our construction and renovation projects. District cooling helps us prepare for the growing cooling needs of properties without emissions. The capacity of our heating systems is sufficient to cover the demand even during cold winters. To manage cost risks, we will improve our energy efficiency and investigate opportunities to produce energy ourselves.</p>	

RESTAURANT BUSINESS		
Risk type and explanation	Management methods	Changes in the operating environment in different scenarios
<p>Transition risks Consumers are increasingly aware of the environmental impacts of food ingredients and expect service providers to be transparent in providing information on this topic. Our restaurant business needs to respond to changing consumer habits, and we need to actively develop our offering if we are to maintain our position as a credible operator among our primary target groups. In the future, ingredients that have an adverse impact on the climate and nature may also be subject to taxes or other fees that increase their costs. In 2021 and 2022, some of the transition risks related to the climate transition have already been realised. The prices of fossil fuels and energy have risen, which has a direct and indirect impact on higher fertiliser prices and, consequently, the profitability of agriculture and the price of food ingredients. The impact of the higher prices on Ylva will materialise later.</p>	<p>In our restaurant business, we are a trailblazer and a provider of environmentally friendly and sustainable food. Our target is for 60 per cent of the total sales of our restaurants to be derived from vegetarian and vegan meals. We took beef off our menus completely in 2020. We also give our customers the opportunity to compensate for the carbon footprint of their meal at the time of payment. We engage in active cooperation with the research community and offer our restaurants as experimental platforms for food-related innovations. We will improve the accuracy of our carbon calculations in 2022. Our goal is to provide our customers with meal-specific carbon footprint figures by the end of the year.</p>	<p>If the increase in the earth’s average temperature approaches 3°C or even 4°C, entire cultivation regions would be lost or relocated. Many imported raw materials, such as coffee and spices, will become more expensive, leading to ingredients in recipes being replaced by alternatives that are more widely available or less expensive. Even smaller increases in average temperatures may lead to significantly anomalous harvest seasons and affect prices.</p> <p>In Finland, the climate risks of agriculture will also increase significantly as a result of the higher frequency of extreme weather phenomena, for example. This can have a very dramatic impact on the availability and prices of domestic ingredients.</p>
<p>Physical risks The acute risks associated with extreme weather phenomena, such as adverse impacts on crops caused by drought or excessive rainfall, may lead to complications in the availability of food ingredients and temporary but significant increases in their costs. The probability of these risks materialising increases as the climate warms further.</p> <p>Chronic changes in weather patterns over the long term may have a permanent adverse impact on the operating conditions of Ylva’s restaurant business if, for example, the cultivation of key food commodities – such as coffee and cocoa – in the current areas becomes impossible due to unfavourable conditions.</p> <p>Climate and nature are interconnected. Farming may also be complicated by accelerating biodiversity loss. If biodiversity were to decline further, the populations of essential pollinators would also decline and soil microbe balance would be disrupted. Increasing rainfall or periods of drought may lead to the loss of nutrients from farmland and reduce soil fertility.</p>	<p>We actively develop our menus and choose environmentally sustainable ingredients. We seek to mitigate the hidden climate risks of global supply chains by prioritising Finnish, locally produced and seasonal ingredients.</p> <p>Flexibility in recipes and the replaceability of ingredients are part of risk management. We also take part in research projects on sustainable food production.</p>	<p>Migration to Finland may increase significantly. This could have a positive impact on the availability of labour in the service sector.</p> <p>Even if emission reduction measures lead to the 1.5°C warming scenario, some of the aforementioned impacts are still likely to occur, albeit not to the same extent. Sustainability will be emphasised in consumers’ choices.</p> <p>We developed our carbon footprint calculation in 2021 as part of our Climate Meal campaign. We also tested new ways of promoting the sales of vegetarian and vegan meals, with the Meatless October campaign being a good example of this.</p>

SUSTAINABILITY TARGETS AND INDICATORS

Ylva’s sustainability targets are an integral aspect of annual budgeting. The goal of reducing the carbon footprint goes hand in hand with Ylva’s profitability targets, and the UN Sustainable Development Goals (SDGs) have been taken into account in budgeting in each

business area. The table below summarises our business performance indicators, actions and key achievements. More information on the emission calculations in our businesses and the development of emissions is provided on page 15 for the real estate business and on page 20 for the restaurant business.

	Targets	Performance indicators and monitoring	Actions and achievements in 2021
Ylva’s business as a whole	Ylva’s target is to be carbon neutral by the end of 2025. We aim to find solutions to halt biodiversity loss.	The key indicators of carbon neutrality include the carbon emissions of Ylva’s properties and, in the restaurant business, the share of vegetarian and vegan meals among total sales. Ylva also monitors the hidden costs of its carbon emissions by actively monitoring the prices of the EU ETS emissions trading market. Calculations help assess the cost risk associated with emissions arising from business activities.	In 2021, Ylva’s carbon footprint (tCO ₂ /year) decreased by 25 per cent year-on-year. Ylva’s carbon emissions relative to net sales in 2021 amounted to 117 tCO ₂ /MEUR (138 tCO ₂ /MEUR in 2020). The achievement of the carbon neutrality targets for the Group as a whole is managed by means of Ylva’s carbon budget. The actions taken in the real estate business in 2021 included the purchasing of zero-emission energy and modelling the energy efficiency of the Domus Academica building. In the restaurant business, emissions decreased mainly due to the lower operating volume, and we were not able to reduce our emissions per meal. We did, however, create a foundation for more accurate calculations and future emission reductions through our Climate Meal campaign.
Real estate business	Ylva switched to using carbon-neutral energy at the end of 2021. All of the energy we purchase in 2022 will be carbon-neutral. Going forward, we will focus on operating our properties as energy-efficiently as possible and, in construction projects, prioritising low-carbon construction materials and solutions that promote biodiversity.	The key performance indicators in the real estate business are progress towards the Net Zero Carbon Building target and the operational carbon emissions relative to the gross floor area of the properties. Going forward, we will assess and improve the energy efficiency of our property stock in accordance with the principles set out in the EU taxonomy.	The carbon footprint of our properties decreased by approximately 22 per cent compared to 2020 due to the purchasing of zero-emission energy. We also decided to purchase only zero-emission energy starting from the beginning of 2022. In addition, we made a decision in 2021 to have all of our future energy efficiency investments support the transition of our properties towards alignment with the taxonomy criteria concerning climate change mitigation. We promote sustainability in the real estate business by favouring environmentally friendly solutions during the property life-cycle, including eco-friendly construction (the carbon footprint is an important selection criterion in tendering processes for contractors) and by prioritising energy efficiency in the design of buildings, in renovation projects and in separate energy renovations.

	Targets	Performance indicators and monitoring	Actions and achievements in 2021
Restaurant business	In the restaurant business, the goal is to serve tasty, nutritious, sustainable and ethical food with a profitable price/quality ratio. By serving sustainable and ethical food, we help influence Finnish norms related to eating and promote the mitigation of climate change. Our goal is to increase the share of vegetarian and vegan meals to 60 per cent of total sales by 2025.	In the restaurant business, our most important sustainability indicator is the share of total sales represented by vegetarian and vegan meals. Other key performance indicators include customer satisfaction and the share of domestic ingredients. We also monitor the overall carbon footprint of our restaurant operations at an annual level.	The emissions of our restaurant business decreased by 25 per cent compared to the previous year. This was almost directly attributable to a corresponding decline in the number of meals sold. Vegetarian and vegan meals represented 47 per cent of all meals sold. Fully vegan meals accounted for 42 per cent of all meals sold. We aim to reduce our emissions per meal and improve our calculation capabilities in 2022. We will increase the accuracy of our carbon footprint calculations in 2022 and, by the end of the year, our goal is to provide our customers with meal-specific carbon footprint figures.
Investment operations	Our goal is to be a pioneer in sustainable investing and to reduce our portfolio's carbon footprint each year.	Starting from 2020, the carbon footprint has been the most important sustainability indicator of the portfolio. The securities portfolio is already very low in carbon compared to the Finnish equity market, for example. The portfolio allocation was adjusted in 2020 and 2021 to increase the weight of fixed-income instruments. Consequently, carbon intensity was adopted as the monitored indicator instead of the carbon footprint.	The carbon intensity relative to the portfolio's market value and the net sales of the companies invested in decreased slightly in 2021. At the same time, the portfolio's carbon footprint based on absolute figures increased following a change in allocation to increase the weight of fixed-income instruments with the aim of balancing Ylva's business risks. The extent to which fixed-income instruments are fossil-free is difficult to assess at present. In addition, fixed income instruments are typically used for financing by capital-intensive enterprises, whose business model involves high emissions on average. Ylva reviews and discusses the ESG report of the investment portfolio with the asset manager at least twice a year. In these meetings and discussions, Ylva's representatives and the asset manager seek ways to reduce the portfolio's carbon intensity and may also make decisions on the exclusion of certain companies or industries.

GRI

This content index takes into account the applicable GRI standards, the Task Force on Climate Related Financial Disclosures (TCFD) recommendations, the UN Global Compact principles, and the UN SDGs that are the most relevant to Ylva (7, 8, 11, 12 and 13).

Disclosure	Report content	Location	More information	UN Global Compact principles	UN Sustainable Development Goals
GRI 102: GENERAL DISCLOSURES (2021)					
The organisation and its reporting practices					
2-1	Organisational details	Ylva punches above its weight, p. 4, Board of Directors' report and financial statements, p. 3-4			
2-2	Entities included in the organisation's sustainability reporting	GRI index	The entire Ylva Group (HYY Real Estates and the related subsidiaries, as well as Ylva Services Ltd)		
2-3	Reporting period, frequency and contact point	GRI index	Ylva reports annually on its sustainability and financial performance. The reporting period for both is 1 January 2021 - 31 December 2021. The sustainability report, the financial statements and the Board of Directors' report were published in March 2022. The contact point for matters concerning sustainability is Chief Sustainability Officer Antti Ruuska: antti.ruuska@ylva.fi		
2-4	Restatements of information	GRI index	No restatements		
2-5	External assurance	GRI index	The report is not subject to external assurance.		
Activities and workers					
2-6	Activities, value chain and other business relationships	Ylva punches above its weight, p. 3, Choose to do good - every day, over and over again, p. 4-5, Board of Directors' report and financial statements, p. 3-4			
2-7	Employees	People, p. 26, Board of Directors' report and financial statements, p. 8, GRI index	Of Ylva's 136 employees at the end of the year, 69% were women and 31% were men.		
2-8	Workers who are not employees	People, p. 27			

Disclosure	Report content	Location	More information	UN Global Compact principles	UN Sustainable Development Goals
Governance					
2-9	Governance structure and composition	Sustainability management, p. 8, Board of Directors' report and financial statements, p. 8			
2-10	Nomination and selection of the highest governance body	Board of Directors' report and financial statements, p. 8			
2-11	Chair of the highest governance body	Board of Directors' report and financial statements, p. 8			
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management, p. 8-10, Board of Directors' report and financial statements, p. 8-9			
2-13	Delegation of responsibility for managing impacts	Sustainability management, p. 8-10, Board of Directors' report and financial statements, p. 8-9			
2-14	Role of the highest governance body in sustainability reporting	GRI index	The Board of Directors reviews and approves the sustainability report.		
2-15	Conflicts of interest	GRI index	The members of the Board of Directors have an obligation to report all potential conflicts of interest, and these are assessed on a case-by-case basis in Board meetings.		
2-16	Communication of critical concerns	Sustainability management, p. 8	Each year, the Board of Directors is provided with a report on gifts and hospitality received by Ylva's personnel that exceed the euro-denominated limits stipulated by the annual decision. All notifications submitted via the anonymous whistleblowing channel are also reported to the Board of Directors. One notification was submitted via the whistleblowing channel in 2021. The notification was insubstantial by nature and it did not lead to significant action.		
2-17	Collective knowledge of the highest governance body	Board of Directors' report and financial statements, p. 9			
2-18	Evaluation of the performance of the highest governance body	Sustainability management, p. 8-9			
2-19	Remuneration policies	Board of Directors' report and financial statements, p. 16	Employee satisfaction and the reduction of carbon emissions are incorporated into the remuneration of all members of the executive management, in addition to Funds From Operations (FFO).		
2-20	Process to determine remuneration	Board of Directors' report and financial statements, p. 16			
Strategy, policies and operating practices					
2-22	Statement on sustainable development strategy	Choose to do good – every day, over and over again, p. 4-5			
2-23	Policy commitments	Sustainability management, p. 8-9, Real estate, p. 13-15, Restaurants, p. 19, p. 21-22, p. 27, EU taxonomy report, p. 32, TCFD report, p. 35, p. 39, https://issuu.com/ylvahelsinki/docs/ylva_codeofconduct_2021			
2-24	Embedding policy commitments	Sustainability management, p. 8-9			
2-25	Processes to remediate negative impacts	Ylva punches above its weight, p. 3, Sustainability management, p. 8-9, Real estate, p. 11-16, Restaurants, p. 17-22, People, p. 23-28, EU taxonomy report, p. 29-31, TCFD report, p. 33-41, https://ylva.ilmoituskanava.fi/#/		1, 2, 3, 4, 5, 6, 7, 8, 9, 10	7, 8, 1, 12, 13
2-26	Mechanisms for seeking advice and raising concerns	Sustainability management, p. 8		6, 10	8
2-27	Compliance with laws and regulations	GRI index	No incidents of non-compliance		
2-28	Membership associations	Sustainability management, p. 8-9, Real estate, p. 13-15, Restaurants, p. 19, p. 21-22, p. 27, EU taxonomy report, p. 32, TCFD report, p. 35, p. 39, Board of Directors' report and financial statements, p. 9			

Disclosure	Report content	Location	More information	UN Global Compact principles	UN Sustainable Development Goals
Stakeholder engagement					
2-29	Approach to stakeholder engagement	Sustainability management, p. 9, Real estate, p. 14, Restaurants, p. 21, EU taxonomy report, p. 32			
2-30	Collective bargaining agreements	GRI index	Ylva's personnel have full freedom of professional association and the right to membership of trade unions, for example.	3, 6	8
GRI 3: MATERIAL TOPICS (2021)					
3-1	Process to determine material topics	GRI index	Ylva assesses its impacts on people, the community and the environment and has defined its material topics accordingly. The views of stakeholders and Ylva's own experts are regularly heard.		
3-2	List of material topics	Real estate, p. 11-16, Restaurants, p. 17-22, People, p. 23-28, GRI index	This year, Ylva will review its material topics of sustainability by means of a materiality analysis. The topics will be listed in the carbon budget for 2022 and the next sustainability report.		
3-3	Management of material topics	Real estate, p. 11-16, Restaurants, p. 17-22, People, p. 23-28			
ECONOMIC STANDARDS					
GRI 201: ECONOMIC PERFORMANCE (2016)					
201-1	Direct economic value generated and distributed	TCFD report p. 34-40			8
201-2	Financial implications and other risks and opportunities due to climate change	TCFD report p. 34-40			8
GRI 203: INDIRECT ECONOMIC IMPACTS (2016)					
203-1	Infrastructure investments and services supported	Real estate, p. 11-16, Board of Directors' report and financial statements, p. 4-5			8, 11, 12
203-2	Significant indirect economic impacts	EU taxonomy report, p. 29-33, TCFD report, p. 34-40		1, 2, 3, 4, 5, 6, 7, 8, 9, 10	7, 8, 11, 12, 13
GRI 205: ANTI-CORRUPTION (2016)					
205-3	Confirmed incidents of corruption and actions taken	GRI index	No incidents in 2021.	10	
ENVIRONMENTAL STANDARDS					
GRI 302: ENERGY (2016)					
302-1	Energy consumption within the organisation	Real estate, p. 12-16	The energy consumption of Ylva's real estate in 2021 was as follows: 8,192 MWh electricity/10,656 MWh heat.	8, 9	7, 13
302-3	Energy intensity	Real estate, p. 15, Restaurants, p. 20		8, 9	7, 13
302-4	Reduction of energy consumption	Introduction, p. 6, Real estate, p. 12-15, Restaurants, p. 18-22, EU taxonomy report, p. 29-33, TCFD report, p. 39-40, TCFD report, p. 35-39		8, 9	7, 13

Disclosure	Report content	Location	More information	UN Global Compact principles	UN Sustainable Development Goals
GRI 304: BIODIVERSITY (2016)					
304-2	Significant impacts of activities, products, and services on biodiversity	Introduction, p. 5, EU taxonomy report, p. 29–33, TCFD report, p. 34–40	Ylva has identified biodiversity as a new material topic and will take biodiversity into account in more detail in all aspects of the company's operations.	7, 8, 9	14, 15
GRI 305: EMISSIONS (2016)					
305-1	Direct greenhouse gas emissions (Scope 1)	Real estate, p. 15		7, 8, 9	7, 13
305-2	Energy indirect (Scope 2) GHG emissions	Real estate, p. 15		7, 8, 9	7, 13
305-3	Other indirect (Scope 3) GHG emissions	Real estate, p. 15		7, 8, 9	7, 13
305-4	GHG emissions intensity	Real estate, p. 15		7, 8, 9	7, 13
305-5	Reduction of GHG emissions	Real estate, p. 15		7, 8, 9	7, 13
GRI 306: WASTE (2020)					
306-2	Management of significant waste-related impacts	Real estate, p. 13, Restaurants, p. 18–20, EU taxonomy, p. 30–31		8, 9	12
SOCIAL STANDARDS					
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)					
403-1	Occupational health and safety management system	People, p. 24–25	We familiarise Ylva's personnel with occupational health topics by means of an action plan that is available on our intranet. Ylva's construction sites operate in full compliance with the applicable laws, regulations, collective agreements, and other agreements with regard to occupational health and safety. Our construction sites are led by external project management contractors, and the construction sites operate in accordance with their occupational health and safety systems. We provide guidance for the operations and issue principles by means of a contractual appendix on inclusion at construction sites. Occupational health services for Ylva's personnel are provided on a centralised basis through Ylva Services Ltd. In addition, the restaurants have their own processes and special guidelines concerning occupational safety. UniCafe restaurants have also been the first restaurant industry operators in Finland to participate in the Zero Accidents forum.	1, 6	8
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)					
405-1	Diversity of governance bodies and employees		At the end of the year, Ylva Services Ltd had 136 employees, of whom 99.3% were in a permanent employment relationship and 0.7% in a fixed-term employment relationship. Of the employees, 31% were men and 69% were women. The average age of the personnel was 43 years, and the average duration of employment was 13 years.	1, 6	8
GRI 406: NON-DISCRIMINATION (2016)					
406-1	Incidents of non-discrimination and corrective actions taken		We were not informed of any such incidents in our own operations in 2021.	1, 6, 10	8

TCFD	Report content	Location	More information	UN Global Compact principles	UN Sustainable Development Goals
GOVERNANCE					
	a) The Board's oversight of climate-related risks and opportunities	TCFD report p. 36-40		7, 8	8, 13
	b) The management's role in assessing and managing climate-related risks and opportunities	Introduction p. 6, TCFD report p. 36-40		7, 8	8, 13
STRATEGY					
	a) The company's processes for the identification and assessment of climate-related risks over the short, medium and long term.	TCFD report p. 36-40		7, 8, 9	8
	b) The impact of climate-related risks and opportunities on business, strategy and financial planning	TCFD report p. 36-40		7, 8	8
	c) The resilience of the strategy, taking into consideration different climate-related scenarios	TCFD report p. 36-40		7	8
RISK MANAGEMENT					
	a) The organisation's processes for the identification and assessment of climate-related risks over the short, medium and long term.	TCFD report p. 36-40		7	8
	b) The organisation's processes for managing climate-related risks	TCFD report p. 36-40		7	8
	c) How processes for managing climate-related risks are integrated into the organisation's overall risk management	TCFD report p. 38		7	8
METRICS AND TARGETS					
	a) The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	TCFD report p. 36-40		7, 8, 9	8
	b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Real estate, p. 15, Restaurants, p. 20, TCFD report p. 36-40		8, 9	7, 8, 13
	c) The organisation's targets concerning climate-related risks and opportunities and the current situation	TCFD report p. 36-40		8, 9	7, 13

YLVA

www.ylva.fi