



**Annual Report 2021**





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Kojamo's Annual Report entity consists of The Board of Directors' Report and Financial Statements, Corporate Governance Statement, Remuneration Report and Annual Report including Sustainability Report.

Unless otherwise stated, the figures in brackets refer to comparison period.



## Business


Our total revenue increased in 2021 and we have continued our investments in line with our strategy. We are confident that the impact of the pandemic on the market is temporary and that migration will recover once the pandemic abates.

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# Highlights of the year


**21 Jan**

We were nominated as the best implementer of equality among Finnish listed companies. 


**15 Mar**

We launched a Green Finance Framework. 

**19 May**

We announced even more comprehensive broadband and entertainment services coming to all Lumo homes during 2022. 

**28 May**

We issued a EUR 350 million green bond under our EMTN programme. 


**12 Jul**

In summer we agreed on the construction of 593 apartments in the capital region within the framework of our current cooperation agreements. 


**2 Sep**

Nearly 700 car-sharing vehicles available for Lumo residents around Finland. 

**15 Oct**

We improved our result in the GRESB Sustainability Assessment. 

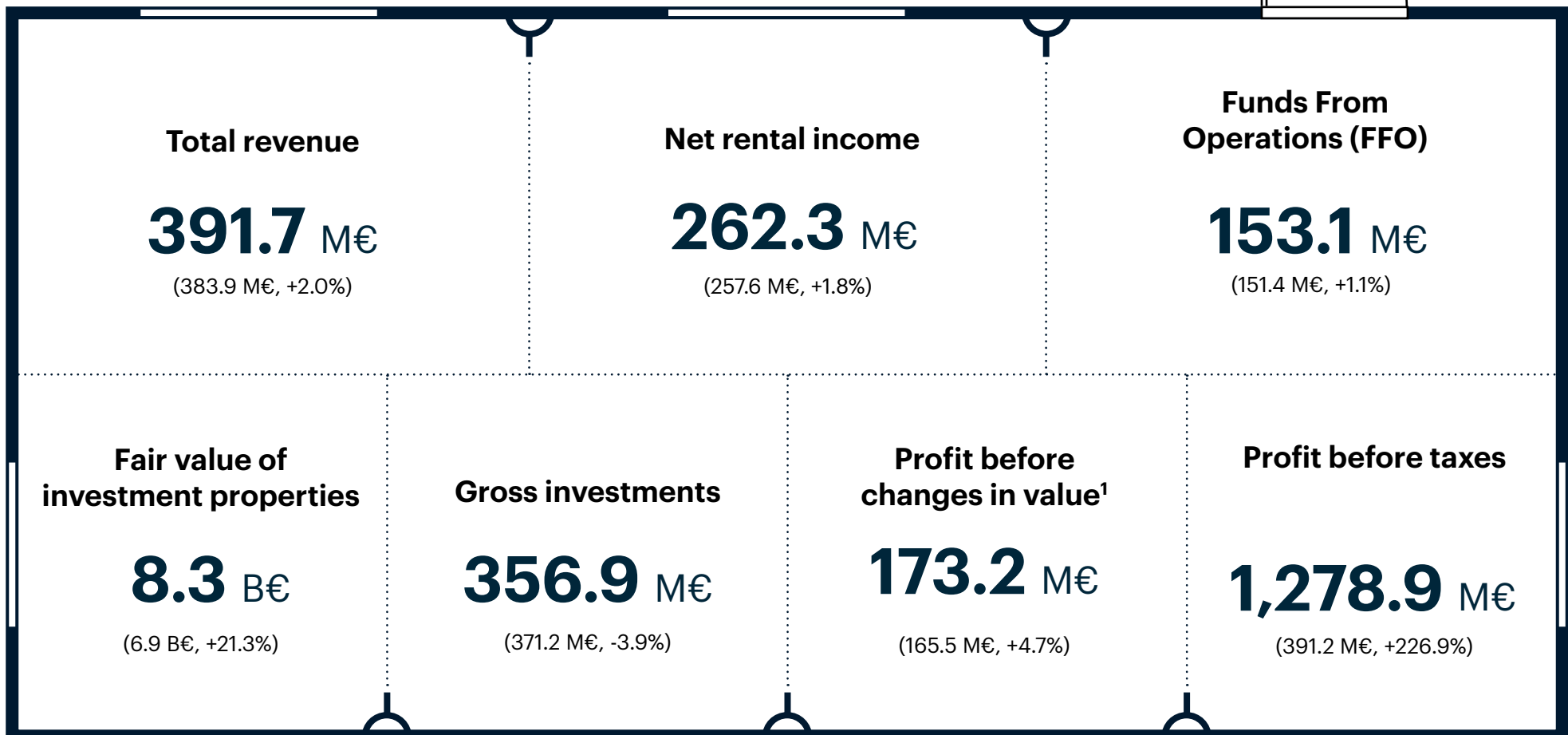
**23 Nov**

Electric car charging service was included in the Lumo service portfolio. 



# Key figures in 2021

Kojamo is Finland's largest private residential real estate company and one of the biggest investors in Finland. Our mission is to create better urban living. Lumo offers environmentally friendly housing and services for the city dweller who appreciates quality and effortlessness. We actively develop the value of our investment properties by building new properties as well as buying and developing existing property portfolio. We want to be the property market frontrunner and the number one choice for our customers. Kojamo's shares are listed on the official list of Nasdaq Helsinki.

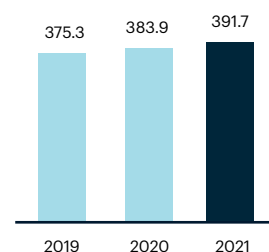


1) Changes in value = Profit/loss on fair value of investment properties

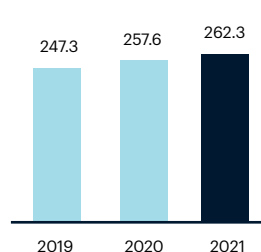


# Financial development

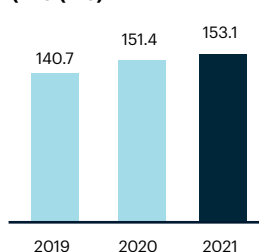
Total revenue (M€)



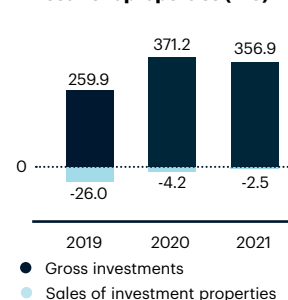
Net rental income (M€)



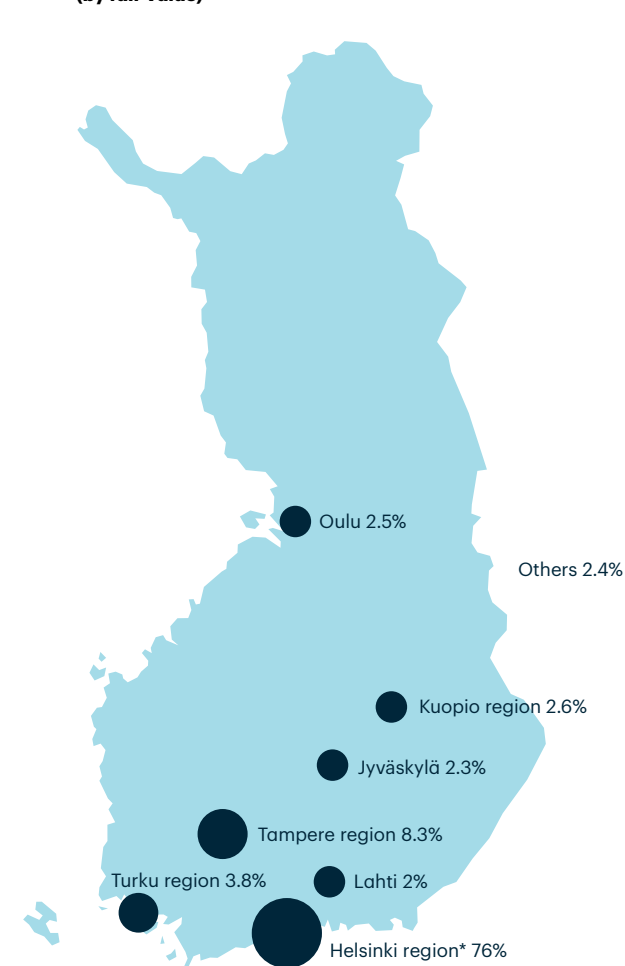
Funds from operations (FFO) (M€)



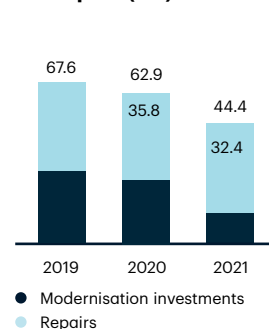
Gross investments and sales of investment properties (M€)



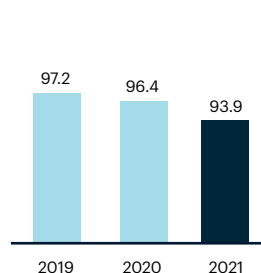
Property portfolio by region 31 December 2021 (by fair value)



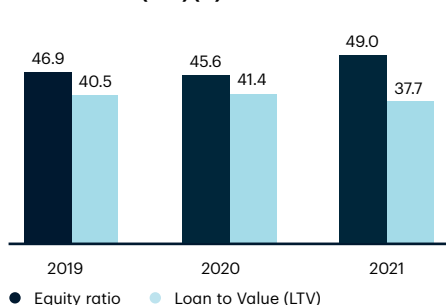
Modernisation investments and repairs (M€)



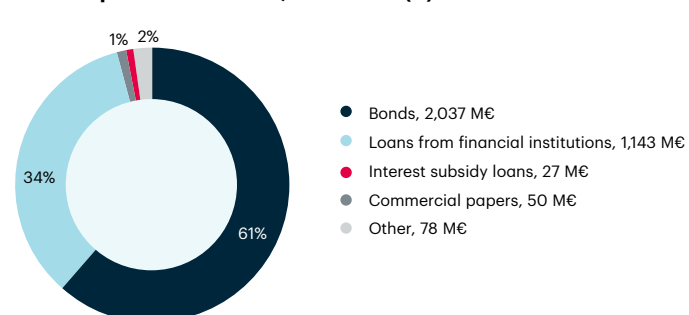
Financial occupancy rate (%)



Equity ratio and Loan to Value (LTV) (%)



The Group's loan distribution, 31 Dec 2021 (%)



\*Helsinki region includes the following municipalities: Helsinki, Espoo, Vantaa, Kauniainen, Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Porvoo, Riihimäki, Sipoo, Tuusula and Vihti



## CEO's review



We have made steady progress in implementing our strategy and we were able to achieve profitable growth during the year in spite of the challenging circumstances. Our total revenue increased and we have continued our investments in line with our strategy.

The prolongation of the COVID-19 pandemic has been reflected in uncertainty in the market. Work-related migration, both within Finland and from abroad, has temporarily slowed down, while students have moved in with their parents and foreign students have returned to their home countries. This has led to lower demand which, in turn, has had a temporary effect on our occupancy rate. There were also positive signs of a recovery during the year. In the Tampere and Turku

regions, the rental market returned close to normal levels in the second half of the year. In the capital region, there were labour shortages in the service sector in the latter part of the year, which is indicative of the recovery of work-related migration. However, the COVID-19 situation began to again deteriorate late in the year, and it is clear that the uncertainty around the duration of the pandemic and the related restrictions will continue to affect the market in the new year.

We are confident that the impact of the pandemic on the market is temporary and that migration will recover once the pandemic abates. We are a long-term operator and the impact of the decisions we make today will be felt for decades to come. The features and locations of our apartments and the services we offer create a combination that presents us with a competitive advantage and provides a unique housing experience for our

customers now and in the future. We believe that growth centres will continue to be attractive places of work and studying, providing services and opportunities to meet people. Combined with the decreasing average size of households, the appeal of growth centres creates demand for apartments.

According to a population forecast published last summer, urbanisation will continue to be a strong trend after the pandemic. The forecast takes into account the slowdown in migration seen during the COVID-19 pandemic and lays out three different demographic scenarios. In all three scenarios, urbanisation is expected to continue to be a strong trend in Finland's largest cities.

Our investments in future growth continued as planned. We started construction on several properties, both using our own plot reserve and through projects purchased from construction companies. We also launched projects under previously signed preliminary agreements. Consequently, we have a strong project pipeline for the years to come. In the new year, we also expect construction to begin on the first properties under the Metropolia real estate development project. In the coming years, the Metropolia real estate development project will develop as many as 1,000 new apartments for us in central locations in Helsinki. Construction of the Lumo One skyscraper, the tallest rental apartment building in Finland, has progressed on schedule in Kalasatama. Virtual floor plans are already available for the unique apartments under construction.

We have sought to serve our customers in the best possible manner even during these exceptional times. The pandemic has led to our customers spending a lot of time at home, and we have paid particular attention to keeping our properties safe, tidy and comfortable. We received a lot of positive feedback on these aspects during the year. Approximately three-quarters of our customers use the My Lumo service to manage their

housing-related affairs. Customers can also purchase various services through My Lumo, with the key courier and dishwasher installation services being especially popular. We also expanded our car-sharing network during the year. We have invested in the customer experience and updated our Lumo brand strategy. Lumo focuses on the target group that makes a long-term choice of rental housing over owner-occupied housing. The Lumo brand promise – Lumo – Easily best living – means that we provide our customers with a better customer experience and services with our partner network.

The sustainability programme we published last year has now been in action for a year, and we have achieved notable milestones within that programme. In the spring, we took a significant step on the sustainable finance front by publishing Kojamo's Green Finance Framework. We subsequently issued our first green bond in May. The funds raised from the issue will be used to finance the construction of nearly zero-energy buildings and promote the energy efficiency of buildings in accordance with the Green Finance Framework. During the year, we created a carbon-neutral roadmap that guides us towards our goal of carbon-neutral energy consumption.

We also focused on looking after our employees' well-being and working conditions during the year. In particular, we have focused on the development of management and supervisory work, and these efforts have led to positive feedback in our personnel satisfaction survey.

I want to take this opportunity to thank all Kojamo employees, our customers and partners for the good cooperation during the last year.

**Jani Nieminen**  
CEO



# Urbanisation creates demand for rental housing

COVID-19 continued to have an impact on the market in 2021 due to the pandemic-related restrictions and the associated uncertainty. Nevertheless, according to recent population forecasts, urbanisation will continue in the largest cities. The megatrends of urbanisation, decreasing household size and servitisation will support the popularity of rental housing for a long time to come.

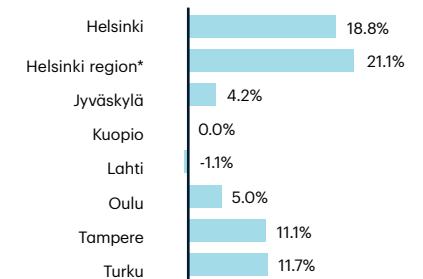


Cities will continue to be the main providers of work and study opportunities while also offering comprehensive services and good transport connections. Urbanisation in Finland has progressed more slowly than in other European countries, but it is the most significant source of population growth. Urbanisation is also supported by small households becoming more commonplace, young people becoming independent earlier in life and immigration.

Last summer, the independent regional development consultancy MDI published an updated population forecast for 2040. The forecast provides three different scenarios for future demographic development. The scenarios address development during the COVID-19 pandemic in different ways. Each of the forecasts reflects the growth of large cities and continued urbanisation, the strengthening of growth in the areas surrounding major cities and the growing significance of the non-Finnish speaking population in the national demographic trends, even though Finland's population as a whole is not expected to grow. Population growth in the Helsinki, Turku and Tampere regions exceeds 10% in each of the three scenarios. We have focused our operations in the regions where we see long-term growth potential.

The trend of urbanisation is paralleled by the growing popularity of rental housing. The number of households that rent their homes has grown continuously, even during the COVID-19 pandemic. Accord-

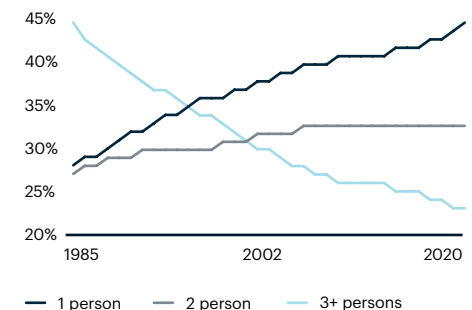
## Population growth forecast 2020–2040, %



\*Helsinki, Espoo, Vantaa, Kauniainen

Source: MDI

## Development of household sizes (% of all households)



Source: Statistics Finland

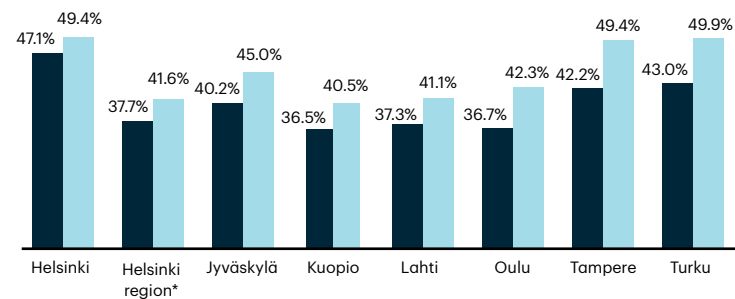


Studios and one bedroom apartments account for about

**72%**

of our housing portfolio

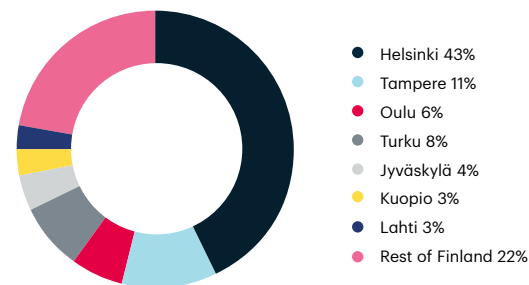
**Development of rental household-dwelling units**  
(% of all households)



\*Helsinki, Espoo, Kauniainen, Vantaa, Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Porvoo, Riihimäki, Sipoo, Tuusula, Vihti

Source: Statistics Finland

**Housing production need 2020–2040**



Source: VTT

ing to Statistics Finland, three out of five households of people under 40 years of age currently rent their homes. The phenomenon of servitisation is also visible in housing. In changing life circumstances, rental housing is more flexible than owner-occupied housing, and people no longer consider owning a home to be the only way to accumulate wealth. The prices of owner-occupied apartments in cities also increased substantially last year. Renting a home provides more households an opportunity to live in their preferred residential area. Demographic changes are driving continued growth in the number of small households, which will increase demand especially for studios and one bedroom apartments. These types of apartments represent about 72% of our apartment portfolio.

Demographic changes and growth being concentrated in cities create demand for new apartments. The key issues are the location of new housing construction and the types of apartments that are built. Adequate investment can also have an impact on the price of housing when there is sufficient supply relative to demand. Good transport connections, location, opportunities for outdoor recreation, housing solutions as well as various shared-use facilities and the possibility to extend one's living room beyond the walls of the apartment are important selection criteria. People also want more from housing than merely walls and a roof.

Various services that make everyday life easier, such as access to a shared-use car, can play a significant role in the choice of a home. These are also important factors in our decisions concerning new investments. We want to provide environmentally friendly housing options and services to urban dwellers who appreciate quality and effortlessness.



## Our strategy 2020–2023

### Megatrends

Urbanisation & internationalisation



Ageing population & smaller family sizes



New technologies & digitalisation



Individuality & sense of community



Environment & sustainable development



### Mission

We create better urban living.

### Vision

We are the property market frontrunner and the number one choice for our customers.

### Strategic focal points

- Delivering the best customer experience
- Strong growth
- Operational excellence
- Responsibility and sustainable development
- The most competent personnel and a dynamic place to work
- Renewal through digital solutions

### Values



Happy to serve



Strive for success



Courage to change



# Progress towards strategic targets in 2021

The primary targets of our strategy period 2020–2023 are related to growth, profitability, solvency and customer satisfaction. In spite of the challenging operating environment, we made good progress in executing our strategy during the year.

We monitor the implementation of our strategy through our strategic targets. In our strategy, strong growth is measured by the growth of total revenue and annual investments. Revenue growth is derived from two sources: growing the housing stock and increasing Like-for-Like rental income. The growth of Like-for-Like rental income is influenced by rent increases as well as the financial occupancy rate. Restrictions related to the COVID-19 pandemic and the resulting uncertainty, as well as the temporary slowdown of migration, have significantly reduced the financial occupancy rate in 2020 and 2021. This, in turn, has had a negative impact on the growth of Like-for-Like rental income and, consequently, total revenue.

Our annual investments were in line with the target. We have strict criteria for our investments, both in terms of profitability and in terms of location and property characteristics. Construction costs increased in the market during the year. However,

this has not significantly reflected in our operations, as our current projects and preliminary agreements have generally been concluded at fixed prices.

It is important for us to seek growth from different sources. In 2021, our investments mainly consisted of investments in new property construction. During the year, we started new projects on our plot portfolio and we also purchased projects from construction companies. Another path of growth is to acquire completed properties or property portfolios. The transaction market slowed down significantly in 2020 due to the restrictions introduced in response to the COVID-19 pandemic but, in 2021, the market began to recover and several portfolio transactions were completed. However, competition has been intense and yield requirements have fallen to a low level, which is why we focused more on project development during the year. The third path of growth is to convert existing commercial properties into rental apartments. Our most significant conversion project is the Metropolia real estate development project, which involves converting properties previously used as teaching premises into as many as a thousand rental apartments.

We seek growth in order to be even more profitable. Our indicator for this is the ratio of Funds From Operations (FFO) to total revenue. The target for this ratio is above 36%. FFO is a measure of cash flow from operating activities, as it does not take into account changes in the fair value of investment properties. Our result for this indicator was strong and in line with our target.

A strong, well-managed balance sheet enables the implementation of our growth plan. We use two indicators for this: our equity ratio and Loan to Value (LTV). Our balance sheet was strong at the end of the year, which gives us room to manoeuvre and enables us to act quickly when we find attractive investment opportunities in the

market. We have the ability to achieve growth in line with our strategy while maintaining our equity ratio and LTV targets.

Customer satisfaction is a key indicator for us, and we use our Net Promoter Score (NPS) to measure it. Our aim is to reach an NPS of 40 by 2023. Last year, our NPS was lower than in 2020, although we did see favourable development in certain individual indicators in our customer satisfaction surveys, such as the safety of housing. This appears to be an international phenomenon that cuts across industry boundaries, as NPS scores seem to have declined in many industries and various countries during the pandemic. We will continue our long-term efforts to create the best customer experience.

## Strategic targets 2020–2023

KEY FIGURE	RESULT IN 2021	RESULT IN 2020	STRATEGIC TARGET
Annual growth of total revenue, %	2.0	2.3	4–5
Annual investments, M€	356.9	371.2	200–400
FFO/total revenue, %	39.1	39.5	> 36
Loan to Value (LTV), %	37.7	41.4	< 50
Equity ratio, %	49.0	45.6	> 40
Net Promoter Score (NPS)	20	36	40

A further objective is to be a stable dividend payer whose annual dividend payment will be at least 60% of FFO, provided that the Group's equity ratio is 40% or more and taking account of the company's financial position. Kojamo's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.38, corresponding to 61% of FFO, be paid for the financial year 2021.



# We continued to create better urban living in 2021

We offer rental apartments and housing services in Finland's largest growth centres. In line with our strategy, we focus on creating profitable growth. We want to be the property market frontrunner and the number one choice for our customers. During the year, we continued to invest in growth and creating the best customer experience.



## Over 2,600 apartments under construction

We have continued our investments in growth and we started construction on as many as 1,333 new apartments during the year. All of our projects under construction, preliminary agreements and plots are located in the capital region, where we expect to see the strongest continued growth in the future. Our projects are in excellent locations, along rail connections and close to a wide range of services. Our strong project pipeline and plot reserve provide us with good conditions for future growth. As a long-term owner, we build apartments that correspond to demand over the long term. At the end of the year, we owned 36,897 Lumo apartments in Finland's largest growth centres. The majority of these, 72%, are studios and one bedroom apartments, the demand for which is supported by small households becoming more common.

Last year, we literally elevated rental housing to a new level as construction on Lumo One, Finland's first and tallest skyscraper intended for rental use, reached rooftop height in Helsinki's Kalasatama district. Built on top of the REDI shopping centre, Lumo One will offer high-quality housing and services that liven up daily life by the sea on 31 floors. Apartment rental began in early 2022 and the first residents will move in next summer. **More information on Lumo One is available [here](#).** 

The Metropolia project is our most significant current property development project. In 2017, we acquired Metropolia University of Applied Sciences' prestigious buildings from the City of Helsinki. We intend to convert

these buildings to approximately 1,000 rental apartments in key locations in Helsinki over the coming years. One of the properties will be sold to be used as a hotel. The project has been in the zoning phase for a long time, and zoning will still continue in part in 2022. However, the zoning plans for the first properties have been confirmed and the first Metropolia conversion project has proceeded to the tendering phase. We will be able to start construction at the first property in 2022.

## Lumo – Easily best living

We focus on creating the best customer experience. The updated Lumo brand strategy focuses on the target group that chooses rental housing over owner-occupied housing. We want to be the best alternative in the long term and thereby create sustainable business growth. Lumo – Easily best living. Instead of the conventional approach to property rental, we have given our customers the power to choose us. Customers can rent the most suitable home from the Lumo webstore. The importance of the home has grown and expanded during the COVID-19 pandemic. The home has served multiple purposes, with many people using their home as an office, cultural centre or a gym. People have spent more time at home. This, in turn, has underscored the significance of smooth customer service.

# 1/3

of new customers  
take advantage of our  
additional services.

As the pandemic has continued, we have focused on making the transformation of daily life easier. Many of our properties have various shared facilities that our residents have used to expand their remote offices, for example. We are also in the process of significantly improving the capacity of the broadband service included in our tenancy agreements, which also supports remote work. During the year, we focused particularly on the safety of housing, keeping outdoor areas attractive and comfortable and ensuring effective waste management. Our customer satisfaction has improved in all of these areas, especially with regard to the safety of housing. We expanded our car-sharing network during the year, and our customers now have access to nearly 700 shared vehicles.

**Kojamo owned**

**36,897**

**apartments at the end of the year.**

We continued our strong service development during the year, especially with regard to the My Lumo service. Approximately three-quarters of our customers now use the My Lumo service to easily manage their housing-related affairs and purchase additional services. The purchasing volumes of additional services increased during the year. One in three new customers now takes advantage of our additional paid services. Examples of popular services include a dishwasher with a monthly fee, the key courier service and moving-out cleaning.

### **Our digital roadmap guides our development efforts**

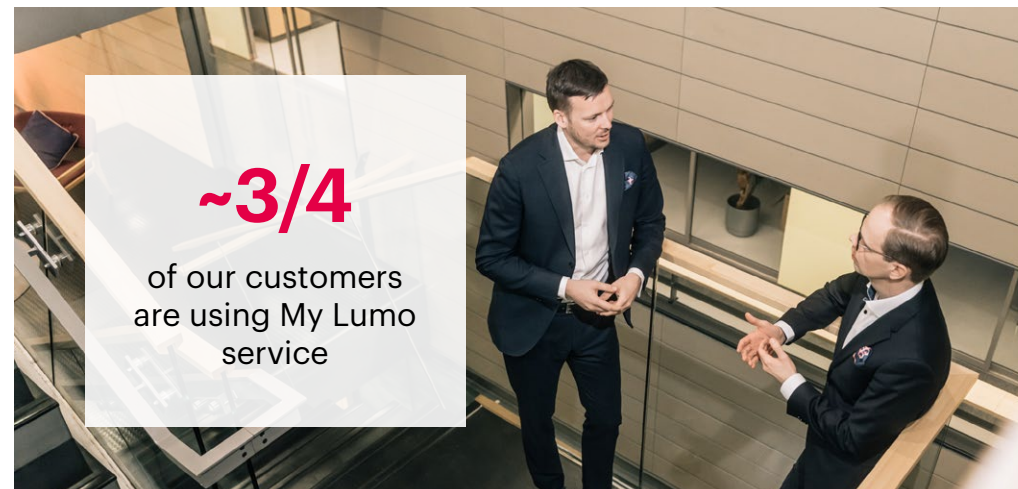
Digitalisation is a key factor that guides our strategy. Our aim is to create easy and convenient services for our customers along

with new added value-added services, utilise technology in housing and property maintenance and implement solutions that make the work of our personnel easier. In 2020, we published a digital roadmap to guide our development efforts during this strategy period. The roadmap consists of three components focused on the creation of added value as well as two enabling components.

**Digital NPS**

**64**

With regard to the customer experience and servitisation component, our goal is to provide our customers with services that make their life easier. The Lumo.fi website, its unique direct rental service and the My Lumo service play key roles in this respect. Lumo.fi was developed in 2021 with agile development methods and by acknowledging customer feedback. The number of visitors to the service rose in August 2021 to a record high of almost 300,000 visitors interested in housing. In 2021, we further improved the My Lumo service both in terms of usability and the service offering. Parking spaces can now be reserved via mobile devices, for example. With regard to the scalability of operations and the employee experience component of our digital roadmap, during the year we launched the My Kojamo service for our employees to support information sharing, team collaboration and the development of our corporate culture. The service can also be used on mobile devices, which means it helps all Kojamo employees at work regardless of where they are. Related to the digitalisation of properties and services, we have developed services and common spaces for the Lumo One skyscraper together with our customers. In addition, we have piloted a solution where our residents can book the common areas of the buildings digitally,



and also easily utilise the services of other Lumo buildings.

With regard to the Knowledge-based management and AI component, we established an analytics and data team in 2021 to support our goals related to knowledge-based management and the use of artificial intelligence. AI helps us to better understand customer feedback, for example. This, in turn, enables us to keep building a better customer experience. With regard to the enabling technology and IT architecture component of our digital roadmap, we continued the transition to cloud services as planned during the year. During the year, we implemented a significant project focusing on the processes and operating models of data protection work.

### **Focus on the development of supervisory work and the hybrid work model**

We want to be known for our dynamic and effective corporate culture. We are proud of our corporate culture, which is summarised in our values: happy to serve, strive for success and courage to change. During the year, we focused particularly on developing

our supervisory work and leadership skills. We have also focused on supporting hybrid work in many ways; for example, by expanding the training content provided in the Virta e-learning environment and by offering diverse sports and well-being benefits to our employees. Our revised personnel survey produced very good results during the year.

### **Towards carbon-neutral energy consumption**

The sustainability programme we published at the end of 2020 has now guided our sustainability efforts for a year, and we are reporting in accordance with the objectives of the programme for the first time. During the year, we increasingly integrated sustainability into everything we do. Our most important commitments are related to carbon-neutral energy consumption, which we aim to achieve by 2030. In the spring, we integrated sustainability even more strongly into our financing by publishing a Green Finance Framework. We also issued our first green bond.

**More information on our sustainability efforts during the year is provided in the sustainability section.** [↩](#)



# Kojamo's value creation model

## Resources

### Financial capital

- Equity **4,263.3 M€**
- Liabilities **4,453.5 M€**
- Fair value of the property portfolio **8.3 B€**

### Production capital

- Apartments **1,992,449** fl.sq.m.
- Plots and real estate development projects owned **162,080** fl.sq.m.
- Service and innovation platform
- Gross investments **356.9 M€**

### Human resources and intellectual capital

- Committed, motivated and skilled personnel **325** employees
- Investments in well-being at work, training and skills

### Intangible capital

- Brands and product development
- Customer and consumer insight
- Strong corporate culture, ways of working and service concepts that promote market differentiation

### Relationship capital

- Customer relationships, cooperation with residents
- Partner network, co-creation model with partners
- Investors and financiers
- Cooperation with the authorities
- Cooperation with the sector and other organisations

### Natural resources

- Heating energy, electricity, water
- Construction materials

## Business operations

### Our vision

We are the property market frontrunner and the number one choice for our customers.



### Our mission

We create better urban living

### Strategic focal points

Delivering the best customer experience  
Strong growth  
Operational excellence  
Responsibility and sustainable development  
The most competent personnel and a dynamic place to work  
Renewal through digital solutions

## Output

### Customers

- Satisfied customers **20** NPS
- New customers

### Apartments

- A growing housing portfolio with **36,897** units in good condition and located in growth centres, within the reach of public transport

### Services and agreements

- Total revenue **391.7 M€**
- Rental services, webstore
- Housing-related services that make daily life easier
- My Lumo service **69.9%** customer coverage
- Multi-channel customer service
- Tenancy agreements
- Agreements with suppliers and subcontractors

### Emissions, energy, waste

- Carbon dioxide emissions **4.4 kg CO<sub>2</sub>e/m<sup>3</sup>**
- Total energy consumption **37.7 kWh/m<sup>3</sup>**
- Waste **16,635 t**
- Waste recycling rate **40%**

### Company valuation and economic return

- Market capitalisation at year-end **5,249.3 M€**
- Funds From Operations (FFO) **153.1 M€**

### Market position

- Finland's largest private residential real estate company

## Impacts

### On customers

- High-quality living conditions, safe tenancy relationships
- Environmentally friendly housing
- Good customer experience, easy daily life

### On investors and financiers

- Stable investment
- Dividends and increase in value

### On suppliers and partners

- New business generated by the service and sharing economy
- Long-term partnerships, fair business operations
- Payments to service providers and subcontractors

### On personnel

- Salaries and remuneration **16.4 M€**
- A good place to work
- Professional development and growth **8h 58min** training hours on average

### On society

- Employment, direct and indirect **7,035** person-years (indirect employment effect)
- Payment of taxes, curbing the grey economy, tax footprint **-104 M€**
- Increased vitality of cities
- Efficiency of a denser urban structure

### On the environment

- Properties and residential areas that promote sustainable development, carbon footprint **42,671 t CO<sub>2</sub>**
- Use of technologies that increase the ecological sustainability of housing **27,842** apartments use an AI-driven indoor air management system
- Creation and impact of an ecologically sustainable urban structure



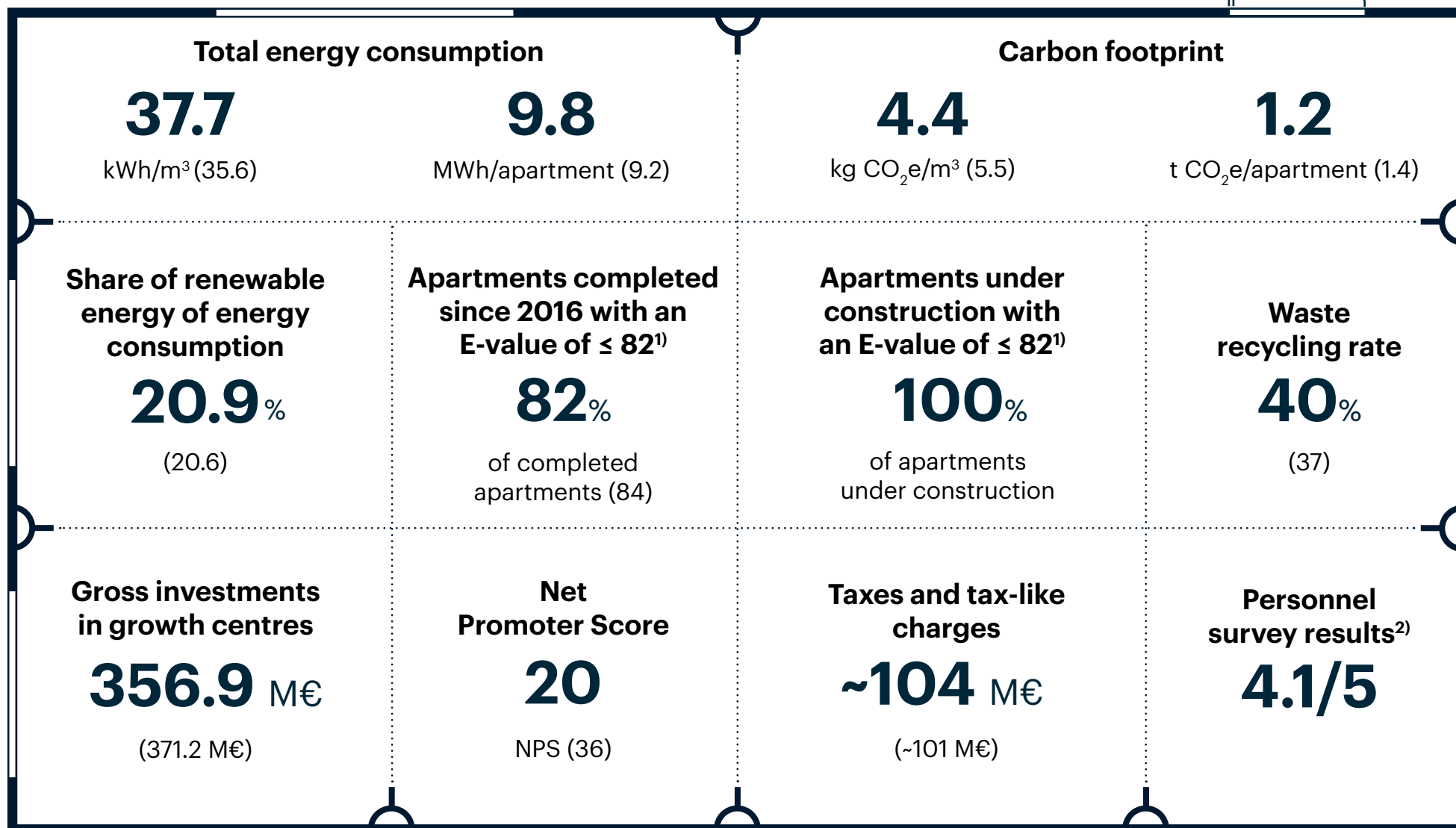
## Sustainability at Kojamo

2021 was the first year of our sustainability programme. The core of our sustainability is expressed in our mission statement: we create better urban living.

Key sustainability figures in 2021	16
We create better urban living	17
Sustainability management and stakeholder engagement	18
Key commitments	19
Our sustainability programme	20
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# Key sustainability figures 2021



1) Consists of new development projects involving Kojamo's own plot reserve.

2) The personnel survey was renewed in 2021. The result is not comparable with the results of previous years.

# We create better urban living

Kojamo is a frontrunner in rental housing that is building better and more sustainable urban living. The core of our sustainability is expressed in our mission statement: we create better urban living. Sustainability is becoming increasingly significant to our stakeholders, which directly affects our operations. Corporate responsibility and sustainable development are a strategic focus area for Kojamo and an integral aspect of our operations and corporate culture.

Sustainability is part of our DNA, it is part of the work of everyone at Kojamo and we manage it as part of our day-to-day business. This is reflected on various levels of our operations, including our business operations, working conditions and the customer interface.

Sustainability has always been at the core of our business and we want to continuously develop the sustainability of our operations. In addition to being guided by our objectives, our sustainability is subject to stakeholder expectations, regulatory changes and requirements beyond the legal provisions that we must respond to. Megatrends as well as ambitious and increasingly strict environmental and climate targets aimed at mitigating climate change, for example, influence both our business operations and our operating environment. We must have the capacity to develop our operations accordingly.


## 2021 – The year of sustainability

The sustainability programme we published in 2020 was put into action in 2021. During the year, we integrated the targets and indicators of the sustainability programme into our business operations. We are now reporting in accordance with these targets for the first time. The assessment of climate change risks has been integrated more closely into the Group's risk assessment process.

The most significant commitment set out in our sustainability programme is our

goal of carbon-neutral energy consumption by 2030. During the year, we worked on a carbon-neutral roadmap to set out targets and actions for achieving this goal. More information on the roadmap is provided in the section "A builder of sustainable cities".

In the spring, we published a Green Finance Framework that is based on our sustainability programme. It links our sustainability targets and climate actions with Kojamo's investments and their financing. The Green Finance Framework applies to Kojamo's investments that promote sustainable and low-carbon urban development, which focus on energy-efficient buildings and improving the energy efficiency of buildings as well as projects related to increasing the production of renewable energy, promoting clean transport or the development of waste management. We issued our first green bond in May.

Our reporting on the past year marks the first time we have applied the EU taxonomy requirements. Our report on compliance with the taxonomy is published as part of [the Board of Directors' report](#) 

During the year, we also focused on sustainability at the customer interface and increased our customers' awareness of recycling and waste management, for example. We also significantly expanded our car-sharing agreement, which will provide even more of our residents with access to shared vehicles in the future.

In our own operations, we focused particularly on the development of data security culture in the company and trained our employees on the Code of Conduct, which was updated last year.

## Recognition for our sustainability efforts

EPRA assesses the financial statements and sustainability reports of European listed property companies yearly and grants awards to the best companies. EPRA recognised our financial statements for 2020 with a Gold award for the third consecutive year and our sustainability report for 2020 with a Silver award for the second consecutive year.

In 2021, we participated in the Global Real Estate Sustainability Benchmark (GRESB) survey for the second time. We improved our score compared to the previous year, receiving 77 points out of 100, three stars out of five and our second consecutive Green Star recognition for our sustainability efforts. Our score improved by seven points compared to the previous year and exceeded the average result of all of the participants in the assessment (73). We also exceeded the average score (72) of our comparison group (Europe, Listed Residential) and placed second in the group.

In the separate GRESB Public Disclosure assessment, which focuses on the transparency and scope of public sustainability disclosures, we achieved the highest possible score (A) and ranked second in our comparison group (Northern Europe, Residential).

At the beginning of the year, we also received recognition for the equality of our personnel when the EWob Gender Diversity Index 2020 named us as the best implementer of equality among Finnish listed companies.

## [Read more about Kojamo's performance in the GRESB assessment.](#)

## A comprehensive materiality analysis as the foundation of our sustainability programme

We conducted a materiality analysis of sustainability in 2020 as part of the development of our sustainability programme. In the materiality analysis, we defined the material themes of sustainability for ourselves and our stakeholders to ensure that our sustainability efforts are focused on the themes that are the most material with regard to our strategy, business operations and stakeholders.

Based on the most material aspects of sustainability, we established the four focus areas of our sustainability programme, sustainability themes under each area and the cornerstones of our sustainability programme.

The focus areas of our sustainability programme and the sustainability themes under them constitute our material themes of sustainability in accordance with the GRI Standards framework. The material aspects of sustainability apply to the entire Kojamo Group. Going forward, we will regularly assess whether the materiality analysis is up-to-date. We will also assess this whenever there are significant changes in our operations or the operating environment. There were no significant changes in operations during the year under review and there was no need to update the materiality analysis.

## [Find more information on the materiality analysis of sustainability on our website.](#)



# Sustainability management and stakeholder engagement

## Sustainability management

Responsibility and sustainable development are among Kojamo's strategic focus areas and they concern all of our business operations. Sustainability is part of our DNA and it plays an important role in the work of everyone at Kojamo. This is reflected on various levels of our operations, including our business operations, working conditions and the customer interface. Our sustainability is guided by our values, strategy and Code of Conduct as well as the policies and objectives outlined in our sustainability programme. Sustainability is part of day-to-day management and the development of our operations.

The Board of Directors is responsible for strategic policies and decisions concerning sustainability. The Board approves the sustainability programme, including key sustainability-related targets and projects, and the statement of non-financial information provided as part of the financial statements. The Board of Directors discusses sustainability-related matters annually. The CEO is responsible for the implementation of the Board of Directors' decisions and, with the assistance of the Management Team, monitors the realisation of sustainability in accordance with the Board's decisions and as part of the Group's business operations. At the Management Team level, the Chief Investment Officer is in charge of sustainability. The Corporate Responsibility and Sustainability Manager is

responsible for Kojamo's sustainability-related matters and their development, sustainability reporting and supporting the Group's business units as an expert on sustainability issues. The Corporate Responsibility and Sustainability Manager reports to the Chief Investment Officer.

Business directors are in charge of actions related to their respective areas of responsibility with regard to the implementation of the sustainability programme. Sustainability targets are integral elements of the operating plans and objectives of our businesses.

Kojamo's sustainability steering group works on the development of sustainability across organisational boundaries. The steering group consists of key personnel representing functions that are central to Kojamo's sustainability efforts. The Chairman of the steering group is the Chief Investment Officer and its work is coordinated by the Corporate Responsibility and Sustainability Manager. The steering group evaluates, steers and ensures the implementation of Kojamo's sustainability programme's targets and practices and their development as part of Kojamo's business operations.

The management approach in relation to the focus areas of Kojamo's sustainability programme and Kojamo's material aspects of sustainability is described in the table

**Description of the management approach to sustainability.** ↪

## Stakeholder engagement

Our stakeholder engagement is guided by our strategy, values, Code of Conduct and sustainability programme. We aim for open and continuous dialogue with our stakeholders. We regularly survey our stakeholders' views and expectations and measure the success of our stakeholder engagement in various ways, using a variety of performance indicators. Our approach to stakeholder engagement varies by stakeholder group. Our stakeholder engagement is extensive and an integral element of our day-to-day business.

### Our key stakeholders are:

- our customers, the residents of Lumo homes
- our employees
- investors and financiers
- supply chain partners
- the authorities and policy-makers
- associations that are relevant to our operations and
- the media.

Our engagement with customers, employees, investors and supply chain is described in more detail in the stakeholder-specific sections of this Annual Report. Our impacts on our significant stakeholders are also described in our value creation model.

We are a member of several national associations related to our industry and sustainable business in general. We are actively engaged in the operations of these associations. We participate in the activities of the following associations:

- European Public Real Estate Association (EPRA)
- Finnish Association of Building Owners and Construction Clients (Rakli)
- Securities Market Association
- Helsinki Region Chamber of Commerce
- Service Sector Employers Palta
- Association for Finnish Work
- Taxpayers Association of Finland
- Climate Leadership Coalition
- Finnish Business & Society FIBS ry and
- Helsinki Climate Partners network.

Our stakeholders have access to a whistleblowing procedure, which is aimed at reducing Kojamo's potential risks. The whistleblowing procedure serves as an advance warning system. We want our stakeholders to use the whistleblowing procedure to report any incidents or actions that are in violation of the law, other requirements, our values or our Code of Conduct.



# Key commitments

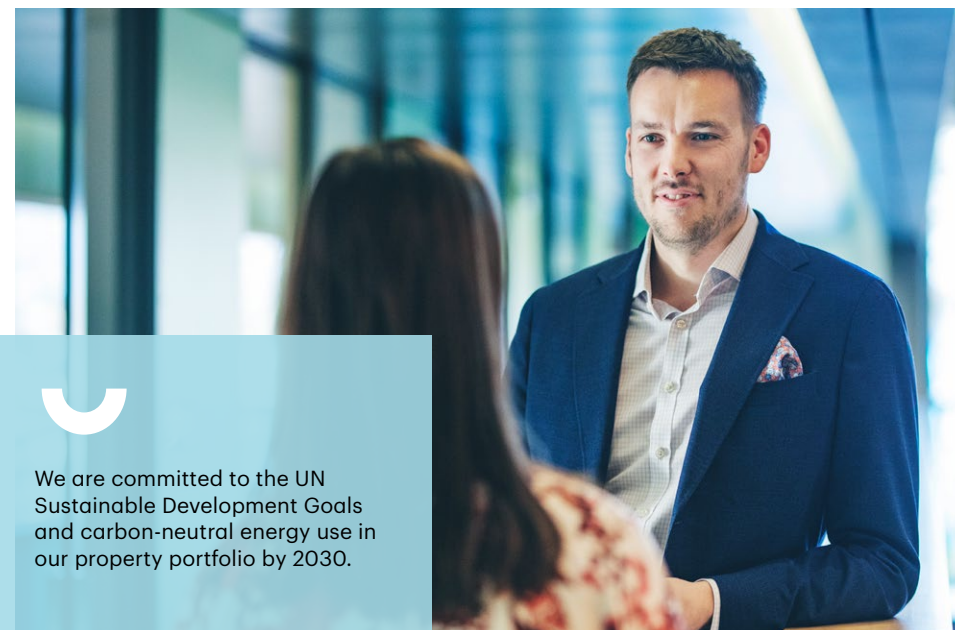
## Our key commitments to support our sustainability work

The key commitments and principles that guide our sustainability include our mission, strategy, values, Code of Conduct, Supplier Code of Conduct and the guidelines and targets set out in our sustainability programme.

We are committed to the UN Sustainable Development Goals and carbon-neutral energy consumption throughout our property portfolio by 2030. As part of our goal of becoming carbon-neutral with regard to energy consumption, we have

signed the international Net Zero Carbon Buildings Commitment of the World Green Building Council. In addition, we are committed to the voluntary energy efficiency agreement of the Finnish real estate sector for the third consecutive term of the initiative. Our target for the current term of the agreement, 2017–2025, is to improve the efficiency of our energy consumption by 7.5%, using 2016 as the baseline.

As regards the UN Sustainable Development Goals, we are committed to the eight SDGs that we can influence the most through our business operations.



We are committed to the UN Sustainable Development Goals and carbon-neutral energy use in our property portfolio by 2030.

UN SUSTAINABLE DEVELOPMENT GOAL (UN SDGs)	LINKS BETWEEN UN SDGs AND THE FOCUS AREAS OF KOJAMO'S SUSTAINABILITY PROGRAMME	
	3. Good health and well-being. Ensure healthy lives and promote well-being for all at all ages.	<ul style="list-style-type: none"> <li>• The best customer experience</li> <li>• The most competent personnel and a dynamic place to work</li> </ul>
	5. Gender equality. Achieve gender equality and empower all women and girls.	<ul style="list-style-type: none"> <li>• The most competent personnel and a dynamic place to work</li> </ul>
	7. Clean energy. Ensure access to affordable, reliable, sustainable and modern energy for all.	<ul style="list-style-type: none"> <li>• Sustainable cities</li> </ul>
	8. Decent work and economic growth. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	<ul style="list-style-type: none"> <li>• The most competent personnel and a dynamic place to work</li> <li>• A responsible corporate citizen</li> </ul>
	9. Industry, innovation and Infrastructure. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	<ul style="list-style-type: none"> <li>• Sustainable cities</li> <li>• The best customer experience</li> </ul>
	11. Sustainable cities and communities. Make cities and human settlements inclusive, safe, resilient and sustainable.	<ul style="list-style-type: none"> <li>• Sustainable cities</li> <li>• The best customer experience</li> <li>• A responsible corporate citizen</li> </ul>
	12. Responsible consumption and production. Ensure sustainable consumption and production patterns.	<ul style="list-style-type: none"> <li>• Sustainable cities</li> <li>• The best customer experience</li> <li>• The most competent personnel and a dynamic place to work</li> </ul>
	13. Climate action. Take urgent action to combat climate change and its impacts.	<ul style="list-style-type: none"> <li>• Sustainable cities</li> </ul>

The links between the focus areas of our sustainability programme and the related targets with the UN Sustainable Development Goals are described in more detail on pages [22-42](#) of this Annual Report.



# Our sustainability programme

Our strategy, values and mission guide us to continuously develop our sustainability. The emphasis of our sustainability efforts is on delivering the best customer experience and employee experience, the development of ecological housing and sustainability as a core element of our business operations.

Our sustainability programme is based on our mission of creating better urban living. The programme covers our environmental responsibility, social responsibility and economic responsibility. The sustainability programme helps us create added value in our business, enhance our risk management by increasingly integrating sustainability perspectives into our operations and strengthen stakeholder engagement.


With our sustainability programme, we commit to the UN Sustainable Development Goals and carbon-neutral energy consumption throughout our property portfolio by 2030 (Net Zero Carbon Buildings commitment).

Our sustainability programme sets out focus areas, long-term and short-term targets and performance indicators for our sustainability efforts. The focus areas are derived from a materiality analysis of sustainability conducted in 2020.

The year 2021 was the first year of implementation for our sustainability programme. During the year, we built a strong foundation for the future years of the sustainability programme and integrated sustainability indicators into our business operations.

## Kojamo's sustainability programme

How is sustainability reflected in Kojamo's strategy? How was Kojamo's sustainability programme created and what is it focused on? Listen to this podcast episode to learn more about Kojamo's sustainability programme.

 [Listen to the podcast >](#)

The sustainability programme extends across our businesses and helps us steer and develop our sustainability efforts systematically as a key component of our business operations.

Our sustainability programme is divided into four focus areas and the cornerstones of our sustainability.

## The focus areas of our sustainability programme are:

- a builder of sustainable cities
- delivering the best customer experience

- the most competent personnel and a dynamic place to work, and
- a responsible corporate citizen.

We discuss the focus areas of our sustainability programme and our progress during the year under review in more detail on pages [22-42](#) of this Annual Report.

## The cornerstones of our sustainability programme

The foundation of our sustainability programme is built on ensuring long-term profitability and growth, sustainable and responsible operations and transparent sustainability communications and reporting.

Our sustainability programme supports Kojamo's strategic targets for 2020–2023 as well as ensuring long-term profitability and growth. Our strategic targets are described in the strategy section of this Annual Report. Responsibility and sustainable development is one of our strategic focus areas and part of our corporate culture.

Sustainability issues are an important aspect of our practices related to partner selection, cooperation and evaluation. The sustainability of our procurement is guided by our Supplier Code of Conduct,

## The year

# 2021

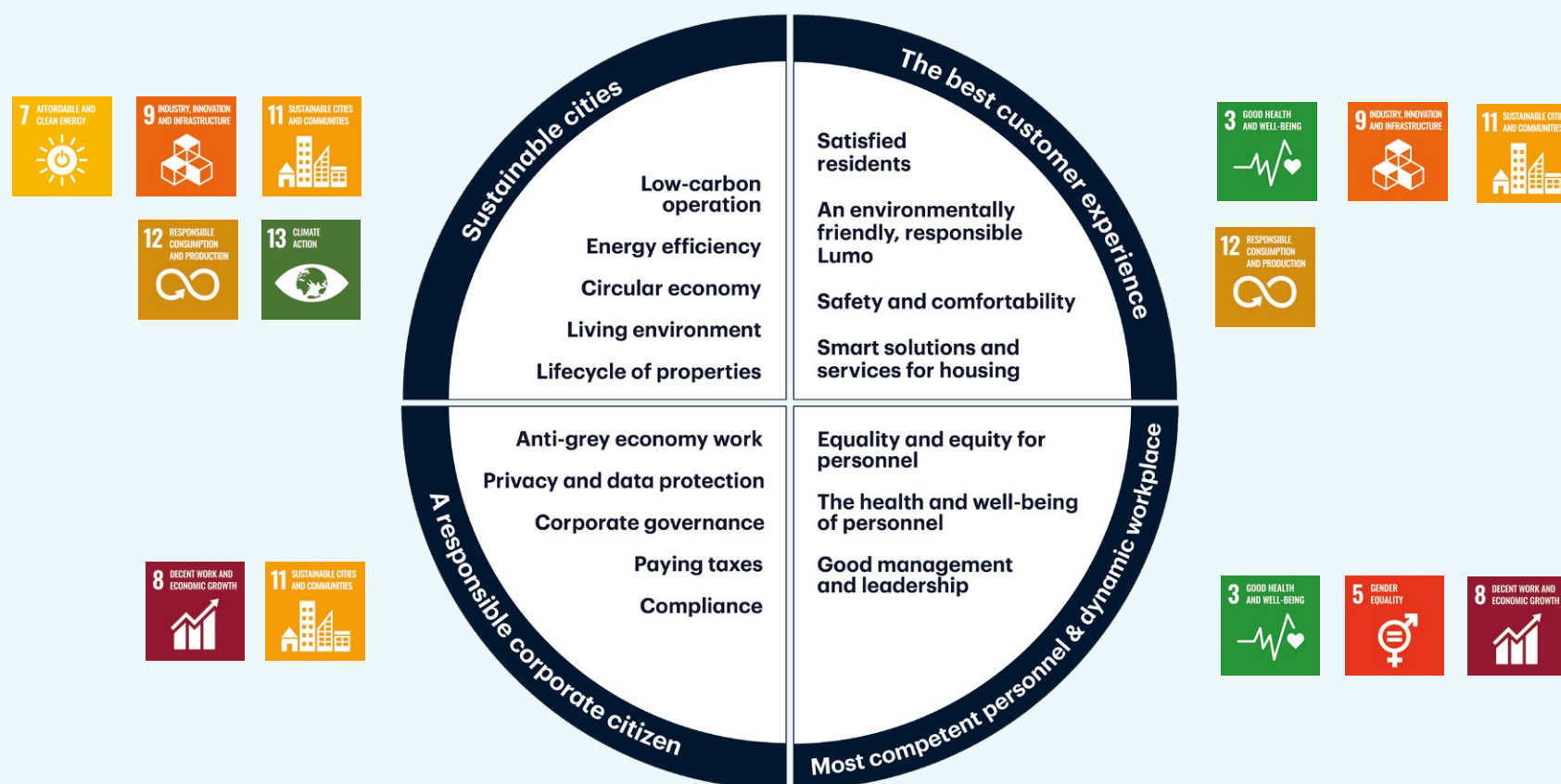
was the first year of implementation for our sustainability programme.

which is incorporated into all of our new partnership agreements. We will engage in transparent and multichannel annual communications on our sustainability. We aim for high-quality and comprehensive sustainability reporting. We report in accordance with the Global Real Estate Sustainability Benchmark (GRESB), GRI Standards and EPRA reporting frameworks and continuously develop our reporting.

## Our sustainability programme

### Strategic focal point 2020-2023: responsibility and sustainable development

#### We create better urban living



Ensuring long-term profitability and business growth

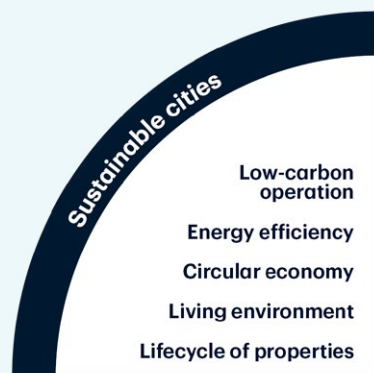
Sustainable and responsible operations

Transparent communications and reporting



# A builder of sustainable cities














We are committed to improving the energy efficiency of our operations and reducing greenhouse gas emissions. Our goal is for our property portfolio to be carbon-neutral in terms of energy consumption by 2030. We have signed the Net Zero Carbon Buildings Commitment of the World Green Building Council. We will increase the efficiency of our energy consumption by 7.5% by 2025, using 2016 as the baseline (VAETS Energy Efficiency Agreement).



ADVANCING NET  
**ZERO**



## Sustainable cities – targets of the focus area

THEMES	TARGETS	KPIS FROM 2021 ONWARDS	UN SUSTAINABLE DEVELOPMENT GOAL
<b>Low-carbon operation</b>	<p>Our target is to achieve carbon-neutral energy consumption for our property portfolio by 2030.</p> <p>The property electricity used by our property portfolio is 100% carbon-neutral.</p>	<ul style="list-style-type: none"> <li>Carbon footprint of the property portfolio, tCO<sub>2</sub>, kg CO<sub>2</sub>/apartment</li> <li>Share of renewable energy of the property portfolio's energy consumption, %</li> </ul>	  
<b>Life-cycle of properties</b>	<p>Starting from 2020, we calculate the full life-cycle carbon footprint for chosen new construction projects.</p>		
<b>Energy efficiency</b>	<p>We will increase the efficiency of our energy consumption by 7.5% by 2025, using 2016 as the baseline (VAETS energy efficiency agreement).</p> <p>We will reduce energy consumption by 3% annually, as measured by the heat index.</p> <p>All of our own new property development projects that entered planning phase in 2021 will be executed with a target E-value of ≤80.</p> <p>All of our major renovation projects will achieve a relative improvement in energy efficiency of at least 30%.</p> <p>We will reduce water consumption by 5% by 2030, using 2019 as the baseline.</p> <p>We will control and optimise the indoor temperatures of our property portfolio using an AI solution, based on actual temperatures and weather forecasts.</p>	<ul style="list-style-type: none"> <li>Energy consumption of the property portfolio, GWh/a</li> <li>Specific energy consumption of the portfolio, weather-normalised, kWh/m<sup>3</sup></li> <li>Progress towards the VAETS energy efficiency agreement target, MWh, %</li> <li>Apartments completed and under construction with an E-value of ≤80, number of apartments, %</li> <li>Energy efficiency improvement from completed renovation projects</li> <li>Water consumption of the property portfolio, l/m<sup>3</sup></li> </ul>	   
<b>Circular economy</b>	<p>We will improve the waste recycling rate of our properties to 55% by the end of 2023.</p> <p>In both new property development and renovation, we aim to sort and recycle more than 70% of the waste generated during construction by the end of 2023.</p>	<ul style="list-style-type: none"> <li>Waste recycling rate of the property portfolio, %</li> <li>Waste volume of the property portfolio, kg/apartment</li> <li>Average recycling rate of construction waste during projects, %</li> </ul>	
<b>Sustainable development of the living environment</b>	<p>Our digital solutions promote the development of smart cities.</p> <p>We invest in growth centres, in locations with good public transport connections and services.</p>	<ul style="list-style-type: none"> <li>Gross investments, M€</li> <li>Investments in growth centres, in locations with good public transport connections, % of apartments</li> </ul>	 
<b>The environmental responsibility of our own operations</b>	<p>All of our offices are WWF Green Office certified. As part of our Green Office activities, we reduce the environmental impacts caused by the work environment of our personnel.</p>	<ul style="list-style-type: none"> <li>WWF Green Office certification coverage of our offices, %</li> <li>Continuous improvement of Green Office operations</li> </ul>	  



## A builder of sustainable cities

We want to create urban environments that are comfortable, safe and in line with the principles of sustainable development. We take sustainability into consideration in all of our investments, from new construction to renovation and maintenance. In our operations, we aim to improve energy efficiency, reduce the carbon footprint and promote circular economy.

### In our investments, we commit to promoting sustainability

Property development and ownership is a long-term activity, with the time frame often measured in decades. It is essential that we invest in the sustainability of our properties starting from the planning and design phase and the investment decision. Sustainability perspectives are an important part of our growth strategy. As part of our investment decisions, we assess each property's energy efficiency and the forms of energy to be used, the probability of flood risks

and the potential biodiversity perspectives associated with the area.

We assess the comfort of living from the point of view of proximity to green areas, services and transport connections. At our properties, we also aim to provide services that promote sustainability, such as shared facilities, diverse waste sorting and recycling opportunities and shared vehicles. In contract tendering, we also assess the sustainability of the prospective partners and their ability to commit to promoting Kojamo's sustainability targets. Sustainability is also



part of the due diligence process associated with property acquisitions.

Since 2016, our goal has been to implement new construction projects that use our own plot reserve in accordance with nearly zero-energy building principles. This means an energy efficiency figure of less than 82. From the beginning of 2021, we made this target even more ambitious and we now aim for an energy efficiency figure of less than 80.

Evaluating the impacts of climate change on our operations is also a key aspect of our risk management processes. Based on different scenarios, the most significant impacts of climate change in Finland could be related to rising sea levels, increased extreme weather phenomena and the warming of the climate. According to our assessment, our properties are not subject to a significant flood risk due to the location of the buildings. The warming of the climate, in turn, would lead to a reduction in energy consumption for heating. For these reasons, we do not see any significant need for additional investments to reduce the risks associated with climate change.

### Improving energy efficiency as a part of repairs

In addition to improving the energy efficiency of our property portfolio through new construction, we also improve it by upgrading our existing housing stock. Indeed, improving energy efficiency is a key element of our ongoing repair and modernisation operations and plans. Our energy consumption covers all of our properties, including the heating of apartments and property electricity.

In 2021, we invested a total of EUR 44.4 (62.9) million in renovating and modernis-

# 44.4 M€

invested in repairs and modernisation.

ing our property portfolio. Modernisation investments were lower than in the previous year due to the timing of the projects. Energy efficiency was also improved during the year by, for example, replacing and repairing elevators, replacing water fittings and making air flow and heating network adjustments.

According to our sustainability programme, which was published last year, our target is to improve the energy efficiency of apartments by 30% in connection with renovations. This target was taken into account in the planning of the renovation projects launched during the year, and the first projects planned in accordance with the new target will start in 2022.

### We aim to reduce our carbon footprint

Due to the long life-cycle of properties, our most significant environmental impacts are related to the energy consumption of our properties and the resulting carbon dioxide emissions. Our goal is appropriate and efficient energy consumption without compromising on the quality and conditions of housing. Our apartment-specific carbon footprint decreased in 2021 and amounted to 1.2 (1.4) t CO<sub>2</sub>/apartment.

In addition to energy-efficient construction, the energy consumption of our properties plays a significant role in achieving the goal. In line with market practices, the heating of

apartments is included in the rent, but our customers conclude their own electricity contracts. Our property portfolio is 99% heated with district heating purchased from local district heating companies. During the year under review, 79 properties used district heating that is produced entirely from renewable and zero-carbon energy sources. Our district heating suppliers have set carbon neutrality targets for energy production that are in line with our own targets.

The property electricity for our entire property portfolio – meaning the electricity used for shared premises and outdoor areas – is produced using 100% renewable and zero-carbon energy sources, which means that the carbon footprint of the property electricity used by our property portfolio is zero. Our customers sign electricity agreements for their homes with their chosen energy company. We provide our customers with the opportunity to invite competitive bids from energy companies in accordance with their preferences.

### A roadmap for achieving carbon-neutral energy consumption

During 2021, we prepared a roadmap for carbon-neutral energy consumption for our housing portfolio. Our goal is to achieve carbon-neutral energy consumption at our properties by 2030. The roadmap lays out the measures needed to achieve this goal. As our annual emission reduction target, we have set a minimum 4% reduction in CO<sub>2</sub> emissions for the entire portfolio until the end of 2025 (measured in terms of kg CO<sub>2</sub>/apartment). We will report annually on our progress towards this target.

The actions laid out in the roadmap include emission reduction methods concerning the development of the existing housing portfolio as well as new construction.

The primary means of reducing emissions in the existing housing stock include modernisation, repair projects and energy management in accordance with the targets, separate investments in geothermal hybrid systems and other renewable energy production as well as demolition-based new construction and infill development. New construction plays a significant role in the reduction of the portfolio's relative CO<sub>2</sub> emissions. The roadmap's guidelines, targets and measures to be implemented each year will be reviewed annually as part of Kojamo's annual planning and budgeting.

The substantial reduction – nearly 20% – in carbon emissions per apartment in 2021 is mainly due to the lower emission factors of district heating companies, but the measures taken to improve the energy efficiency of the property portfolio also played a significant role.

### Smart energy conservation

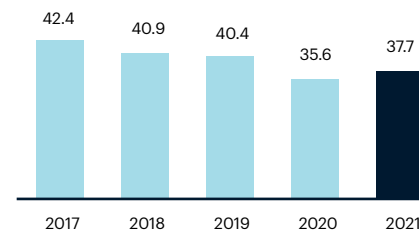
We also take advantage of digitalisation in property maintenance. An AI-based system has controlled the heating of approximately 28,000 homes since 2018. The system optimises energy consumption by utilising temperature data from the apartments, weather forecast data and the energy consumption profiles that the system learns for each building. This produces benefits in the resident's comfort of living, the optimisation of energy consumption and cost efficiency. In addition, more than 98% of our properties are connected to a remote monitoring system for energy and water consumption. This enables a quick response and repairs in the event of a leak, for example.

Our customers are responsible for signing their own electricity contracts. However, we provide our customers with a service for comparing electricity contracts to make it

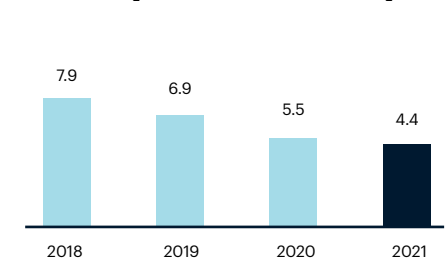


The property electricity for our entire portfolio is produced from carbon-neutral energy.

The total energy consumption of buildings (kWh/m<sup>2</sup>)



Relative CO<sub>2</sub> emissions, Scope 2 (kg CO<sub>2</sub>e/m<sup>3</sup>)







easy for them to choose a contract that matches their preferences.

### **The exceptional circumstances were reflected in energy consumption, water consumption and waste volumes**

The prolongation of the COVID-19 pandemic was still reflected during the year in the energy and water consumption of homes as well as the amount of waste, as our residents spent more time at home than usual. With many people working and studying remotely, water consumption was high in particular. The total water consumption of our entire property portfolio relative to building volume amounted to 342 (365) l/m<sup>3</sup> representing a year-on-year decrease of 6.3%.

In 2021, our entire property portfolio's total heat index was 33.4 (34.6), a decrease of 3.5% from the previous year. In spite of measures taken to improve energy efficiency and improvements in the quality of the property portfolio, the exceptionally cold weather at the beginning of 2021 had a significant impact on energy consumption in particular. Property electricity consumption during the year under review was unchanged from the previous year, with the specific consumption figure being 4.3 (4.3) kWh/m<sup>3</sup>. The efficiency of property electricity was improved, for example, by the scheduling of sauna bookings, the introduction of more energy-efficient ventilation fans and switching to LED lighting.

Environmental responsibility figures pertaining to the consumption trends of our property portfolio, reported in accordance with the GRI standards, are provided in the Sustainability Indicators table on pages [45-55](#).

### **Circular economy throughout the property life-cycle, from construction to living**

Promoting circular economy at our properties, during both construction and use, is a key goal for us. During the year, we particularly focused on

improving our residents' recycling and waste management awareness and communication. For example, we added more signage to waste disposal rooms. We monitor the development of waste volumes at our properties. In 2021, the waste recycling rate of our property portfolio was 40% (37%). The total amount of waste increased 7.5% from the previous year as our residents spent much more time at home during an exceptional year making more online purchases, which increased the amount of packaging material waste.

We also focus on promoting circular economy in our new construction and renovation activities. On the next page, we provide a practical example: we are demolishing an old shopping centre in Helsinki's Puotila district and building new, energy-efficient apartments in its place. We aim to achieve a waste sorting and recycling rate above 70% in our construction projects by the end of 2023.

### **Environmental responsibility in our own operations**

We also strive to operate sustainably in the daily life of our personnel. We have been involved in the development of WWF Green Office activities in Finland since 2002, when our head office received Green Office certification. Today, all of our offices are WWF Green Office certified. The certification aims to reduce the environmental impact of offices, increase environmental awareness among employees and achieve energy savings. In 2021, we took steps towards a paperless office. In practice, this was reflected in a reduction in the number of printers, for example. We have also organised quarterly sustainability events for our personnel.

# CASE

## Sustainability guides all of Kojamo's investment decisions

Our mission is to create better urban living. Sustainability and corporate responsibility are integral aspects of our operations and thus increasingly guide our investment decisions concerning property purchases, new construction and repairs. One of our key sustainability criteria is the location and easy accessibility of properties, i.e. short distances to public transport, services and green areas. From the perspective of sustainability, all of our investment decisions also address, at a minimum, energy efficiency, the carbon footprint, the comfort and safety of housing, waste sorting solutions, electric vehicles and car sharing as well as the employment effects of our projects.

We are a long-term property owner and investor. We design our new properties with an emphasis on long life cycles, versatility, adaptability and making the buildings easy to renovate and repair. We select construction materials carefully so that they can be recycled to the greatest possible extent. In addition to location and accessibility, our new construction is guided particularly by energy efficiency and increasing the carbon handprint.

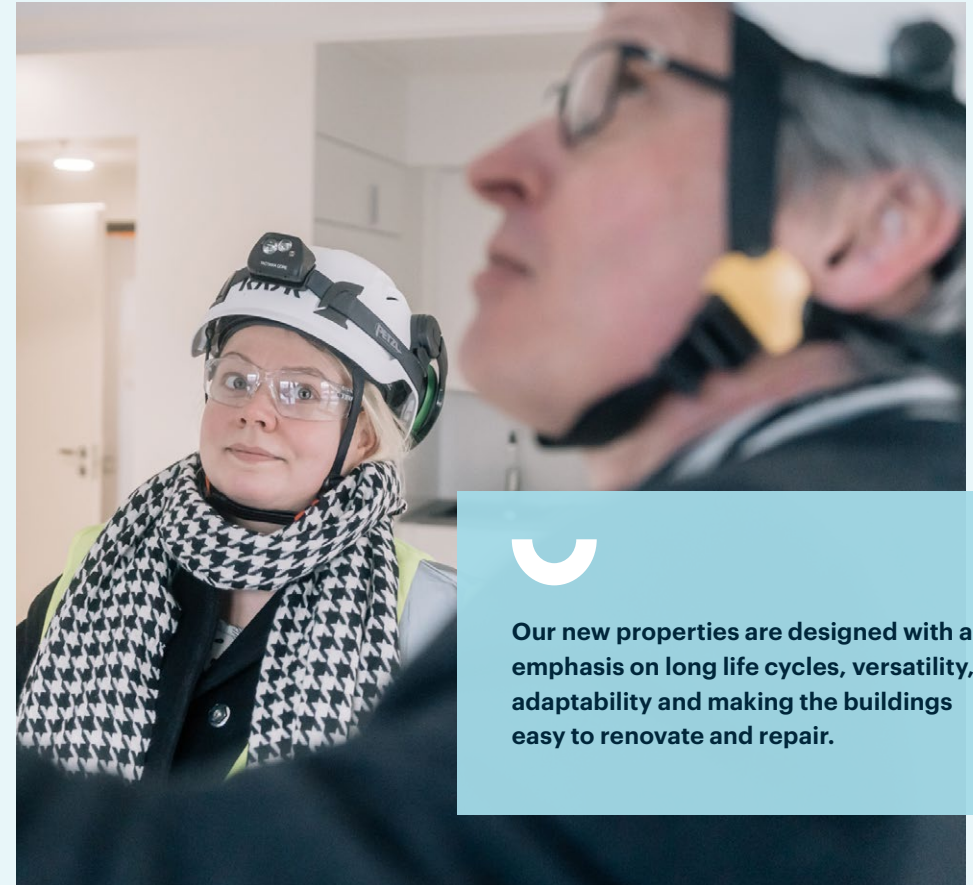
Last year, these principles took concrete form in our wooden apartment building construction in Espoo's Nöykkiönlaakso district, for example. The increased use of wood supports low-carbon construction, as

wood construction involves a larger carbon handprint. It is one of the solutions that help us achieve the Lumo homes target of a property portfolio with carbon-neutral energy consumption by 2030.

"To date, wood has not been used much in the construction of apartment buildings because wood has not been a competitive construction material compared to concrete. However, significant progress has been made in construction technology and the processing of wood as a building material, and timber construction is gradually beginning to establish itself alongside other materials," says **Tommi Parikka**, Unit Director, Construction, at Kojamo.

In the wooden apartment buildings in Nöykkiö, sustainability is addressed not only by using eco-friendly construction materials but also other solutions that improve the comfort of residents. The yard will feature shared flower beds, outdoor saunas, club rooms and electric vehicle charging points. The apartments feature apartment-specific ventilation, water-based underfloor heating, high-quality integrated and energy-saving kitchen fixtures, water- and energy-saving plumbing fixtures as well as tall windows that let in plenty of natural light.

We are also creating better urban living in Helsinki's Puotila district, where we are



Our new properties are designed with an emphasis on long life cycles, versatility, adaptability and making the buildings easy to renovate and repair.

demolishing an old shopping centre and building new, energy-efficient apartments and business premises in its place, in close proximity to a metro station. Sustainability and observing the principles of circular economy have played a major role in the design of the property. We aim to improve energy efficiency during the construction phase by carefully managing waste recycling during construction, for example.

"We apply the Green Deal approach to demolition at our demolition sites, which means

recovering and recycling existing materials as effectively as possible. For example, we can re-use entire doors and windows or find new life for materials through recycling. This means that the share of mixed waste is very small," says **Sanni Husso**, Project Manager for newly constructed properties.









## Delivering the best customer experience

We work to promote better and more sustainable urban living. The Lumo brand delivers the best customer experience in housing for our customers. Our main objectives are satisfied residents and increasing our Net Promoter Score.



## The best customer experience – targets of the focus area

THEMES	TARGETS	KPIS FROM 2021 ONWARDS	UN SUSTAINABLE DEVELOPMENT GOAL
<b>Satisfied residents</b>	<p>The score awarded by our residents for the ease of Lumo homes' communication regardless of the service channel will be 4.5/5 by the end of 2023.</p> <p>We will introduce more services that promote sustainable housing and our residents' well-being.</p> <p>By the end of 2023, 90% of our households will use the My Lumo service.</p>	<ul style="list-style-type: none"> <li>NPS</li> <li>Annual resident survey, average – Communication and diversity</li> </ul>	
<b>Environmentally friendly, responsible Lumo</b>	<p>The score awarded by our residents for the convenience and functionality of waste sorting and recycling at Lumo homes will be 4/5 by the end of 2023.</p> <p>We will enhance waste sorting by our residents and reduce the volume of mixed waste from one year to the next. By 2025, at least 80% of Lumo homes will have a sorting solution that supports four waste fractions.</p> <p>By the end of 2025, at least 70% of the home appliances in our properties will have a high energy efficiency rating.</p>	<ul style="list-style-type: none"> <li>Annual resident survey, average – Environmental responsibility and consumption</li> <li>Actions taken</li> </ul>	
<b>Safety and comfortability</b>	<p>The score awarded by our residents for the safety and comfort of Lumo homes will be 4/5 by the end of 2023.</p> <p>By the end of 2025, all of our properties will have energy-efficient lighting that increases safety.</p> <p>We will ensure that the indoor environmental conditions of our apartments are healthy.</p> <p>We will promote a strong sense of community in housing through our active Lumo teams, among other means.</p> <p>We will promote our Customers Viewpoint operating model.</p>	<ul style="list-style-type: none"> <li>Annual resident survey, average – Safety and comfort</li> <li>Actions taken</li> </ul>	 
<b>Smart solutions and services for housing</b>	<p>The score awarded by our residents for Lumo homes' services that make daily life easier and promote sustainable housing will be 4/5 by the end of 2023.</p> <p>By the end of 2025, the opportunity to use a shared vehicle will be offered at all of our properties.</p>	<ul style="list-style-type: none"> <li>Annual resident survey, average – Services enhancing responsibility</li> <li>Coverage of car sharing service</li> </ul>	 



## Delivering the best customer experience

We want to be the property market frontrunner and the number one choice for our customers. Our customers spent a lot of time at home last year, and we focused particularly on the safety and comfort of housing. We focus on improving the customer experience by creating comfortable living, providing smooth service use and services that make living easier.

Delivering the best customer experience is a key part of our strategy. To ensure a consistent and high-quality customer service experience, our own employees are responsible for the rental of apartments from the first contact to the signing of the agreement. We are a pioneer in making rental housing easy. Our Lumo webstore provides 24/7 service to our customers and the majority of our tenancy agreements are signed via the webstore. All of our apartments available for rent can be rented via the webstore. By verifying their identity with online banking credentials and paying the first month's rent, our customers can move into their new home as early as the next day.

### Easy-to-use services that make daily life easier

We also focus on making housing easy and effortless. Lumo – Easily best living. Through the My Lumo service, our customers can handle their housing-related affairs and buy services that make daily life easier. The service is currently used by three-quarters of our customers. It can be used to, for example, purchase moving or cleaning services, order a dishwasher or, in connection with a move, order the keys to be delivered to the customer's desired location.

We further improved our service level during the year under review. We have signed an

The My Lumo service has over

**19,000**

monthly users.

agreement with DNA on increasing the speed of our broadband service. In the coming year, this will improve our customers' internet connections and make remote work easier, for example. We have also improved our car-sharing network. Our customers now have access to nearly 700 shared cars in more than 30 municipalities. To add to our services that make daily life easier, we also introduced small storage rentals as part of our service range during the year.

### Safe and comfortable housing

We invest continuously in improving the housing experience of our customers. In 2019, we developed an operating model called "Through the customer's eyes", which is aimed at creating better conditions to address issues that have a negative effect



**The Lumo One**  
**skyscraper's communal**  
**space is an urban oasis**  
**for the residents.**

on the customers at our properties as well as improve our dialogue with our customers. The operating model is also used by our largest property maintenance partner L&T. Under this operating model, we focused particularly on safety, comfort of outdoor areas and waste management during the year. Our customer satisfaction in these areas improved during the year under review, especially with regard to the safety of housing. Indeed, the feedback we collect by means of customer satisfaction surveys plays a key role in the improvement of our operations.

### Cooperation with residents at Lumo homes



There are many different options for resident participation both within individual buildings and regionally. Active community improves everyone's living environment.

**Read more about resident activities** [↪](#)

### We increased awareness of circular economy and waste management

Our customers are interested in the sustainability of their daily choices and decisions. According to a survey conducted among the users of the My Lumo service, interest in sustainable lifestyles is continuously growing in all age groups. People of all ages want advice on how to promote circular economy in their daily lives. During the year, we focused particularly on customer communications related to waste sorting and recycling. We also added more signage to our waste disposal rooms and sorting information to the My Lumo service to promote sustainable waste management among our customers.

With people of various ages and different language backgrounds residing in our approximately 37,000 Lumo homes, we have also invested in multi-lingual service provision, especially in the My Lumo service. Our customers value the opportunity to manage their affairs online 24 hours a day, every day of the year.

### We develop housing together with our customers

COVID-19 restrictions also limited the ability to arrange conventional in-person events for residents. The role of Lumo teams in organising more community-oriented, smaller-scale events was emphasised. Lumo teams are made up of active residents who come up with community activities for the residents of their building and receive Lumo funds for that purpose. Some 470 Lumo teams have already been established.



Our collaborative development efforts with our residents are important, especially during the exceptional circumstances of the past two years. Launched in 2020, the Lumo resident panel continued to work virtually last year. Consisting of active Lumo residents from various parts of Finland, the panel comes up with ideas for developing resident activities to better meet the needs of Lumo residents. The discussions during the year were focused on COVID-19-related themes, shared-use facilities and vehicles,

new services and related feedback as well as the future approach to organising resident cooperation. Based on the positive experiences from the panel, we will expand our cooperation with residents in the new year and organise customer forums for a wider audience of residents four times a year, focusing on different housing-related themes.



## CASE

### The Lumo One skyscraper combines sustainability and comfort

When completed, the 31-storey Lumo One skyscraper in Helsinki's Kalasatama district will be the tallest rental apartment building in Finland. This unique property is situated at the crossroads of nature and the urban environment. Its impressive views, comprehensive services and diverse transport connections have attracted a great deal of interest among its future residents throughout the construction project. For Team Leader **Janita Matilainen** and her New Development Team, the enthusiasm for the property has been reflected in daily contacts.

"The Lumo brand offers the best customer experience in housing, and this property represents that in a unique way. Many of our customers have told us that they decided to move to this building very early on. They have kept in touch with us to make sure they stay involved in the process. Nevertheless, we started renting the apartments at the same time for everyone in January 2022," Matilainen says.


Our marketing activities for the Lumo One skyscraper have been carried out in several stages because the building will also be completed in two phases. The residents of apartments on floors 6–13 will be able to move into their new homes next summer. The rest will get to move in a little bit later, in autumn 2022, when the building is fully completed.

In designing the Lumo One skyscraper, our focus from the outset has been on sus-


tainability, community and convenience. Sustainability targets are reflected in the practical solutions employed at the property, including effective waste sorting, an energy-efficient shared sauna and the opportunity to make use of car sharing and a bicycle parking area for over 500 bicycles. Through the My Lumo service, the residents of the property can rent common areas for private events or make a sauna reservation, for example.

Large windows increase comfort in all of the apartments in the skyscraper by letting in plenty of daylight. To provide a pleasant home for everyone interested in the property, we have used a wide range of interior design styles and materials. We have shaken up the conventional forms of housing by adding innovative green rooms to the property.

"Instead of a balcony, each apartment will have a fully insulated green room with a floor-to-ceiling window that can be used as a flower garden or to grow herbs and vegetables, for example. The glazed doors can be bundled to partition the green corner into a separate space similar to a balcony, or it can even be used as additional living space," Matilainen explains.

**More information on the Lumo One skyscraper:** 



**Lumo One – a skyscraper for sustainable living** 








# The most competent personnel and a dynamic place to work

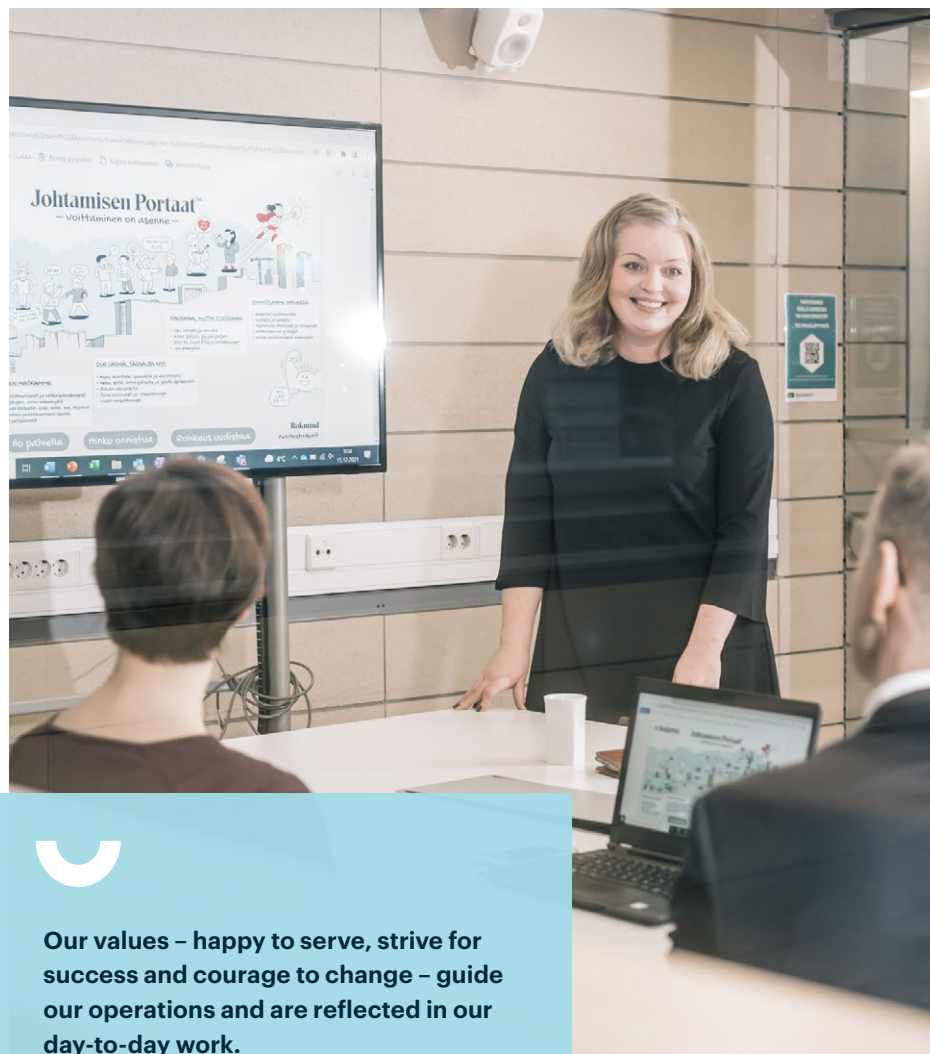
We are known for our dynamic and productive corporate culture, and sustainability is part of our DNA. We ensure our future competitiveness through competence development and provide an employee experience that attracts the best talent. Our aim is to create a top-notch employee experience through good management, by investing in employee well-being and promoting equality and non-discrimination.



## The most competent personnel and a dynamic place to work – targets of the focus area

THEMES	TARGETS	KPIS FROM 2021 ONWARDS	UN SUSTAINABLE DEVELOPMENT GOAL
<b>Equality and equity for personnel</b>	<p>We promote gender equality amongst our personnel. Equal and fair operating models are applied in all functions and job roles.</p> <p>We have a zero tolerance policy for harassment and inappropriate conduct.</p> <p>We promote the equal treatment of our personnel throughout the employment relationship, starting from recruitment.</p>	<ul style="list-style-type: none"> <li>Gender distribution (all employees, supervisors, management, Board of Directors)</li> <li>Age distribution of employees, %</li> <li>Reports received through the Whistleblowing channel</li> <li>Development of personnel survey results related to equality and non-discrimination</li> <li>Wage equality amongst personnel</li> </ul>	
<b>The health and well-being of personnel</b>	<p>We continuously invest in the well-being of our employees and provide our employees with benefits related to well-being.</p> <p>Our target is to reduce the sickness-related absence rate of our personnel to &lt;3% by 2023.</p> <p>Our target is zero accidents. We will take action each year to improve occupational safety and the safety of commuting.</p> <p>We will ensure our competitiveness by developing the competence of our personnel.</p>	<ul style="list-style-type: none"> <li>Number of employees</li> <li>Sickness-related absence rate, %</li> <li>Employee turnover, %</li> <li>Accident frequency</li> <li>Average number of hours of training for employees, h</li> </ul>	 
<b>Good management and leadership</b>	<p>The perception of our personnel is that our management and supervisory work is of a high standard.</p> <p>We take a development-driven approach to management and encourage our personnel to emphasise renewal and learning.</p> <p>We manage our corporate culture towards our set targets in accordance with our strategy.</p> <p>We participate in the Responsible Summer Job campaign with the aim of achieving a high level of employee satisfaction among summer workers.</p> <p>We will be the most attractive and highly-valued employer in our industry.</p>	<ul style="list-style-type: none"> <li>Overall results of the personnel survey</li> <li>Personnel survey results related to the employee experience and the efficiency of work</li> <li>Employee Net Promoter Score (ENPS)</li> <li>Coverage of performance appraisals, %</li> </ul>	  

## The most competent personnel and a dynamic place to work



**Our values – happy to serve, strive for success and courage to change – guide our operations and are reflected in our day-to-day work.**

We want to provide a first-class employee experience for our personnel. Our shared values – happy to serve, strive for success and courage to change – guide our operations and are reflected in our day-to-day work. Our aim is that every Kojamo employee enjoys their work and can take pride in the results of their work. During the year, we focused particularly on the development of management and supervisory work.

We have systematically developed our corporate culture and this work continued in 2021. As the outcome of the Kojamo Culture Compass project conducted in 2020, we clarified our shared objectives. Based on the ideas and feedback gained from the project, in 2021 we focused on our common way of working and developed managerial work and leadership skills. Our leadership culture has been summarised in the form of Leadership Steps, which we began to put into action towards the end of the year. We will continue this development under the same theme in 2022, implementing the lessons learned in our workplace community and as a guideline for self-leadership.

**More information on the development of supervisory work is provided on page 37.** [↪](#)

### **Good results from our personnel satisfaction survey**

In the spring, we conducted a revised personnel survey of all of our employees. The results were positive. The strengths of our employee experience high-

# 4.1/5

**A high level of personnel satisfaction**

lighted in the survey were clear targets and expectations, looking after employee well-being and supervisory work. It was particularly pleasing to see that our efforts to develop supervisory work were reflected positively in the survey. In answers to open-ended questions, Kojamo's corporate culture was characterised as being inspiring, open and courageous. The response rate was 83% and the overall average score was 4.1/5.

### **Supporting work both remotely and at the office**

During the year, we have observed the national remote work recommendations while also striving to make it possible to work safely at the office. When the COVID-19 situation temporarily improved in the autumn, we switched to a hybrid work model aimed at simultaneously maintaining the strengths of remote work and supporting



teamwork. We have also fostered teamwork and the sense of community in the context of remote work in various ways, including virtual team coffee breaks, well-being lectures and exercise breaks. We also provide our personnel with comprehensive occupational health services. Sickness absences remained at a low level in spite of the exceptional circumstances during the year.

We have also focused on competence development and expanded the courses offered via the Virta learning environment launched in 2020, particularly with regard to sustainability training and courses that support well-being. We made the day-to-day work of our employees smoother by launching My Kojamo, a modern working environment that supports today's approach to work. It enhances our internal communications and makes important work-related information easily accessible.

### Equality and non-discrimination at Kojamo

Non-discrimination and the equal treatment of personnel are important priorities for us. We want to employ the best people regardless of their background, and management diversity is part of our operating culture. Our commitment to equality was recognised during the year when the EWOB Gender Diversity Index 2020 ranked Kojamo the highest among Finnish listed companies. Gender equality is reflected at all levels of the Kojamo organisation, including the Board of Directors. We promote equality, always starting from recruitment, and used the anonymous recruitment approach in nearly all of our external recruitment activities during the year.

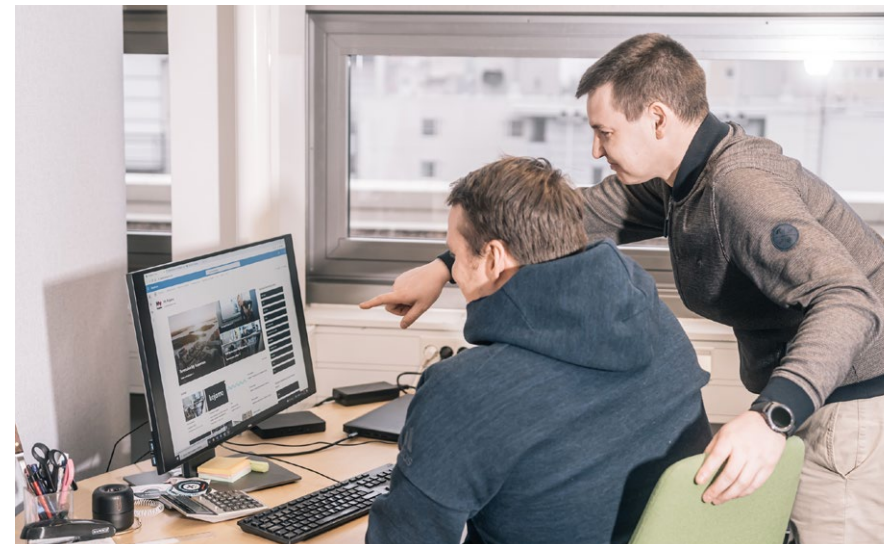
~50  
summer employees

**At Kojamo, summer employees are involved in the development of the company's operations**

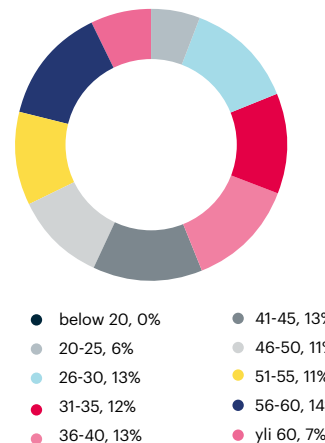


It is a matter of honour for us to offer meaningful work to our summer employees and to be an exemplary, competitive and responsible employer. We employed nearly 50 summer workers last year. At Kojamo, summer employees are actively involved in the development of the company's operations. We again organised our traditional idea competition, with the best ideas passed on to the Management Team for further development.

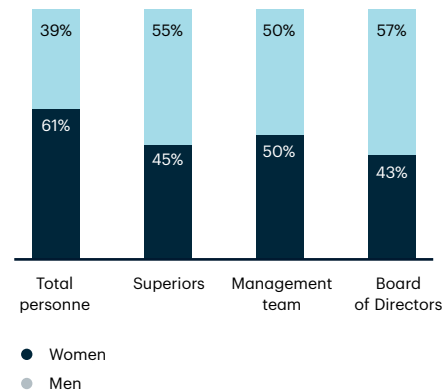
 [More information >](#)



Age distribution of employees (%)



Gender distribution of employees (%)



## CASE

### Supporting day-to-day work through supervisor training and sharpening the leadership culture

Our aim is to provide a first-class employee experience for everyone at Kojamo. It is important for us that our employees find their work meaningful. In our day-to-day operations, we build a first-class employee experience by developing a corporate culture that is based on our values, comprehensively looking after our employees' well-being at work and by ensuring high-quality leadership throughout our organisation.

In 2021, we advanced our corporate culture by focusing on the development of leadership skills. We clarified the roles of supervisors and established common leadership methods and goals.

"In the first half of the year, we sharpened the common goals of our leadership culture between the senior management and a group of approximately 35 supervisors. The leadership principles of supervisors at Kojamo were shaped into formulated Leadership Steps – concise guidelines that support our daily work," says **Jenni Marko**, HR Manager at Kojamo.

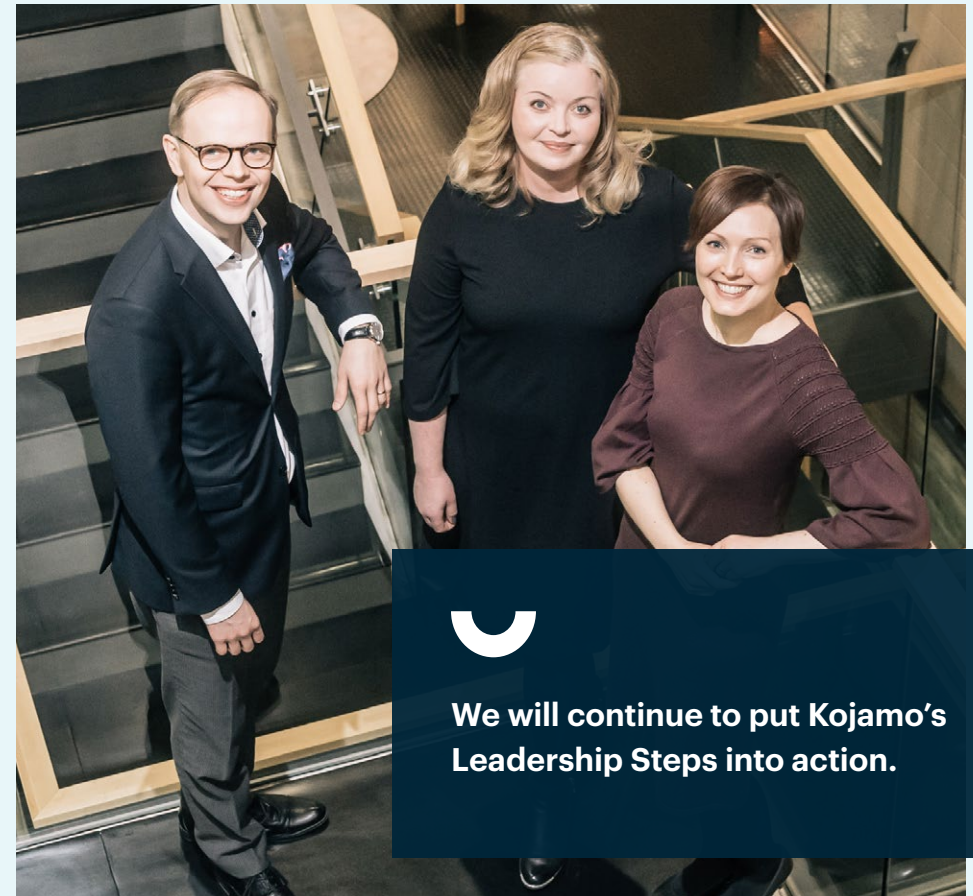
In the second half of the year, we focused on putting these goals into action by implementing them in our daily work. This stage was supported by sparring group activities and a three-part training programme. In the Leadership Steps, we recognised themes

that we wanted to discuss in greater depth through various group exercises.

"Before the training programme began, we conducted a self-assessment for each supervisor to establish a comprehensive understanding of the way they work. Self-examination and adapting one's ways of working were the overarching ideas in these training activities. When you know yourself well, it is easier to recognise and understand other people's needs and ways of working and influence them in a manner that produces good results," Marko says.

The efforts to develop the leadership culture were received positively by Kojamo's supervisors. In particular, they valued the various concrete tools to support their work, such as exercises aimed at improving one's presence between meetings.

"The Leadership Steps and supervisor training activities provided us with a clear, shared view of what kind of company Kojamo is, what Kojamo's approach to supervisory work is and what expectations the organisation should have regarding leadership and supervisory work. The training activities were very practical and the entire process, which included peer group work, was successful and rewarding in many ways. In my daily life at work,



We will continue to put Kojamo's Leadership Steps into action.

I have noticed that I am now thinking more carefully about the effectiveness of my messages," says Area Director **Sanna Karppinen** from Kojamo.

"The supervisor training was fantastic. I liked the fact that the focus was not solely on what good leadership is between supervisors and their subordinates. The training served as a good self-leadership tool for anyone. The main takeaways for me personally were the importance of presence and

listening skills in management," says **Olli Turunen**, Unit Director, Investments.

After the supervisor training, we will continue to put the Leadership Steps into action in our entire workplace community at Kojamo. In our most recent personnel survey, supervisory work was rated as the strongest area among all of the surveyed themes, which speaks to the success of the development project.





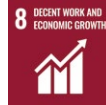

# A responsible corporate citizen

We operate sustainably and transparently while developing our shareholder value in accordance with our strategy. The sustainability of our business is based on our Code of Conduct.





## A responsible corporate citizen – targets of the focus area

THEMES	TARGETS	KPIS FROM 2021 ONWARDS	UN SUSTAINABLE DEVELOPMENT GOAL
<b>Anti-grey economy work</b>  <b>Employment</b>	<p>We have a zero tolerance policy concerning the grey economy.</p> <p>All of our partners and supply chain participants are registered with the Reliable Partner service maintained by Vastuu Group Oy in accordance with the Contractor's Obligations Act.</p> <p>We are a significant employer. Our employment effect extends beyond our own operations to construction, renovation, property maintenance and cleaning partnerships.</p> <p>At our construction sites, we monitor the TR figure as an indicator of working conditions in order to maintain a high level of occupational safety. Our target is TR &gt;90.</p>	<ul style="list-style-type: none"> <li>Gross investments, M€</li> <li>Indirect employment effect, person-years</li> <li>TR figure at our construction sites</li> <li>Reports through the Whistleblowing channel or internal reporting procedures</li> </ul>	 
<b>Privacy and data protection</b>	<p>We have a zero tolerance policy concerning data protection violations.</p> <p>We take a customer-driven and GDPR-compliant approach to all of our operations. We do everything we can to ensure the protection of our customers' personal data.</p>	<ul style="list-style-type: none"> <li>Actual or suspected data protection violations</li> </ul>	
<b>Paying taxes</b>	<p>We are a significant taxpayer and we pay all of our taxes to Finland.</p> <p>We report our tax footprint transparently.</p>	<ul style="list-style-type: none"> <li>Taxes and tax-like charges, M€</li> <li>The Group's tax footprint, M€</li> </ul>	
<b>Compliance</b>  <b>Corporate Governance</b>	<p>The sustainability of our business is based on our Code of Conduct. 90% of our employees have completed training on our Code of Conduct.</p> <p>Our Supplier Code of Conduct will be incorporated into all our new partnership agreements.</p> <p>We comply with the recommendations of the Securities Market Association's Corporate Governance Code 2020 without deviations.</p>	<ul style="list-style-type: none"> <li>Coverage of Code of Conduct training, %</li> <li>Share of new partnership agreements in which sustainability is guided by our Supplier Code of Conduct, %</li> <li>Reports through the Whistleblowing channel or internal reporting procedures</li> </ul>	
<b>Sponsorship</b>	<p>The Lumo sponsorship and grant programme annually supports top Finnish athletes as well as individual and team sports for young people.</p>	<ul style="list-style-type: none"> <li>Implementation of the annual sponsorship programme</li> </ul>	

## A responsible corporate citizen

We emphasise responsibility towards customers, our responsibilities as a contractor as well as clear communication to our shareholders about Kojamo's corporate and social responsibility efforts and their progress. We are a significant investor and we pay all of our taxes to Finland. We have a significant indirect employment effect through our purchases and investments. We operate openly and sustainably and also require the same of our partners.

### Our Code of Conduct guides our operations

Our Code of Conduct guides our operating practices. It is reflected in all of our interactions with our stakeholders, society and the environment. We updated our Code of Conduct in 2020. Last year, we organised training for our personnel on the updated Code of Conduct. The training was completed by all Kojamo employees during the year. We have also updated our Supplier Code of Conduct and incorporated it into partnership agreements signed since the beginning of 2021. We also require our partners to ensure that their subcontractors operate responsibly, transparently and in full legal compliance.

**Kojamo's indirect employment effect is**

**7,035**

person-years.

We have made it possible for concerns and violations to be reported to us through our Whistleblowing system, which anyone can use to report potential shortcomings. No reports were submitted through the Whistleblowing system last year.

### We require our partners to operate responsibly

In addition to being committed to responsibility in our own operations, we require that our partners operate transparently and in accordance with our Code of Conduct. Our anti-grey economy operational models exceed the legislative requirements in many respects. Partners who are in a business relationship with Kojamo are required to observe the provisions of the Act on the Contractor's Obligations and Liability when Work is Contracted Out (Contractor's Obligations Act) and other applicable legislation as well as our Code of Conduct. We also require our partners to join the Reliable Partner service maintained by Vastuu Group Oy and fulfil the related reporting obligations throughout the term of the agreement. We monitor the information required by the Contractor's Obligations Act for all of the companies in our purchasing network. Our procurement principles and guidelines



**We operate openly and sustainably and require the same of our partners.**

define detailed practices for selecting our business partners as well as for our purchases.

We also monitor occupational safety at construction sites to maintain a high standard of safety at work. We use the TR figure as an indicator of working conditions and our target is TR>90.

### We continued to invest in data protection and data security competence

Data protection is at the core of Kojamo's corporate responsibility and we have a zero tolerance policy concerning data protection violations. Personal data is collected from many different sources, and it can also change or increase when existing data is utilised and processed; for example, to customise services and create the best customer experience. We observe our absolute obligation to look after the quality of our customers' data, its appropriateness and responsible processing as well as data security and data protection. Effective data protection is important not only to fulfil the regulatory requirements but also to maintain a good customer experience. We comply with the provisions of the General Data Protection Regulation (GDPR) in our operations.

In 2021, we invested in strengthening our employees' data protection and data security competence through various events and

digital training activities. We created a section dedicated to data protection in our intranet, complete with practical instructions, and developed new initiatives alongside conventional online training and information sessions, such as the "Data protection Thursday" concept as well as various video content. At the end of the year, we also completed an extensive project aimed at clarifying Kojamo's internal processes and practices related to the processing of personal data as well as identifying and preventing risks related to operating practices. During the year, we comprehensively assessed Kojamo's data security processes, clarified them and updated them where necessary.

## Tax footprint:

~104 M€


### We invest heavily in Finland

We made substantial investments during the year, with our gross investments totalling EUR 356.9 million. The investments were mainly allocated to new property development. Our employment effect is considerable, as it extends beyond our own operations to construction, renovation, property maintenance and cleaning

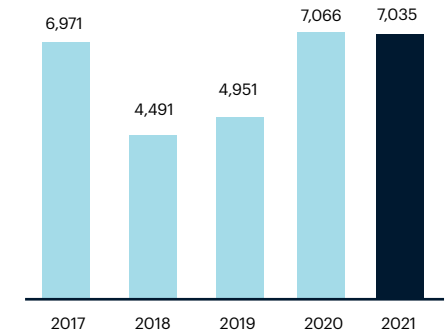
partnerships. We calculate our employment effect for every project. Our total indirect employment effect in 2021 was 7,035. We are also a significant taxpayer. All of our operations take place in Finland and we pay all of our taxes to Finland. Our tax footprint specifies all of the taxes and tax-like charges that society collects based on our operations. They include the direct and indirect taxes we pay as well as withholding taxes on the wages of our employees.

### We support top Finnish athletes and youth sports

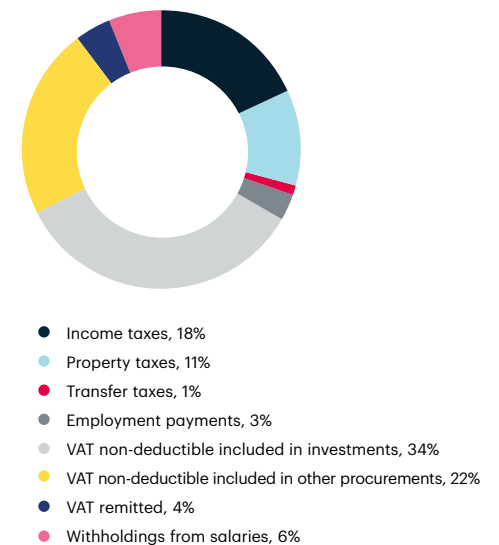
During the year, we also continued our long-term work to support top-level Finnish sports and youth sports. Launched in 2012, the Lumo sponsorship and grant programme promotes well-being through physical activity by awarding grants and sponsorship to young, promising athletes. Lumo grants are normally awarded twice a year. In 2021 before Christmas, we also awarded grants for our residents' children's hobbies. They are aimed at encouraging the continued development of 12–20-year-old athletes who show commitment to training and a passion for success in their sporting careers.

More information on the Lumo sponsorship athletes and teams for 2020–2021 is provided online at [kojamo.fi/en](https://kojamo.fi/en) 

### Indirect employment effect, person-years



### Group's tax footprint (%)





## CASE

### Sustainability is everyone's responsibility at Kojamo



We have a zero-tolerance policy concerning misconduct, the grey economy and data protection violations.

Kojamo's operations have direct and indirect impacts on society, and sustainability is part of our DNA. For us, being a responsible corporate citizen means, first and foremost, compliance with our Code of Conduct and requiring the same from all of our suppliers. Sustainability is reflected in our day-to-day work in various ways: we report our tax footprint transparently, maintain data protection and a safe workplace culture, use anonymous recruitment and provide a whistleblowing channel for reporting shortcomings either using one's name or anonymously. Our organisation has zero tolerance for misconduct, grey economy and data protection violations.

We updated our Code of Conduct the year before last. It is essential for us that everyone at Kojamo understands and internalises the practices, values and principles we want to use in our operations. With this in mind, we organised a training on the updated Code of Conduct for all of our employees in 2021. Each employee completed video training on the subject, and we also included the training in the orientation for new employees.

During the year, we also recognised the need to update our Procurement Policy to further emphasise the relevant sustainability perspectives.

"For example, we sharpened our procurement organisation, monitoring and processes and specified our requirements

concerning high-quality procurement and its outcomes. We also recognise our special responsibility concerning the processing of information that contains personal data. Data protection has always been an important issue for Kojamo, and last year we focused especially on developing our internal processes," says **Markus Kouhi**, General Counsel at Kojamo.

In 2021, we started a project aimed at establishing data protection operating models and a data protection culture in our organisation. Indeed, data protection thinking has been incorporated into Kojamo's corporate culture in innovative ways.

"Data protection is often perceived as a tricky issue, which is why we have deliberately tried to make it more understandable; for example, we have prepared practical online training and guidelines for employees in various roles. In addition to more conventional online training and information sessions, we have also created new kinds of attention tools in 2021, such as the Data Protection Thursday concept. People can come talk to me about any data protection issues on their mind, and we have weekly lucky draws for small prizes among the participants. We have also created video and podcast content together with Kojamo's communications team to make data protection topics more accessible," says Kojamo's Data Protection Officer **Pia Pynnä**.

# Kojamo's sustainability reporting principles

Kojamo plc reports on its sustainability as part of the Annual Report for 2021. The report provides information about the progress and results of sustainability efforts in 2021. The sustainability section of Kojamo's Annual Report is reported in accordance with the Global Reporting Initiative (GRI) standards and the EPRA (European Public Real Estate Association) Sustainability Best Practices Recommendations (sBPR Guidelines 2017, 3rd edition).

The coverage of the reporting recommendations is described in more detail in the GRI index and the table of sustainability indicators on [pages 45–54 and 56–63](#) in this report.

In addition, Kojamo reports on its sustainability as part of the financial statements, in the Statement of non-financial information.

## Scope of reporting

The Annual Report covers the key areas of Kojamo's financial, social and environmental responsibility and related activities during the reporting period 1 January–31 December 2021. Kojamo's sustainability reporting period is the same as the period used in Kojamo's financial reporting. The information is primarily disclosed for 2021. In addition, information is disclosed for 2020, 2019, 2018, 2017 and 2016 if it has been available in a comparable format and unless otherwise specified.

This report is based on the Core option of the GRI Standards. Theme-related information is disclosed for aspects of corporate responsibility material to Kojamo. The report is published annually in both Finnish and English. The report is published online in PDF format.

The report for 2020 was published on 4 March 2021, and the report for 2019 on 20 February 2020.

## Scope and limitations of reporting

Kojamo's sustainability reporting covers all of the investment properties in Kojamo's rental use, totalling 36,897 (35,082) apartments at the end of 2021. This corresponds to 100% of the leasable floor area in use owned by Kojamo. In conjunction with the properties, Kojamo also has business premises, which are included in the reporting. There were a total of 695 (662) business premises at the end of 2021. As a rule, Kojamo owns all of the investment properties included in the reporting. The office premises owned and used by Kojamo are also included within the scope of the reporting.

In Kojamo's financial reporting, investment properties also include plots and development projects, but they are not included in the sustainability reporting, unless separately mentioned.

The indicators relating to corporate responsibility are reported in accordance with the company's financial reporting principles. Kojamo does not report segment-specifically. Kojamo is a housing investment company that focuses on rental housing in Finland's growth centres. Therefore, it is not essential to use a geographic or property type-based breakdown in reporting.

No changes have taken place in the coverage and limitations of reporting compared to the previous year, unless otherwise specified for a certain indicator.

## Materiality

The links between Kojamo's materiality analysis of sustainability and key aspects of the company's sustainability programme are described in the sustainability section of the Annual Report on [pages 17–64](#).

## Environmental responsibility indicators

The environmental responsibility indicators cover 100% of the investment properties owned by Kojamo on 31 December 2021, unless otherwise specified.

The indicators of environmental responsibility cover energy consumption, water consumption, carbon dioxide emissions and waste management for at least three years, unless otherwise mentioned. Kojamo has expanded the reporting on the environmental responsibility indicators starting from 2020, so some of the indicators are only available for 2021 and 2020.

The indicators are primarily reported for all properties and for comparable properties.

The environmental responsibility indicators primarily cover properties completed or acquired before 31 December 2021. The indicators of new construction projects and renovations are also included from the beginning of the completion of the projects.

The cubic volume (m<sup>3</sup>) of the property portfolio has been used as the denominator in calculating the consumption indicators.

Comparable consumption figures are reported for a period of two years. The Like-for-Like

property portfolio includes the properties owned by Kojamo during the last two full reporting periods. The review is prepared concerning uniform property portfolios for 2020 and 2021.

The consumption figures of the office premises owned by Kojamo are reported separately with regard to energy consumption and carbon dioxide emissions. For other indicators, the office premises owned by the company are not reported separately.

All indicators are based on actual consumption, not estimates.

## Electricity and energy

The total energy consumption figure includes property electricity, heating and cooling.

The indicators for electricity, heating and cooling cover 716 (711) properties, 100% of the investment properties owned by Kojamo. The comparable (Like-for-Like) figures cover 693 properties, or 97% of the investment properties.

Of the properties, 90% (92%) are within the scope of remote measurement of heating energy. 100% (100%) of the properties are within the scope of remote electricity consumption measurement.

Energy consumption data is primarily received from energy companies as digital messages that are automatically entered in the consumption monitoring system. For energy meters that are not read remotely, the monitoring of consumption data is based on manual reading and recording

the data in the consumption monitoring system.

Heating indicators are reported using both measured data and standardised (weather-adjusted) data to facilitate annual comparisons.

Heating and cooling are included in the rent, which is the common market practice in Finland. For this reason, the indicators include heating and cooling of apartments in addition to the public facilities of the properties.

Electricity consumption-related indicators cover the use of property electricity. Property electricity includes the electricity consumption of the public facilities of the property, such as saunas, cooling, ventilation and lighting. Kojamo's residents make their own electricity agreements with the electricity suppliers of their choice, and thereby the electricity consumption of the apartments (residents) is not included within the scope of the reporting.

## Water

Water consumption indicators cover 716 (711) properties, or 100% (100%) of the investment properties owned by Kojamo. The comparable (Like-for-Like) figures cover 693 properties, or 97% of the investment properties.

Water consumption indicators include the water consumption of both the property's public facilities and of the apartments (residents). The water consumption of the apartments is charged by way of a separate water fee.

Water consumption is primarily measured using pulsed water meters that send the

consumption data wirelessly to the consumption monitoring system. For water meters that are not read remotely, the monitoring of consumption data is based on manual reading and recording the data in the consumption monitoring system.

Some 90% (96%) of the properties are within the scope of remote reading. All indicators are based on actual consumption, not estimates.

The water for all properties owned by Kojamo is sourced from the municipal water network.

## Waste

Waste-related indicators cover 98.2% (93%) of the investment properties owned by Kojamo, development projects (Metropolia properties) and company-owned office premises.

Regional waste management companies take care of the waste management of Kojamo's properties. Waste-related indicators are based on waste fraction-specific data and waste volumes provided by the waste management companies.

## Carbon dioxide emissions

Kojamo does not have direct carbon dioxide emissions (Scope 1).

With regard to the heating related to the water consumption and energy consumption of Kojamo's properties, emissions accounting is conducted in accordance with the GHG Protocol, covering the Scope 1 and Scope 2 emissions for energy and Scope 3 emissions for the heating of water.

The Scope 1 and Scope 2 indicators for the properties cover 716 (711) properties, or 100% of the investment properties owned by Ko-

jamo. The comparable (Like-for-Like) figures cover 693 properties, or 97% of the investment properties. Regarding the heating of water, the Scope 3 emissions cover 716 properties, or 100% of the investment properties.

Emissions accounting covers both market-based and location-based accounting. In accordance with the GHG Protocol, market-based accounting refers to an accounting method that takes into account the market instruments used in procuring the energy, such as guarantees of energy origin, and other products offered by the energy seller parallel to the same logic. Kojamo's property electricity is 100% produced with hydro-power certified by guarantees of origin. Kojamo's market-based accounting uses the product-specific factors provided by, and collected directly from, energy producers.

In location-based accounting, energy grid-specific or area-specific emissions factors are used for the entire amount of energy consumed. Location-based accounting uses the multiple-year average of emissions factors for energy production in all of Finland (Motiva). The factors for heat and electricity were collected at the beginning of 2022. The accounting takes into consideration the emissions of heat, electricity and the heating of water.

The emissions of properties are accounted at the level of properties, covering the property portfolio and Kojamo's own locations.

Scope 3 emissions include, besides the heating of water, emissions from Kojamo's leasing and rental agents' cars and emissions from the company's business flights for the year under review. The total number of leasing and rental agents' cars is approximately 76 (80) vehicles. WWF's Climate Calculator Tool has been used in calculating the Scope 3

emissions for vehicles and flights. For the calculation of water emissions, a factor of 0.69 kgCO<sub>2</sub>e/m<sup>3</sup> has been used, which takes into account the pumping of water before the water entering the property as well as the treatment of waste water.

In 2021, total greenhouse gas emissions were 57,182 (57,343) tCO<sub>2</sub>e. Emissions decreased by 161 tCO<sub>2</sub>e. The reduction in emissions is based on the decreased emission factors of district heating companies and improvements in the energy efficiency of the property portfolio.

## Validation of reporting

Certain energy, emissions and water data related to Kojamo's sustainability reporting have been validated by an independent third party, KPMG, and a correspondence check has been carried out on the corresponding data in English.

**Information on the validated indicators is provided in the GRI Index on pages 57-64. of the Annual Report. The validation report is on pages 66 of the Annual Report.** [↪](#)

## Contact information

In questions relating to Kojamo's sustainability reporting, please contact:

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# Sustainability figures 2021

Unless otherwise stated, figures have been calculated based on the situation at year-end.

The coverage and calculation method of the key figures has been discussed in the section [Reporting principles](#).

ENVIRONMENTAL RESPONSIBILITY								
Property portfolio 31 Dec 2021	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Volume (heated) (m <sup>3</sup> )	9,602,255	9,241,914						
Living area (m <sup>2</sup> )	1,992,449	1,925,696						
Number of apartments (units)	36,897	35,802	35,272					
The coverage of AI based IoT solution controlling indoor temperature (%)	77	80						

Energy	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Total energy consumption (kWh/m <sup>3</sup> )	37.7	35.6	40.4	40.9	42.4	302-3	Energy-Int	
Own development projects that entered planning phase as of 1 January 2021 with EPC ≤80 (%)	100							Share of all initiated own development projects
Own development projects that entered planning phase before 31 December 2020 with EPC ≤ 82 (%)	100	100						Share of own developments
Completed own development projects since 2016 with EPC ≤ 82 (%)	82	84						Share of own developments
Total energy consumption (GWh)	361.7	328.7	346	354.7	343.2	302-1	DH&C-Abs	Total energy includes the property electricity and heating. Of heating energy, 99% is originated from district heating.
Total energy consumption, Like-for-Like (GWh)	355.0	309.4	316.7	324	339.2	302-1	DH&C-Abs	
Total energy consumption of own offices (GWh)	1.6	1.7				302-1	DH&C-Abs	Only electricity reported from local offices.
Share of renewable energy of total energy consumption (%)	21	21				302-1	DH&C-Abs	

[illegible]

Water	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Total water consumption (Mm³)	3.3	3.4	3.1	3.0	3.0	303-3	Water-Abs	
Total water consumption, Like-for-Like (Mm³)	3.2	3.3	2.8	2.9	2.8		Water-LfL	
Water intensity (l/m³)	342	365	343	347	344		Water-Int	
Water intensity (m³/m²)							Water-Int	
Water intensity, Like-for-Like (l/m³)	350	369	347	348	340	303-3	Water-LfL	

The applicable data coverage of peoperties is reported in the reporting principles -section.

Carbon footprint and emissions	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
CO <sub>2</sub> emissions, scope 1 (t CO <sub>2</sub> e)	0	0	0	0		305-1	GHG-Dir-Abs	No production of fossil energy
CO <sub>2</sub> emissions, scope 2, market-based (t CO <sub>2</sub> e)	42,671	50,881	53,896	63,773		305-2	GHG-Indir-Abs	The emission figures from 2018 and 2019 were corrected as part of 2020 reporting.
CO <sub>2</sub> emissions, scope 2, location-based (t CO <sub>2</sub> e)	54,626	54,730	58,925			305-2	GHG-Indir-Abs	
CO <sub>2</sub> emissions, scope 2, market-based, Like-for-Like (t CO <sub>2</sub> e)	41,649	51,377	53,994			305-2	GHG-Indir-Abs	
CO <sub>2</sub> emissions, scope 2, location-based, Like-for-Like (t CO <sub>2</sub> e)	53,823	55,401	58,926			305-2	GHG-Indir-Abs	
CO <sub>2</sub> emissions, scope 3 (t CO <sub>2</sub> e)	2,556	2,613				305-3		The scope 3 CO <sub>2</sub> emissions include the CO <sub>2</sub> emissions from the heating of water of property portfolio (2,264 t CO <sub>2</sub> ). For the calculation of water emissions, a factor of 0.69 kgCO <sub>2</sub> e/m <sup>3</sup> has been used, which takes into account the pumping of water before the water entering the property as well as the treatment of waste water. The company business flights (3 t CO <sub>2</sub> ) and the leased cars (289 t CO <sub>2</sub> ).
CO <sub>2</sub> emissions intensity, scope 1 and 2, market-based (kg CO <sub>2</sub> e/m <sup>3</sup> )	4.4	5.5	6.9	7.9		305-4	GHG-Int	
Reduction of greenhouse gas emissions, total emissions (tCO <sub>2</sub> e).	161					305-5		The emission reductions are based on the emission factor development of energy companies and improvements in energy efficiency.
Kojamo has renewed its calculation method for carbon footprint and therefore all comparison figures for previous years are not available.								
The applicable data coverage of peoperties is reported in the reporting principles -section.								

Waste	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
<b>Total waste (t)</b>	16,635	15,386	13,709			306-2	Waste-Abs	
Mixed waste	9,815	8,335	7,899	7,497				
Biowaste	1,986	1,710	1,510	1,430				
Energy waste	146	1,321	975	1,224				
Material recovery waste	4,689	4,011	3,313	3,143				
Hazardous waste	0	9	12	0				
Recycling rate (%)	40	37	35					Includes biowaste and waste for material recovery



Share of energy recovery (%)	60	63	65	
Waste per apartment (kg/apartment)	451	430	389	393
Total waste, Like-for-Like (t)				Waste-LfL
The applicable data coverage of peoperties is reported in the reporting principles -section.				

## PERSONNEL RESPONSIBILITY

Information on personnel	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Personnel in total	325	317	296	298	316	102-8		
Management team in total	6							
Type of employment (permanent / temporary)	284 / 41	282 / 35	267 / 29	274 / 24	284 / 32	102-8		
Average duration of employment (years)	9.4	9.3						
New employees (number and %)	24 (8%)	31 (11%)	33 (12%)			401-1	Emp-Turnover	Of permanent personnel
<b>Governance bodies</b>						102-22	Gov-Board	
Board of Directors in total	7					102-22	Gov-Board	
Remuneration committee in total	3					102-22	Gov-Board	
Audit committee in total	4					102-22	Gov-Board	
Average tenure of the Board of Directors	5.4					102-22	Gov-Board	
Number of independent Board members	7					102-22	Gov-Board	
Independent of the company	7					102-22	Gov-Board	
Independent of significant shareholders	7					102-22	Gov-Board	
<b>New employees by age (number and %)</b>						401-1	Emp-Turnover	Of permanent personnel
under 20	0	0						
20-25	1 (4%)	1 (3%)						
26-30	2 (8%)	7 (23%)						
31-35	4 (17%)	5 (16%)						
36-40	7 (29%)	6 (20%)						
41-45	2 (8%)	6 (20%)						
46-50	4 (17%)	2 (6%)						
51-55	4 (17%)	2 (6%)						
56-60	0	2 (6%)						
over 60	0	0						

Information on personnel	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
<b>New employees by gender (number and %)</b>							401-1	Diversity-Emp
Women	12 (50%)	14 (45%)						Diversity-Emp Of permanent personnel
Men	12 (50%)	17 (55%)						Diversity-Emp Of permanent personnel
<b>Turnover (%)</b>	10.9	9.8	14.6	10.2	8.6		401-1	Emp-Turnover Of permanent personnel
<b>Turnover, by age (%)</b>							401-1	Emp-Turnover Of permanent personnel
under 20	0	0						
20–25	50	10						
26–30	13.3	16.1						
31–35	17.2	10.5						
36–40	15.6	8.7						
41–45	8.3	11.8						
46–50	13.8	6.9						
51–55	8.1	4.3						
56–60	3.8	5.8						
over 60	5.6	15						
<b>Turnover by gender (%)</b>							401-1	Emp-Turnover Of permanent personnel
Women	9.5	8.8						
Men	13.0	11.2						

Information on personnel	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
<b>Gender pay ratio (by Hay classification)</b>							405-2	Diversity-Pay
Hay 18–20 (senior management)	93	95						Diversity-Pay
Hay 16–17 (middle management, senior specialist)	91	95						The average salary of women of the average salary of men (%)
Hay 14–15 (specialists)	97	96						Diversity-Pay
Hay 9–13 (employees)	102	105						Diversity-Pay
<b>Gender distribution (by Hay classification)</b>							405-2	Diversity-Emp
Hay 18–20 (senior management)	38 / 62	48 / 52						Diversity-Emp
Hay 16–17 (middle management, senior specialist)	44 / 56	43 / 57						Diversity-Emp
Hay 14–15 (specialists)	43 / 58	53 / 47						Diversity-Emp
Hay 9–13 (employees)	86 / 14	89 / 11						Diversity-Emp

Distribution of personnel	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
<b>Distribution by gender, women / men (%)</b>							405-1	Diversity-Emp
Total personnel	61 / 39	61 / 39	63 / 37	63 / 37	62 / 38			Diversity-Emp
Superiors	45 / 55	46 / 54	54 / 46					Diversity-Emp
Management Team	50 / 50	50 / 50	40 / 60	25 / 75	14 / 86			Diversity-Emp
Board of Directors	43 / 57	43 / 57	43 / 57	29 / 71	13 / 87			Diversity-Emp



**Personnel distribution by task (%)**

102-8

Rental operations and customer service	36	35	34	102-8
Building management	19	16	16	102-8
Investments	2	3	3	102-8
Construction	7	8	6	102-8
Ownership and investing	3	4	4	102-8
Marketing and communications	2	3	2	102-8
ICT and development	8	8	7	102-8
Financial management and financing	14	14	16	102-8
Other tasks	9	10	10	102-8

Task division has been updated in 2019 and earlier comparison data is not available.

Personnel distribution by age (%)	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
below 20	0	0	0	0	1	405-1		
20–25	1	6	10	6	6	405-1		
26–30	11	13	9	10	10	405-1		
31–35	11	12	14	12	13	405-1		
36–40	16	13	10	13	13	405-1		
41–45	15	13	13	12	12	405-1		
46–50	10	11	10	13	15	405-1		
51–55	13	11	13	13	13	405-1		
56–60	14	14	15	14	14	405-1		
over 60	10	7	7	5	3	405-1		

Personnel average age	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Average age (permanent personnel)	45	45						Reported first time 2020.
Average age (all personnel)	43	43						Reported first time 2020.

Geographic distribution (%)	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Helsinki	78	77	74	73	72	102-8		
Hämeenlinna	1	2	2	2	2	102-8		
Jyväskylä	3	3	2	3	3	102-8		
Kuopio	2	2	3	2	3	102-8		
Lahti	2	3	3	3	3	102-8		
Lappeenranta	0	0	1	1	1	102-8		
Oulu	4	4	4	4	4	102-8		
Rovaniemi	0	0	0	0	1	102-8		
Tampere	7	7	7	8	9	102-8		
Turku	2	2	3	2	3	102-8		

Job satisfaction and competence development	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Personnel satisfaction index*, Kojamo / control group (%)	4.1 / 5	75 / 68	75 / 68	73 / 67	75 / 67			The result is from 2019. In 2020 there were no separate employee satisfaction survey, but instead a culture compass project and personnel survey about remote work was conducted.
Employee Net Promoter Score (ENPS)	48							
Coverage of performance appraisals (% of personnel)	100%	100%	100%	100%	100%	404-3	Emp-Dev	
Average training hours per person	8h 58min	10h 20min	12h 24min			404-1	Emp-Training	Annual training hours divided by average number of personnel
Personnel attendee rate regarding Code of Conduct training (%)	87%					205-2	Emp-Training	

Health and safety	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Work accidents	6	6	12			403-9	H&S-Emp	
Injury rate (IR)	0.001054	0.001036				403-9	H&S-Emp	Injuries divided by annual working hours
Lost Time Injury Frequency (LTIF)	10.54	10.36				403-9	H&S-Emp	Lost days divided by annual working hours * 1,000,000
Lost Day Rate, injuries (LDR) (%)	0.01	0.04					H&S-Emp	Lost days divided by annual working hours

Health and safety	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Occupational diseases	0	0	0			403-2	H&S-Emp	
Absentee Rate, %	2.73	3.14	3.64			403-2	H&S-Emp	
Work-related fatalities	0	0	0			403-2	H&S-Emp	
Assets of which health and safety impacts are assessed, number and %	712 / 100%	451 / 66%				416-1	H&S-Asset	Amount of internal fire inspections and share of portfolio
Asset health and safety compliance violations	0	0				416-2	H&S-Comp	Number of incidents
Occupational safety index (TR measurement) at construction sites	95.3	94.4	93.7	94.3	93.2		H&S-Asset	
Some of the data is reported for the first time in 2020 and comparison figures are not available.								

CUSTOMER RESPONSIBILITY								
Customer satisfaction	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Net Promoter Score (NPS)	20	36	34	35	33			
Digital Net Promoter Score (DNPS)	64	63						

Data protection	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Requests related to personal data processing								
- requests for information	5	6	6					
- requests for data correction	0	0	1					
- requests for data removal	17	9	7					
- requests for objecting data processing	0	0	4					
Refusals of automatic decision making	0	0	0					
Requests for clarification and information by supervisory authorities	0	1	0			418-1		
Personal data breach notifications	0	0	0			418-1		
Serious information security incidents	0	0	0			418-1		
Suspected or detected personal data breaches	0	0	0			418-1		
Audits	1	0	2					



Local communities	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Community engagement (number and share of portfolio)	470	~500				413-2	Comty-Eng	The amount of Lumo teams and share of portfolio

## ECONOMIC RESPONSIBILITY

Taxes	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Group's tax footprint (%)						203-2		
Income taxes (%)	18	17	22	32	27	203-2		
Property taxes (%)	11	11	12	9	9	203-2		
Transfer taxes (%)	1	3	3	5	1	203-2		
Employment payments (%)	3	3	4	4	4	203-2		
VAT non-deductible included in investments (%)	34	34	22	19	29	203-2		
VAT non-deductible included in other procurements (%)	22	23	25	21	21	203-2		
VAT remitted (%)	4	5	6	4	4	203-2		
Withholdings from salaries (%)	6	6	6	5	5	203-2		
Taxes and tax-like charges in total (EUR million)	~104	~101	~90	~106	~104	201-1		

Code of Conduct	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Whistleblowing reports received	0	0						

Prevention of corruption	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
Whistleblowing reports received	0	0	0					
Risk assessments related to bribery and corruption	0	0	0			205-1		
Confirmed corruption cases and actions	0	0	0			205-3		

Financial impact	2021	2020	2019	2018	2017	GRI Standards	EPRA code	Further information
<b>Distribution and creation of direct economic added value (EUR million)</b>								201-1
Total revenue	391.7	383.9	375.3	358.8	337.0			201-1
Operating profit	1,333.7	446.3	1,081.9	324.2	307.0			201-1
Gross investments	356.9	371.2	259.9	365.2	367.3			201-1
Investments in growth centres (%)	100	100						
Corporate tax	18.9	16.7	19.9	34.1	28.6			201-1
Salaries and fees	16.4	17.3	16.4	16.8	15.3			201-1
<b>Grants and sponsorship</b>								
Lumo grants (number)	150	150						
Lumo sponsorship (amount of persons)	7	7						
<b>Material indirect economic impacts</b>								203-2
Indirect employment effect (person years)	7,035	7,066	4,951	4,491	6,971			203-2

# Management approach to sustainability

	SUSTAINABLE CITIES	THE BEST CUSTOMER EXPERIENCE	THE MOST COMPETENT PERSONNEL AND A DYNAMIC PLACE TO WORK	A RESPONSIBLE CORPORATE CITIZEN	CORNERSTONES OF SUSTAINABILITY
Material aspects	<ul style="list-style-type: none"> <li>Circular economy and material efficiency</li> <li>Comprehensive recycling opportunities</li> <li>Carbon neutrality and mitigating climate change</li> <li>Optimisation and continuous improvement of energy efficiency</li> <li>Minimising the life cycle environmental impacts of properties</li> <li>Innovative and smart solution</li> </ul>	<ul style="list-style-type: none"> <li>Services &amp; shared-use solutions promote sustainable housing</li> <li>Digitalisation in the development of resident services</li> <li>The safety and comfort of residential areas</li> <li>The cleanliness of residential areas</li> <li>Urban nature and green areas</li> <li>Low-emission and low-noise construction sites</li> </ul>	<ul style="list-style-type: none"> <li>Equality and non-discrimination concerning personnel</li> <li>Workplace diversity</li> <li>Development of management and supervisory work</li> <li>Development of personnel competence</li> <li>Mental work ability, coping with work, extending careers</li> <li>Comprehensive occupational healthcare</li> <li>Occupational safety</li> </ul>	<ul style="list-style-type: none"> <li>Responsible corporate citizenship</li> <li>Sustainability solutions and innovations as part of growth</li> <li>The risks and opportunities of climate change</li> <li>Sustainable and low-emission procurement</li> <li>Ensuring privacy and data protection</li> </ul>	<ul style="list-style-type: none"> <li>Long-term profitability and growth of business</li> </ul>
Focus areas	<ul style="list-style-type: none"> <li>Low-carbon operation</li> <li>Energy efficiency</li> <li>Circular economy</li> <li>Living environment</li> <li>Life-cycle of properties</li> </ul>	<ul style="list-style-type: none"> <li>Satisfied residents</li> <li>An environmentally friendly, responsible Lumo</li> <li>Safety and comfortability</li> <li>Smart solutions and additional services for housing</li> </ul>	<ul style="list-style-type: none"> <li>Equality and equity for personnel</li> <li>The health and well-being of personnel</li> <li>Good management and leadership</li> </ul>	<ul style="list-style-type: none"> <li>Anti-grey economy work</li> <li>Privacy and data protection</li> <li>Corporate Governance</li> <li>Paying taxes</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring long-term profitability and business growth</li> <li>Sustainable and responsible operations</li> <li>Transparent communications and reporting</li> </ul>
Key policies, principles, commitments and programmes	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>Net Zero Carbon Buildings commitment</li> <li>Voluntary energy efficiency agreement of the Finnish real estate sector 2017–2025</li> <li>City of Helsinki Climate Partnership</li> <li>WWF Green Office</li> <li>Due diligence</li> <li>Investment decisions</li> <li>Roadmap to carbon neutral energy usage</li> </ul>	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>Customer's Viewpoint operating model</li> </ul>	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>A responsible employer</li> <li>Responsible Summer Job campaign</li> <li>Personnel policy</li> <li>Equality and non-discrimination plan</li> <li>Collective bargaining agreements</li> </ul>	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>Supplier Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>Corporate Governance Code</li> <li>Whistleblowing procedure</li> <li>Vastuu Group Oy's Reliable Partner service</li> <li>Data Security Policy</li> <li>Risk management</li> <li>Lumo sponsorship and grant programme</li> </ul>	<ul style="list-style-type: none"> <li>Kojamo's strategy</li> <li>Kojamo's values</li> <li>Code of Conduct</li> <li>Supplier Code of Conduct</li> <li>UN Sustainable Development Goals</li> <li>GRI Standards</li> <li>Global Real Estate Sustainability Benchmark (GRESB)</li> <li>EPRA Sustainability Best Practices Recommendations Guidelines -reporting</li> </ul>
Assessing the effectiveness of the management approach	<ul style="list-style-type: none"> <li>Whistleblowing procedure</li> <li>Property and Building Sector Energy Efficiency Agreement steering group and reporting</li> <li>Operating in accordance with the Net Zero Carbon Buildings commitment</li> <li>WWF Green Office audits</li> <li>Management Team</li> <li>Steering groups</li> </ul>	<ul style="list-style-type: none"> <li>Whistleblowing procedure</li> <li>Resident satisfaction surveys</li> <li>NPS</li> <li>Management Team</li> <li>Steering groups</li> </ul>	<ul style="list-style-type: none"> <li>Whistleblowing procedure</li> <li>Overall results of the personnel survey</li> <li>Personnel satisfaction index</li> <li>Management Team</li> <li>Steering groups</li> </ul>	<ul style="list-style-type: none"> <li>Internal auditing</li> <li>Vastuu Group Oy's Reliable Partner service</li> <li>Whistleblowing procedure</li> <li>Tax footprint</li> <li>Management Team</li> <li>Steering groups</li> <li>Partner evaluation practices</li> </ul>	<ul style="list-style-type: none"> <li>Internal auditing</li> <li>Vastuu Group Oy's Reliable Partner service</li> <li>Whistleblowing procedure</li> <li>Management Team</li> <li>Steering groups</li> </ul>
Aspect boundaries	Kojamo and the supply chain	Kojamo and customers	Kojamo	Kojamo	Kojamo, supply chain, customers



# GRI index

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EXTERNAL ASSURANCE	EPRA	LOCATION	ADDITIONAL INFORMATION
General Disclosures						
Organisational Profile						
102-1	2016	Name of the organisation			Key figures 2021	
102-2	2016	Activities, brands, products, and services			Key figures 2021, Kojamo's value creation model	
102-3	2016	Location of headquarters				Helsinki
102-4	2016	Location of operations			Financial development	
102-5	2016	Ownership and legal form			Financial Statements, p. 16, 37, Key figures in 2021	
102-6	2016	Markets served			Kojamo's value creation model, Financial development	
102-7	2016	Scale of the organisation			Key figures in 2021, Key sustainability figures in 2021	
102-8	2016	Information on employees and other workers			Sustainability figures, The most competent personnel and a dynamic place to work	We employed 46 summer employees in total in summer 2021.
102-9	2016	Supply chain			Kojamo's value creation model, A responsible corporate citizen	
102-10	2016	Significant changes to the organisation and its supply chain				There were no significant changes to the organisation and its supply chain during the reporting year.
102-11	2016	Precautionary Principle or approach				Kojamo plc applies the Precautionary Principle in its operations. The company's operating model is based on preparing beforehand to avoid or reduce environmental risks and adverse impacts in all operations.
102-12	2016	External initiatives			Our sustainability programme, Key commitments, Sustainable cities, The most competent personnel and a dynamic place to work, A responsible corporate citizen	
102-13	2016	Membership of associations			Our sustainability programme, Sustainability management and stakeholder engagement	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EXTERNAL ASSURANCE	EPRA	LOCATION	ADDITIONAL INFORMATION
<b>Strategy</b>						
102-14	2016	Statement from senior decision-maker			CEO's review	
102-15	2016	Key impacts, risks, and opportunities			Financial Statements: Statement of non-financial information, p. 25, Our strategy 2020–2023, Kojamo's value creation model, Sustainability at Kojamo	
<b>Ethics and integrity</b>						
102-16	2016	Values, principles, standards, and norms of behavior			Our strategy, Reporting principles, Sustainability management and stakeholder engagement, A responsible corporate citizen	
<b>Governance</b>						
102-18	2016	Governance structure			Corporate Governance Statement, p. 2	
102-22	2016	Composition of the highest governance body and its committees		Gov-Board	Corporate Governance Statement, p. 6–7	
102-24	2016	Nominating and selecting the highest governance body		Gov-Selec	Corporate Governance Statement, p. 3–7	Charter of the Shareholders' Nomination Board: <a href="https://kojamo.fi/wp-content/uploads/2022/02/Kojamo-Corporate-Governance-Statement-2021.pdf">https://kojamo.fi/wp-content/uploads/2022/02/Kojamo-Corporate-Governance-Statement-2021.pdf</a>
102-25	2016	Conflicts of interest		Gov-Col	Corporate Governance Statement, p. 10	
102-32	2013	Highest governance body's role in sustainability reporting			Sustainability management and stakeholder engagement	
<b>Stakeholder engagement</b>						
103-40	2016	List of stakeholder groups			Sustainability management and stakeholder engagement	
103-41	2016	Collective bargaining agreements			Financial Statements: Statement of non-financial information, p. 22	
103-42	2016	Identifying and selecting stakeholders			Sustainability management and stakeholder engagement	
103-43	2016	Approach to stakeholder engagement			Sustainability management and stakeholder engagement	
103-44	2016	Key topics and concerns raised			Sustainability management and stakeholder engagement	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EXTERNAL ASSURANCE	EPRA	LOCATION	ADDITIONAL INFORMATION
<b>Reporting practice</b>						
102-45	2016	Entities included in the consolidated financial statements			Financial Statements: Note 1, Basis for presentation of the financial statements, p. 37	
102-46	2016	Defining report content and topic Boundaries			Materiality analysis of sustainability, Reporting principles, Financial Statements: Note 1, Basis for presentation of the financial statements, p. 18	
102-47	2016	List of material topics			Sustainability at Kojamo, Kojamo's sustainability reporting principles, Material sustainability topics and reference to GRI Standards	
102-48	2016	Restatements of information			Reporting principles, Sustainability figures	Changes in previously reported data have been announced in connection with the data in question.
102-49	2016	Changes in reporting			Reporting principles, Sustainability figures	No material changes in reporting.
102-50	2016	Reporting period			Reporting principles	
102-51	2016	Date of most recent report			Reporting principles	
102-52	2016	Reporting cycle			Reporting principles	
102-53	2016	Contact point for questions regarding the report			Back cover of Annual Report, Information for investors, Reporting principles	
102-54	2016	Claims of reporting in accordance with the GRI Standards			Reporting principles	
102-55	2016	GRI content index			GRI index	
102-56	2016	External assurance			Reporting principles	
<b>Management approach</b>						
103-1	2016	Explanation of the material topic and its Boundary			We create better urban living, Sustainability work at Kojamo, Reporting principles	
103-2	2016	The management approach and its components			Our sustainability programme, Sustainability management and stakeholder engagement, Sustainable cities - targets of the focus area, The best customer experience - targets of the focus area, The most competent personnel and a dynamic place to work - targets of the focus area, Responsible corporate citizen - targets of the focus area	
103-3	2016	Evaluation of the management approach			Sustainability management and stakeholder engagement	



GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EXTERNAL ASSURANCE	EPRA	LOCATION	ADDITIONAL INFORMATION
<b>GRI 200 Economic standards</b>						
<b>Economic Performance</b>						
201-1	2016	Direct economic value generated and distributed			Kojamo's value creation model, Sustainability figures	
<b>Indirect Economic Impacts</b>						
203-2	2016	Significant indirect economic impacts			Kojamo's value creation model, A responsible corporate citizen	
<b>Anti-corruption</b>						
205-1	2016	Operations assessed for risks related to corruption			Financial Statements: Statement of non-financial information, p. 25, Corporate Governance Statement, p. 9–10	Assessed as a part of Kojamo's risk management process.
205-3	2016	Confirmed incidents of corruption and actions taken			Sustainability figures	
<b>Tax</b>						
207-1	2019	Approach to tax			Financial Statements, Note 5, Taxes p. 61, A responsible corporate citizen	
207-2	2019	Tax governance, control and risk management			Corporate Governance Statement, p. 9	<a href="https://kojamo.fi/wp-content/uploads/2022/02/Kojamo-Corporate-Governance-Statement-2021.pdf">https://kojamo.fi/wp-content/uploads/2022/02/Kojamo-Corporate-Governance-Statement-2021.pdf</a>
207-3	2019	Stakeholder engagement and management concerns related to tax				Tax-related issues are part of Kojamo's stakeholder engagement. In 2020, we surveyed stakeholder expectations as part of our materiality analysis. Taxes were highlighted as a central topic. Stakeholders' expectations have been taken into account in Kojamo's sustainability programme. The survey was not renewed during the reporting year.
207-4	2019	Tax paid			Sustainability figures, Corporate Governance Statement	
<b>GRI 300 Environmental standards</b>						
		Mandatory and potential voluntary certificates of properties		Cert-tot	Sustainability figures	
Kojamo plc's own topic		Coverage of AI-based system controlling indoor temperature in apartments (%)			Sustainable cities	
Kojamo plc's own topic		Coverage of WWF Green Office of our offices (%)			Sustainable cities, Sustainability figures	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EXTERNAL ASSURANCE	EPRA	LOCATION	ADDITIONAL INFORMATION
<b>Energy</b>						
302-1	2016	Energy consumption within the organization	Yes	DH&C-Abs, DH&C-LfL, Elec-Abs, Elec-LfL, Fuels-Abs, Fuels-LfL	Sustainability figures, Reporting principles	
302-3	2016	Energy intensity	Yes	Energy-Int	Sustainability figures, Sustainable cities, Reporting principles	
<b>Water and Effluents</b>						
303-1	2018	Interactions with water as a shared resource	Yes		Sustainable cities	
303-2	2018	Management of water discharge-related impacts	Yes			Not a material topic for Kojamo's operations.
303-3	2018	Water recycled and reused	Yes	Water-Abs, Water-LfL, Water-Int	Sustainability figures, Sustainable cities, Reporting principles	Kojamo does not operate in areas with water stress.
<b>Emissions</b>						
305-1	2016	Direct (Scope 1) GHG emissions	Yes	GHG-Dir-Abs	Sustainability figures, Reporting principles	
305-2	2016	Energy indirect (Scope 2) GHG emissions	Yes	GHG-In-Dir-Abs	Sustainability figures, Reporting principles	
305-3	2016	Other indirect (Scope 3) GHG emissions	Yes	GHG-In-Dir-Abs	Sustainability figures, Reporting principles	
305-4	2016	GHG emissions intensity	Yes	GHG-Int	Sustainability figures, Sustainable cities, Reporting principles	
305-5	2016	Reduction of GHG emissions	Yes		Sustainability figures, Sustainable cities, Reporting principles	
<b>Waste</b>						
306-1	2020	Waste generation and significant waste-related impacts			Sustainability figures, Sustainable cities, Reporting principles	
306-2	2020	Management of significant waste-related impacts			Sustainability figures, Reporting principles	
306-3	2020	Waste generated		Waste-Abs, Waste-LfL	Sustainability figures, Reporting principles	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EXTERNAL ASSURANCE	EPRA	LOCATION	ADDITIONAL INFORMATION
<b>Supplier Environmental Assessment</b>						
308-1	2016	New suppliers that were screened using environmental criteria			A responsible corporate citizen	The related process has been described.
<b>GRI 400 Social standards</b>						
Kojamo's own topic		Gross investments in growth centres (M€)			Key sustainability figures 2021, Sustainability figures	
Kojamo's own topic		Total amount of grants			Sustainability figures	
Kojamo's own topic		Annual resident survey, average – Safety and comfort				Is reported starting from 2021.
Kojamo's own topic		Annual resident survey, average – Environmental responsibility and consumption				Is reported starting from 2021.
Kojamo's own topic		Annual resident survey, average – Services enhancing responsibility				Is reported starting from 2021.
Kojamo's own topic		Annual resident survey, average – Communication and diversity				Is reported starting from 2021.
Kojamo's own topic		NPS			Key sustainability figures 2021, The best customer experience, Sustainability figures	
Kojamo's own topic		Reporting according to EPRA sBPR and GRI Standards frameworks and participating in GRESB sustainability assessment annually.				
<b>Employment</b>						
401-1	2016	New employee hires and employee turnover		Emp-Turnover	Sustainability figures	
<b>Occupational health and safety</b>						
403-1	2018	Occupational health and safety management system				Kojamo applies a Safety at work induction model, safety and rescue plans and occupational health action plan. Coverage is 100% of personnel and offices. In addition, Kojamo applies safety plan for customer service work covering customer service function of personnel.



GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EXTERNAL ASSURANCE	EPRA	LOCATION	ADDITIONAL INFORMATION
403-2	2018	Hazard identification, risk assessment, and incident investigation				Kojamo applies a safety plan as well as a procedure and reporting system for near-accidents and occupational health and safety risks covering 100% of personnel. Occupational health and safety organisation is responsible for investigation. In addition, we conduct customer service safety queries every other year.
403-3	2018	Occupational health services				We have a comprehensive occupational health service covering 100% of personnel in accordance with the occupational health action plan.
403-4	2018	Worker participation, consultation, and communication on occupational health and safety				Kojamo has an occupational health and safety organisation and occupational health, safety and wellbeing committee consisting of representatives of employees, employer and occupational health care. Personnel have comprehensive multi-channel opportunities for developing occupational health and safety related areas.
403-5	2018	Worker training on occupational health and safety				As a part of work orientation, we arrange an occupational health and safety training for the entire personnel. In addition we arrange first aid and occupational health and safety trainings regularly. Subcontractors are responsible for occupational health and safety training of their own personnel.
403-6	2018	Promotion of worker health			Sustainability figures, The most competent personnel and a dynamic place to work	Kojamo offers a wide range of services promoting wellbeing, exercise and culture benefit and communal activities.
403-7	2018	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			The best customer experience, A responsible corporate citizen	
403-9	2018	Work-related injuries		H&S-Emp	Sustainability figures	
403-10	2018	Work-related ill health		H&S-Emp	Sustainability figures	
<b>Training and education</b>						
404-1	2016	Average hours of training per year per employee		Emp-Training	Sustainability figures	
404-3	2016	Percentage of employees receiving regular performance and career development reviews		Emp-Dev	Sustainability figures	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EXTERNAL ASSURANCE	EPRA	LOCATION	ADDITIONAL INFORMATION
<b>Diversity and equal opportunity</b>						
405-1	2016	Diversity of governance bodies and employees		Diversity-Emp	Corporate Governance Statement, p. 6, The most competent personnel and a dynamic place to work, Sustainability figures	
405-2	2016	Ratio of basic salary and remuneration of women to men		Diversity-Pay	Sustainability figures	
<b>Non-discrimination</b>						
406-1	2016	Incidents of discrimination and corrective actions taken			Sustainability figures	No reported concerns via Whistleblowing procedure.
<b>Local communities</b>						
413-1	2016	Operations with local community engagement, impact assessments, and development programs		Comty-Eng	The best customer experience	
<b>Supplier social assessment</b>						
414-1	2016	New suppliers that were screened using social criteria			A responsible corporate citizen	The related process has been described.
<b>Customer health and safety</b>						
416-1	2016	Assessment of the health and safety impacts of product and service categories		H&S-Asset	Sustainability figures	
416-2	2016	Incidents of non-compliance concerning the health and safety impacts of products and services		H&S-Comp	Sustainability figures	
<b>Customer privacy</b>						
418-1	2016	Substantiated complaints concerning breaches of customer privacy and losses of customer data			A responsible corporate citizen, Sustainability figures	

# Material sustainability topics and reference to GRI Standards

MATERIAL TOPIC FOR KOJAMO	GRI STANDARD
<b>The best customer experience</b>	
Safety and comfortability	Local communities (413), Customer health and safety (416)
An environmentally friendly, responsible Lumo (Kojamo plc's own topic)	
Satisfied residents (Kojamo plc's own topic)	
Smart solutions and services for housing (Kojamo plc's own topic)	
<b>Sustainable cities</b>	
Energy efficiency	Energy (302), Water and effluents (303)
Low-carbon operation	Emissions (305)
Circular economy	Waste (306)
Living environment (Kojamo plc's own topic)	
Life-cycle of properties (Kojamo plc's own topic)	
<b>A responsible corporate citizen</b>	
Compliance	Supplier environmental assessment (308), Supplier social assessment (414)
Anti-grey economy work	Anti-corruption (205)
Paying taxes	Economic performance (201), Tax (207)
Employment	Indirect economic impacts (203)
Sponsorship (Kojamo plc's own topic)	
Privacy and data protection	Customer privacy (418)
<b>The most competent personnel and a dynamic place to work</b>	
Good management and leadership	Training and education (404)
The health and well-being of personnel	Employment (401), Occupational health and safety (403), Training and education (404)
Equality and equity for personnel	Diversity and equal opportunity (405), Non-discrimination (406)
<b>The sustainability cornerstones</b>	
Ensuring long-term profitability and growth	Economic performance (201)
Sustainable and responsible operations	Supplier environmental assessment (308), Supplier social assessment (414)
Transparent communications and reporting	



This document is an English translation of the Finnish report

# Independent Assurance Report to the Management of Kojamo plc

We have been engaged by the Management of Kojamo plc (hereafter “Kojamo”) to provide limited assurance on selected environmental indicators presented in Kojamo’s Annual Report 2021 (hereafter “Selected Environmental Information”) for the year ended 31 Dec 2021.

The Selected Environmental Information consists of the following indicators:

- Energy: GRI 302-1, GRI 302-3, Own development projects with EPC < 80, share of all own development projects 31 Dec 2021 (100 %)
- Water and Effluents: GRI 303-1, GRI 303-2, GRI 303-3
- Emissions: GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5

## Management’s responsibilities

The Management of Kojamo is responsible for the preparation and presentation of the Selected Environmental Information in accordance with the reporting criteria, i.e. GRI Sustainability Reporting Standards, and the information and assertions contained within it. The Management is also responsible for determining Kojamo’s objectives with regard to sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

## Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a

conclusion based on the work performed. We conducted our assurance engagement on the Selected Environmental Information in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board IAASB. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Environmental Information is free from material misstatement.

KPMG Oy Ab applies International Standard on Quality Control ISQC 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants IESBA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

## Procedures performed

A limited assurance engagement on Selected Environmental Information consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Selected Environmental Information, and applying analytical and other evidence gathering procedures, as appropriate. In the engagement, we have performed the following procedures, among others:

- Interviewed the members of Kojamo’s senior management and relevant staff responsible for providing the Selected Environmental Information;
- Assessed the application of the GRI Sustainability Reporting Standards reporting principles in the presentation of the Selected Environmental Information;
- Assessed data management processes, information systems and working methods used to gather and consolidate the Selected Environmental Information;
- Reviewed the presented Selected Environmental Information and assessed its quality and reporting boundary definitions and;
- Assessed of the Selected Environmental Information’s data accuracy and completeness through a review of the original documents and systems on a sample basis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations

than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

## Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the information subject to the assurance engagement is not prepared, in all material respects, in accordance with the GRI Sustainability Reporting Standards.

Helsinki, 1<sup>st</sup> March 2022

KPMG Oy Ab

Esa Kailiala  
Partner, APA

Tomas Otterström  
Partner, Advisory

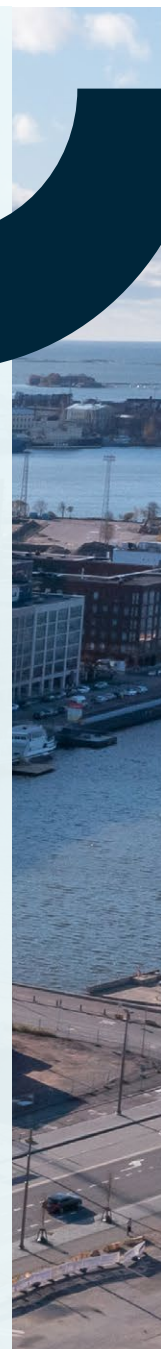


## Investors

We are a responsible operator and a builder of sustainable cities. We offer a combination of stable dividends and capital growth.

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## Why invest in Kojamo?

Our goal is to be a housing investment company that is known for its excellent customer experience and strong financial performance. We offer access to Finland's attractive housing market.

### **Urbanisation, smaller family sizes and the growing popularity of rental housing support our business.**

Urbanisation sees people move to large growth centres in search of work and study opportunities as well as services. The popularity of rental housing has grown steadily in major cities and continues to grow. The popularity of rental housing is also supported by the decrease in the average size of households and the flexibility of rental housing in different life situations. We respond to the demand driven by megatrends by providing apartments in central locations, close to good services and transport connections.

### **We offer the opportunity to invest in a large, decentralised and professionally managed housing portfolio in Finland's largest growth centres.**

Through Kojamo, it is possible to invest in thousands of centrally located and well-maintained apartments that generate steady cash flow. We actively develop the value and number of our investment properties by developing new properties as well as our existing property portfolio. We have over 300 professionals responsible for investments, repairs and maintenance, financing and delivering an excellent customer experience. The economies of scale we enjoy as a large company reduce our operational risks and enable us to operate cost-effectively.

### **We invest to create strong multi-channel growth with the help of our competencies and strong balance sheet.**

Our strategic target is to increase total revenue by 4–5% and invest EUR 200–400 million per year. Our growth does not rely on a single source. Instead, we have the capacity to create growth through investments in new development, buying entire properties or portfolios, and by converting properties into residential use. Our strong balance sheet and diverse financing structure enable growth and the ability to move quickly when necessary. Our target is to maintain an equity ratio of over 40% and Loan to Value (LTV) of less than 50%.

### **We offer a combination of stable dividends and capital growth.**

Our objective is to create profitable growth. With its combination of a growth target and yield potential, our property portfolio makes us an attractive investment. Our target is to distribute dividends corresponding to 60% of Funds From Operations (FFO), and we have achieved this target every year since going public. The remainder of our FFO is retained in the company to support growth. Equity is also increased by the development margins from development projects and value gains from assets that still involve valuation-related limitations. We can carry out our growth

investments in line with our strategy without new equity. As we grow in accordance with our target, our FFO – which is the basis of our dividend distribution – also grows.

### **We create added value for our customers by taking advantage of digital solutions and offering diverse services.**

We differentiate ourselves from our competitors by providing easy and effortless housing customers. All of our apartments are available for rent through our webstore, and our customers can handle all of their housing-related affairs through the My Lumo service. We also offer a wide range of services that make housing easier, from key deliveries to moving-out cleaning. Our customers have access to an extensive network of shared cars. We also use digital solutions in property maintenance; for example, we control the heating of 28,000 apartments with the help of an AI-based application.

### **We are a responsible builder of sustainable cities.**

Sustainability is a strategic priority for Kojamo and a key element of our operations from the customer, employee, social, environmental and governance perspectives. In our sustainability programme, published in 2020, we set carbon-neutral energy consumption for our entire property portfolio by

2030 as our target. We report in accordance with the property industry's key sustainability indicators, such as EPRA Best Practices, and participate in GRESB, the most important international sustainability benchmark in our industry.






# Information for investors

Kojamo plc's share is listed on Nasdaq Helsinki. The company has a single series of shares.

## Interim reporting in 2022

- Interim Report January–March 2022: 12 May 2022
- Half-Year Financial Report January–June 2022: 18 August 2022
- Interim Report January–September 2022: 3 November 2022

The publications are preceded by a silent period, beginning 30 days prior to the publication of the next financial report. During the silent period, the representatives of the company do not meet with capital market representatives or issue statements regarding the company's business prospects, markets, financial performance or outlook to the media or other parties.

Kojamo's Annual General Meeting will be held on 16 March 2022. More information on the Annual General Meeting and registration for the AGM is available online at <https://kojamo.fi/agm>. 

## Analyst coverage

According to the information we have received, the investment banks and stockbrokers listed below follow Kojamo on their own initiative. Kojamo does not assume responsibility for analysts' assessments.

- Barclays
- Carnegie
- Danske Bank
- DNB Markets
- Goldman Sachs International
- Green Street Advisors

- JP Morgan Chase & Co.
- Kempen & Co
- Nordea Markets
- OP Corporate Bank plc
- SEB

## Investor relations

Niina Saarto, Group Treasurer, Investor Relations, tel. +358 20 508 3283  
e-mail: [niina.saarto@kojamo.fi](mailto:niina.saarto@kojamo.fi)

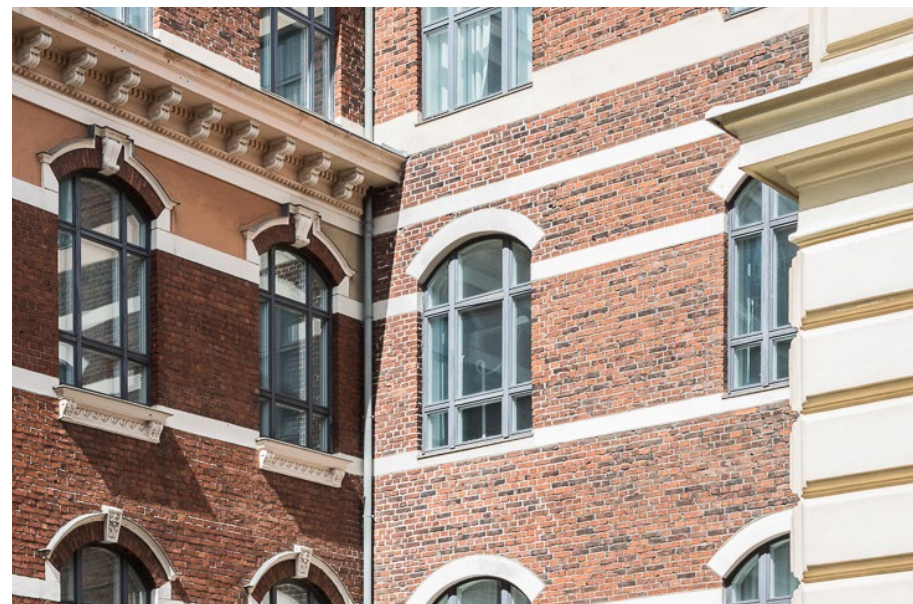
Investor meetings are coordinated by Sari Mutikainen, Executive Assistant, tel. +358 20 508 5019  
e-mail: [sari.mutikainen@kojamo.fi](mailto:sari.mutikainen@kojamo.fi)

Flagging notifications are to be sent to: [liputusilmoitukset@kojamo.fi](mailto:liputusilmoitukset@kojamo.fi).

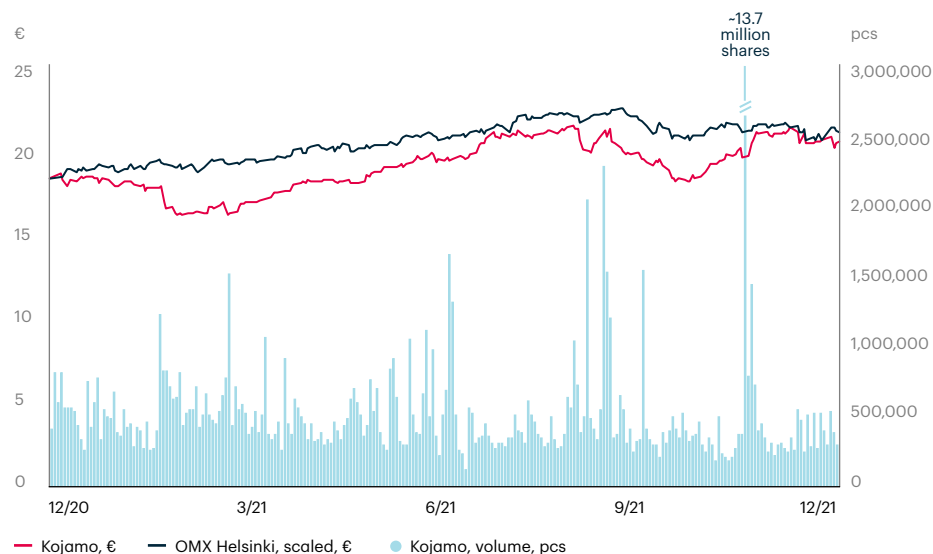
We aim to offer up-to-date and comprehensive information about Kojamo as an investment on our website at <https://kojamo.fi/en/investors/>. 

## Basic information on the share

**Listing market:** Nasdaq Helsinki  
**Listing date:** 15 June 2018  
**Trading currency:** EUR  
**Market value segment:** Large Cap  
**Industry:** Real estate  
**Trading code:** KOJAMO  
**ISIN code:** FI4000312251  
**Reuters symbol:** KOJAMO.HE  
**Bloomberg symbol:** KOJAMO:FH



## KOJAMO'S SHARE PRICE DEVELOPMENT 1 JANUARY–31 DECEMBER 2021



# Glossary for investors

## Gross investments

Gross investments illustrate the total volume of investments, including investments in new development, converting properties for residential purposes, housing stock acquisitions, modernisation investments and capitalised borrowing costs.

## CLC

We are a member of the Finnish Climate Leadership Coalition (CLC), which encourages its members as well as other companies and organisations to move towards operating methods that are carbon-neutral and promote the sustainable use of natural resources.

## Energy-efficient construction

All of our new development projects based on our own land are built in accordance with the nearly zero-energy building (nZEB) specification. In accordance with the specification, the level is measured by each building's E-value, which is a computational comparison figure of energy efficiency.

## EPRA BPR

EPRA (European Public Real Estate Association) has developed performance measures, Best Practices Recommendations Guidelines, for the comparable analysis of property investment companies. More information on the EPRA indicators is provided in the Financial Statements.

## EPRA sBPR

EPRA supports the sustainability reporting of companies in the real estate industry and has created industry-specific sustainability

indicators known as the Sustainability Best Practices Recommendations (EPRA sBPR). Kojamo has reported in accordance with EPRA sBPR since 2019.

## EU taxonomy

The taxonomy is the European Union's sustainable finance regulation, which establishes financing and investment targets that can be considered sustainable. Kojamo reports on the taxonomy compliance of its business operations in the Board of Directors' report.

## GRESB

GRESB, or the Global Real Estate Sustainability Benchmark, is a global sustainability assessment and benchmark in the real estate industry. Kojamo participated in GRESB for the first time in 2020.

## GRI

GRI (Global Reporting Initiative) is an internationally used standard for sustainability reporting. It is aimed at describing operations from the perspectives of environmental responsibility, social responsibility and governance. Kojamo has reported in accordance with GRI Standards Core framework since 2020.

## Carbon footprint

Our carbon footprint includes the Scope 1 and Scope 2 carbon dioxide emissions of our operations. Our carbon footprint reflects the total carbon dioxide emissions generated by our operations in the area of property maintenance and ownership, i.e. the amount of carbon dioxide emissions generated during the use of our properties.



**More detailed information on the calculation formulas of financial performance indicators can be found in the Financial Statements 2021. The calculation of sustainability indicators is provided in the Reporting principles section on page 43.** ↪

### Funds From Operations (FFO)

Funds From Operations (FFO) is an indicator of profitability. Unlike operating profit, FFO does not take into account changes in fair value or the gains and losses arising from asset sales. FFO is one of the two indicators used in our guidance for 2022. The dividend payout objective is also linked to this performance indicator.

### Property maintenance and repair expenses

Property maintenance and repair expenses arise from the regular and continuous maintenance of properties, and they are recognised in the income statement above net rental income. Maintenance expenses are primarily related to heating, electricity, waste management, water, estate management, property taxes, real estate insurance and other maintenance costs. Modernisation investments that improve the revenue-generating capacity of properties, such as pipe renovation projects, are recognised in gross investments and their impacts are reflected in fair value changes in the income statement.

### Total revenue

Total revenue comprises rental income and charges for utilities collected by Kojamo, with the latter mainly consisting of water and sauna fees as well as fees for parking spaces. Total revenue is one of the two performance indicators referred to in our guidance for 2022.

### Operating profit

Operating profit includes net rental income as well as other operating income and expenses, capital gains and losses, fair value changes and administrative expenses as well as depreciation and impairment.

### Like-for-Like rental growth (LfL)

Like-for-Like growth (LfL) illustrates the change in rental income for apartments

owned for two consecutive years in the past 12 months compared to the previous 12-month period. LfL rental growth is influenced by changes in the financial occupancy rate, rent increases, the rents of new tenancy agreements compared to concluded agreements and the period of time between new and concluded tenancy agreements. LfL growth is also affected by changes in maintenance and repair expenses.

### Loan to Value (LTV)

Loan to Value (LTV) (%) is an indicator of indebtedness. It is calculated by dividing net debt by the value of investment properties. The figure illustrates the amount of debt the Group has in relation to the fair value of its investment properties. Our strategic objective is to keep Loan to Value below 50%.

### Net rental income

Net rental income illustrates what is left of the rental income after deducting the maintenance and repair expenses of the properties.

### Net Promoter Score (NPS)

NPS is an indicator of customer satisfaction. We ask customers at various stages of the customer relationship to indicate how likely they would be to recommend the company on a scale of 1–10. Scores of 1–6 have a negative effect on NPS, scores of 7–8 have no effect and scores of 9–10 have a positive effect. The overall score thus obtained can range from -100 to 100. Our strategic objective is to achieve a Net Promoter Score of 40.

### Net Zero Carbon Buildings commitment

In 2020, we signed the World Green Building Council commitment, under which our goal is to achieve carbon-neutral energy consumption for our entire property portfolio by 2030.

### Specific consumption

Specific consumption measures the consumption of electricity or water, for example, per square metre or cubic metre. As the housing portfolio grows, specific consumption is a better illustration of the efficiency of electricity or water consumption and changes therein.

### Investment properties

Investment properties comprise apartments, business premises, land plots and ongoing projects and certain assets owned through shares, such as parking spaces, that are owned by us.

### Fair value change of investment properties

The fair value of investment properties is changed by the acquisition and sale of investment properties as well as modernisation investments, capitalised borrowing costs, transfers to own use and valuation gains or losses on fair value measurement. The value of investment properties is assessed on quarterly basis, and an external independent expert issues a statement on the valuation.

### Financial occupancy rate

The financial occupancy rate is calculated by dividing actual rental income by potential rental income.

### TR index

TR index is a means of observing occupational safety at construction sites, with the aim of monitoring key factors affecting on-site accidents.

### VAETS II

We are committed to the voluntary national energy efficiency agreement known as the Rental Property Action Plan Second Phase (VAETS II), under which our target is to increase the efficiency of our energy consumption by 7.5% during the period 2017–2025, using 2016 as the baseline.

### Tax footprint

The tax footprint illustrates the distribution of the taxes and tax-like charges paid by the Group. Kojamo pays all of its taxes to Finland.

### Green bond

The proceeds from a green bond issue are used to finance or refinance investments that promote the energy efficiency of buildings in accordance with Kojamo's Green Finance Framework.

### Green Finance Framework

Kojamo launched a framework in 2021, which sets up the criteria for investments that can be financed or refinanced with green bonds, green loans or other green debt instruments.

### Profit/loss on fair value of investment properties

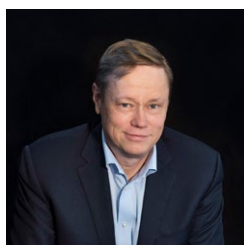
Investment properties are initially measured at their acquisition cost. Subsequently, they are measured at fair value, and the resulting changes in fair value are recognised in profit or loss as they arise. In our reporting, fair value refers to the price that would be received from selling an asset, or paid to transfer a liability, in an ordinary transaction between market participants on the measurement date. Fair value is determined quarterly. More information on fair value measurement principles is provided in the Financial Statements.

### UN Sustainable Development Goals

In 2015, UN member states agreed on Sustainable Development Goals and an action plan aimed at guiding the world's development efforts until 2030. Kojamo is committed to eight of the SDGs that we have identified as areas we can influence the most through our business operations.



# Board of Directors



**Mikael Aro**

**Chairman of the Board**

b. 1965,  
Finnish citizen,  
eMBA

Chairman of the Board of Kojamo since 2019 and Chairman of the Remuneration Committee since 2019.

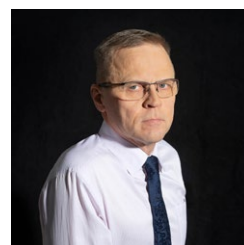


**Mikko Mursula**

**Deputy Chairman of the Board**

b. 1966,  
Finnish citizen,  
M.Sc. (Economics and Business Administration)

Deputy Chairman of the Board of Kojamo since 2016, Chairman of the Audit Committee 2016–2018 and member of the Audit Committee since 2019.

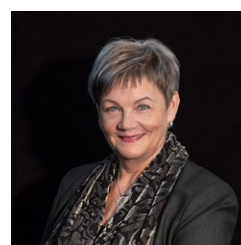


**Matti Harjuniemi**

**Member of the Board**

b. 1958,  
Finnish citizen,  
M.Sc.

Member of the Board of Kojamo since 2010 and member of the Audit Committee since 2010.



**Anne Leskelä**

**Member of the Board**

b. 1962,  
Finnish citizen,  
M.Sc. (Business Administration)

Member of the Board of Kojamo since 2018, member of the Audit Committee since 2018 and Chairman of the Audit Committee since 2019.



**Minna Metsälä**

**Member of the Board**

b. 1967,  
Finnish citizen,  
M.Sc. (Business Administration)

Member of the Board of Kojamo since 2018 and member of the Remuneration Committee since 2018.



**Reima Rytsölä**

**Member of the Board**

b. 1969,  
Finnish citizen,  
M.Soc.Sc., CEFA, AMP

Member of the Board of Kojamo since 2014 and member of the Remuneration Committee since 2015. Rytsölä was a member of the Audit Committee in 2014–2015



**Catharina Stackelberg-Hammarén**

**Member of the Board**

b. 1970,  
Finnish citizen,  
M.Sc. (Economics)

Member of the Board of Kojamo since 2021 and member of the Audit Committee since 2021.

The Board of Directors has evaluated that all Board members are independent of the Company and its significant shareholders.



# Management Team



**Jani Nieminen**

**CEO**

b. 1968,  
Finnish citizen  
M.Sc. (Tech.),  
MBA



**Erik Hjelt**

**CFO  
Deputy CEO**

b. 1961,  
Finnish citizen  
Licentiate in Laws,  
eMBA



**Katri Harra-Salonen**

**Chief Digital Officer**

b. 1969,  
Finnish citizen  
M.Sc. (Tech.),  
eMBA



**Irene Kantor**

**Marketing and  
Communications  
Director**

b. 1968,  
Finnish citizen  
M.Sc (Arts),  
eMBA



**Tiina Kuusisto**

**Chief Customer  
Officer**

b. 1968  
Finnish citizen  
M.Sc. (Econ)



**Ville Raitio**

**Chief Investment  
Officer**

b. 1978  
Finnish citizen  
M.Sc. (Econ)



## Kojamo plc

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tel. +358 20 508 3300

firstname.lastname@kojamo.fi  
[www.kojamo.fi/en](http://www.kojamo.fi/en)

