

 kojamo



Annual Report
2020



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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

Despite the exceptional circumstances in 2020, we managed to create profitable growth in line with our strategy. We are in a good position to continue implementing our strategy.



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Highlights of the year

2020

3 Jan

One of Finland's most inspiring places to work for the third consecutive year

15 Jan

All Kojamo offices are WWF Green Office certified

2 Mar

We signed a cooperation agreement with SRV on the construction of 676 apartments in Helsinki and Espoo, including the Lumo One skyscraper in Kalasatama

9 Mar

Launch of renewed Lumo.fi

27 May

We issued EUR 500 million in bonds under the EMTN programme

20 Mar

We established an EMTN programme of EUR 2.5 billion

In the early summer,

we completed our digital roadmap 2023, which sets out development measures that support the implementation of Kojamo's strategy

9 Sep

EPRA recognised Kojamo's Financial Statements with a gold award and Kojamo's sustainability reporting with a silver award and a "Most Improved" award

30 Jun

We signed a co-operation agreement with Lehto on the construction of 392 apartments in Helsinki and Espoo

18 Nov

We earned a Green Star designation in our first GRESB Sustainability Assessment

26 Nov

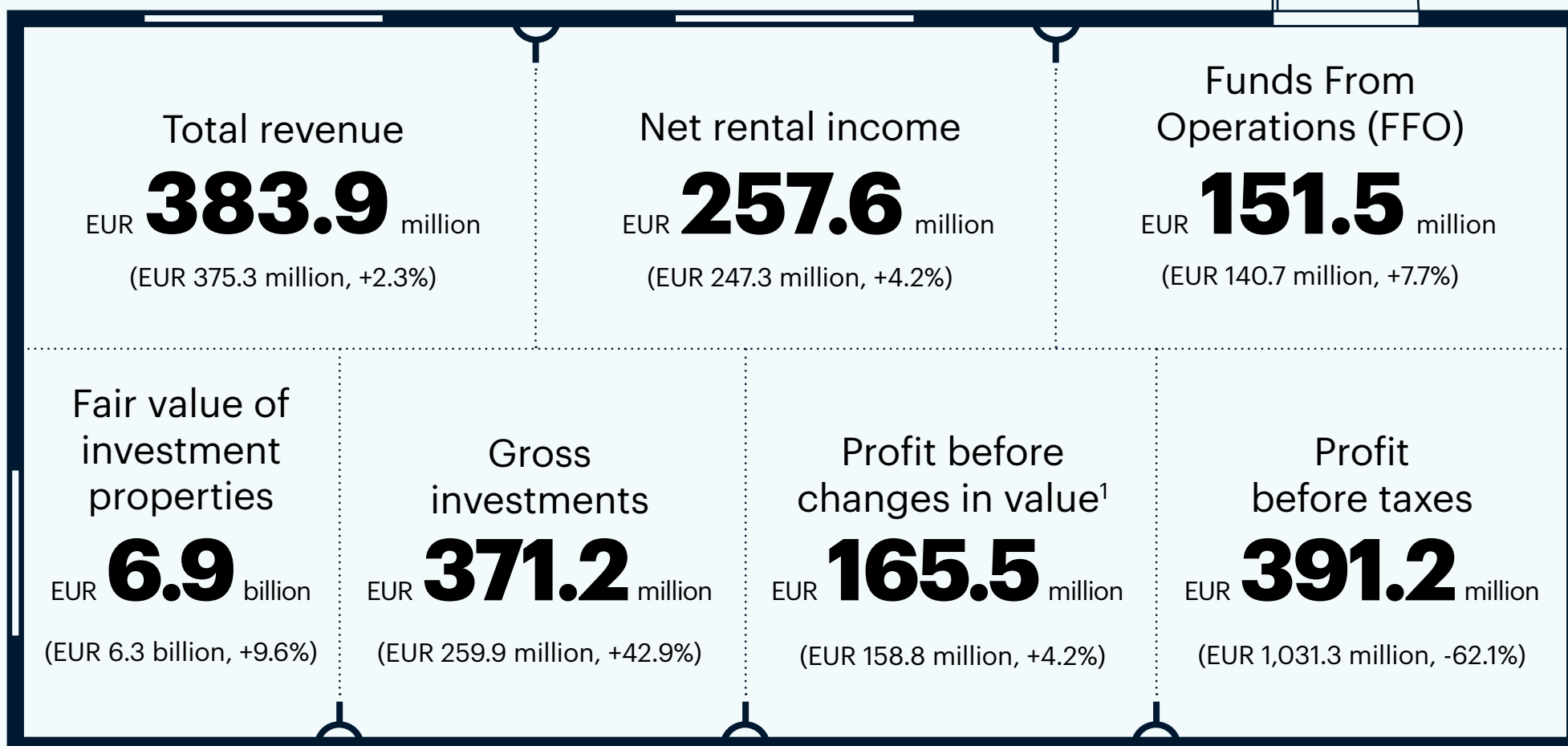
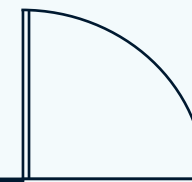
We published our revised Code of Conduct for employees and Supplier Code of Conduct for partners

2 Dec

We published our sustainability programme in connection with Kojamo's first Investors' Day.

Key figures in 2020

Kojamo plc is Finland's largest private residential real estate company and a frontrunner in the housing business. Our mission is to create better urban housing. Our Lumo brand provides easy, effortless and environmentally friendly housing and services in Finland's largest growth centres. We actively develop the value of our investment properties by developing new properties and our 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

CEO's review

During the year, we were able to achieve profitable growth in line with our strategy despite the exceptional circumstances. The past year was particularly successful for us with regard to new construction projects. We started construction on more than 1,800 new Lumo homes. We are in a good position to continue the execution of our strategy in the new year.

We expect the strong trend of urbanisation to continue after the COVID-19 pandemic. The popularity of rental housing has continued to grow. The number of households living in rental housing already exceeds the number of households living in owner-occupied housing in Helsinki, Tampere and Turku. People want to move to cities and they are increasingly attracted by the freedom provided by rental housing. The demand for new apartments is growing in the major urban areas. In addition to urbanisation, the demand for new apartments is supported by the decreasing average size of households.

During the year, we have invested in the Helsinki region, where growth is expected to be the strongest. I am satisfied with the quality of our project portfolio; we have been able to make investments in projects that fulfil our requirements with regard to factors such as location, apartment size and profitability. One of the new development projects we started during the year is a highrise to be constructed next to the REDI shopping centre, which will literally take rental housing to a new level. In addition to the apartments already under construction, we have preliminary agreements on the construction of more than 1,000 apartments in the coming years. Furthermore, our Metropolia real estate development project will see us create new homes in buildings previously occupied by educational institu-

tions in Helsinki's central business district and other good locations.

Our strong balance sheet has enabled us to continue our investments despite the challenging financial environment. In the spring, we established a EUR 2.5 billion EMTN (Euro Medium Term Notes) programme and subsequently issued EUR 500 million in senior unsecured notes under the programme in May. Our balance sheet indicators remained strong throughout the year.

We want to be a frontrunner in our industry and we work continuously to offer easy and effortless living for our customers. During the last year, we presented our digital roadmap, which guides our development efforts in the current strategy period. Our aim is to take advantage of the digital transformation to introduce new services that make daily life easier for our customers and improve the customer experience. We also want to use digital solutions to make our employees' work easier and take advantage of artificial intelligence at our properties. To accomplish this, we are investing in knowledge-based management, data work and enabling technologies.

The pandemic has forced people to spend more time at home, emphasising the significance of comfort and safety. Accordingly, we have put special focus on keeping our properties tidy and comfortable. We have also put emphasis on effective and comprehensive communication, which has been helped by the My Lumo application that is already used by about 75 per cent of our customers. The application makes it quick and easy for our customers to manage all of the important aspects of their tenancy relationship.

I am also pleased with the progress of our sustainability work during the year. In December,

we published our sustainability programme, which brings together our long-term sustainability work in the form of practical targets and actions. Responsibility and sustainable development are among Kojamo's strategic focal points and part of the work done by everyone at Kojamo. In our sustainability programme, we commit to the UN Sustainable Development Goals and carbon-neutral energy use at our properties by 2030. During the year, we also participated in the real estate industry's global GRESB sustainability assessment for the first time and received a Green Star award and three stars out of five. In January after the review period, we also completed our first financing arrangement linked to our sustainability targets by signing a revolving credit facility for EUR 75 million.

The pandemic-related restrictions moved Kojamo employees to remote offices last March. We have been able to continue our operations practically without disruptions and the transition to remote work went smoothly, supported by effective systems and tools. Our values – strive for success, courage to change and happy to serve – have been strongly reflected in our day-to-day operations even as we have worked from home offices.

Lastly, I want to take this opportunity to thank our customers, partners and everyone at Kojamo for good cooperation during the last year despite the exceptional circumstances.

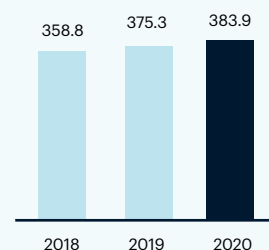


Jani Nieminen
CEO

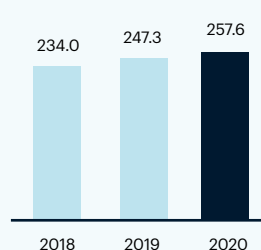


Financial development

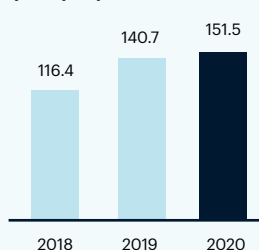
Total revenue (M€)



Net rental income (M€)



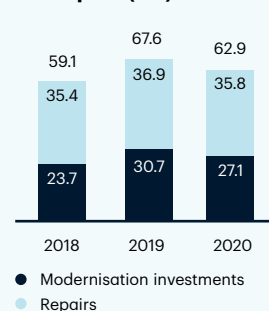
Funds from operations (FFO) (M€)



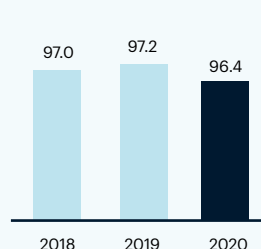
Gross investments and sales of investment properties (M€)



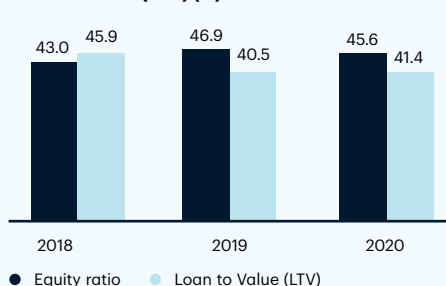
Modernisation investments and repairs (M€)



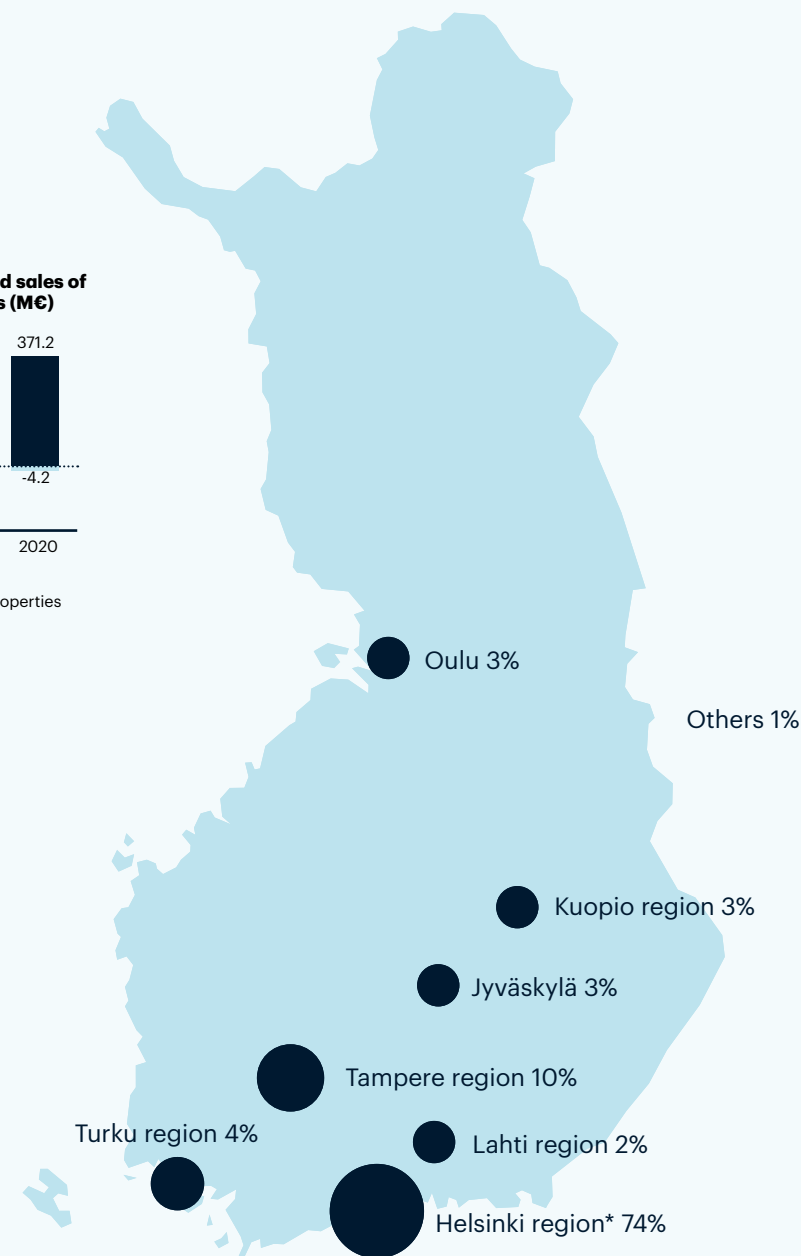
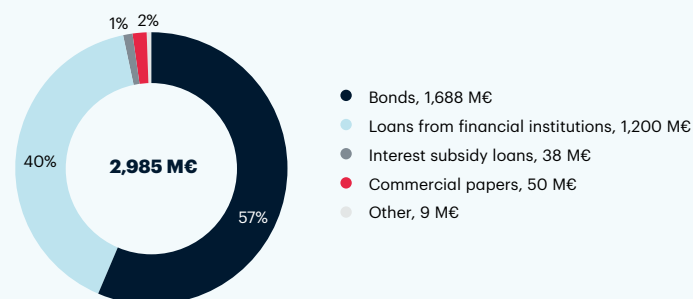
Financial occupancy rate (%)



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



The Group's loan distribution, 31 Dec 2020 (%)



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

Urbanisation will continue to create demand for apartments

The megatrend of urbanisation is the most significant phenomenon supporting our business. The appeal of cities as providers of jobs and services creates demand for new apartments in growth centres. The popularity of rental housing has also increased as a result of urbanisation. We expect the trend of urbanisation to continue and gain further strength after the pandemic.

Urbanisation is one of the major driving forces behind the development of the housing market. People are moving from urban areas to cities and on to larger cities to be close to jobs, services and good transport connections. Although the population of Finland is not expected to grow in the years to come, the population of growth centres is. Kojamo operates in Finland's seven largest growth centres, where urbanisation supports growth. In addition to urbanisation, the demand for apartments is also driven by decreasing family sizes. The number of single-adult households has been growing for a long time, and the trend is anticipated to continue. The growing number of small households in particular supports the demand for studios and one-bedroom apartments, which account for 72 per cent of Kojamo's apartments.

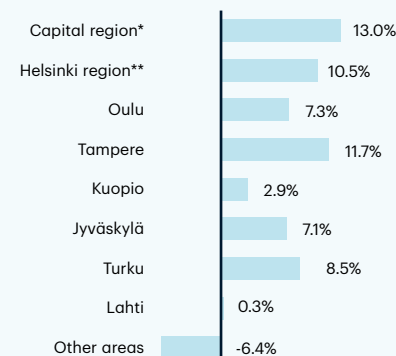
Rental housing is growing in popularity

Urbanisation also supports the popularity of rental housing. Households living in rental homes already outnumber those living in owner-occupied housing in the capital region, Tampere and Turku, and the share of house-

holds renting their homes has also increased in Kojamo's other operating locations¹. This is a strong sign of the acceleration of urbanisation as well as the change in housing preferences. The freedom of rental housing is attractive to people. It offers more flexibility in different life circumstances as well as broader opportunities for choosing where to live. Lumo apartments offer excellent value for those who choose rental housing because, in addition to housing, they incorporate services that make daily life easier, such as modern shared facilities and car sharing. In our investments, we consider the residents' housing-related preferences, such as micro-location, transport links, local services, the size and condition of the apartment and the services that can be incorporated into the housing offering.

¹ Statistics Finland

Population growth forecast 2019–2030E

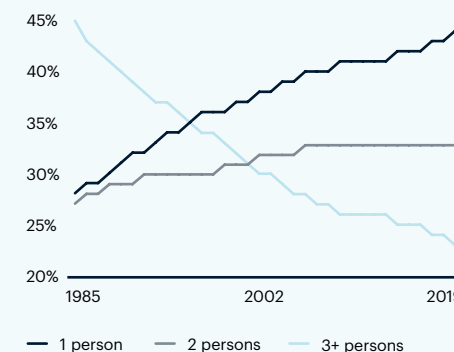


Source: Statistics Finland

*Helsinki, Espoo, Vantaa, Kauniainen

** Capital region, Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Porvoo, Riihimäki, Sipoo, Tuusula, Vihti

Development of household sizes (% of all households)



Source: Statistics Finland



A growing need for new apartments

It is estimated that 35,000 new apartments need to be built in Finland annually² to respond to the growing need for apartments driven by urbanisation and smaller household sizes. Nearly half of this amount should be built in the Helsinki region, where population growth is the highest. The production of apartments in the capital region has lagged behind population growth since the financial crisis, with the number of newly completed apartments being lower than the need up until a few years ago. In the past couple of years, housing production has increased to a level that corresponds to population growth, which has temporarily eased the situation.

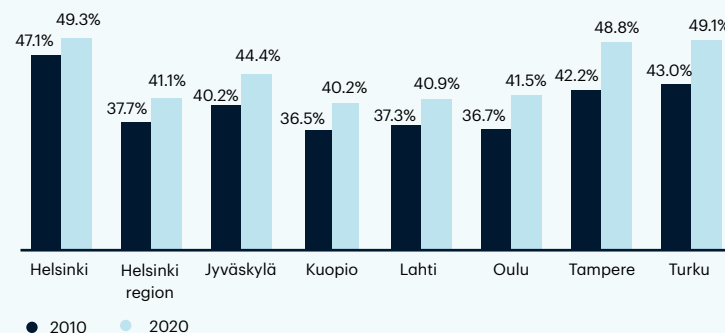
Urbanisation will continue after the pandemic

The COVID-19 pandemic had temporary impacts on the housing market during the year under review. Pandemic-related restrictions slowed down migration, and students temporarily moved back in with their parents. Apartments intended for short-term rentals switched to long-term leases. A large number of new apartments were also completed in the market in 2020, which means that supply has temporarily increased. The impacts of the pandemic will still be visible in the market during the early part of the new year but, in the long term, we expect them to be temporary. Accordingly, we invested strongly in housing production during the year, especially in the Helsinki region, where growth is expected to be the highest.

² Analysis of the need for housing production by VTT Technical Research Centre of Finland, 2020



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



Source: Statistics Finland

Housing production need 2020 – 2040



Source: VTT, Need for housing 2020–2040

Our strategy is to create profitable growth

Our mission is to create better urban housing, and we want to be the property market frontrunner and the number one choice for our customers. We made progress with the implementation of our strategy during the year despite the exceptional circumstances. The core of our strategy is profitable growth. We have the capacity to pursue growth from multiple sources and quickly react to opportunities thanks to our optimised financing structure.

We have defined six strategic focal points, through which we implement our strategy. The focal points are: delivering the best customer experience; strong growth; operational excellence; responsibility and sustainable development; the most competent personnel and a dynamic place to work; and renewal through digital solutions.

Our strong growth is based on the Like-for-Like growth of rental income as well as investments. We invest in new construction, the conversion of existing properties into residential use and we also acquire residential properties and portfolios. More information on our investments and project development is provided on pages [26–31](#).

The growth of our total revenue is also supported by the services we provide for our customers to make housing and service use easy and convenient. We invest in digital development and make use of technology in living services and property maintenance as well as in the implementation of solutions that make our employees' work easier and more efficient. To guide these efforts, we published a digital roadmap in the summer of 2020. More information is provided on page [12](#).

To be successful, we must have a strong understanding of our various customer segments, target our offering appropriately and manage our network of partners effectively. We want to create competitiveness and profitability through industry-leading operating models, summarised in our strategy as operational excellence. We want to be known for our dynamic and effective corporate culture. One important element of this is sustainability, which is reflected on various levels of our operations, including our business operations, working conditions and the customer interface. We took a major leap forward in responsibility and sustainable development with the completion of our sustainability programme in December. More information is provided on page [21](#).

We monitor the implementation of our strategy through our strategic targets. Growth is illustrated by the annual growth of total revenue as well as annual investments. Profitability is illustrated by the ratio of FFO (Funds From Operations) to total revenue. As for balance sheet indicators, our target is a Loan to Value (LTV) ratio of less than 50 per cent and an equity ratio of more than 40 per cent. Our customer satisfaction indicator is our Net Promoter Score.



Strategic targets 2020–2023

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

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 housing.

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



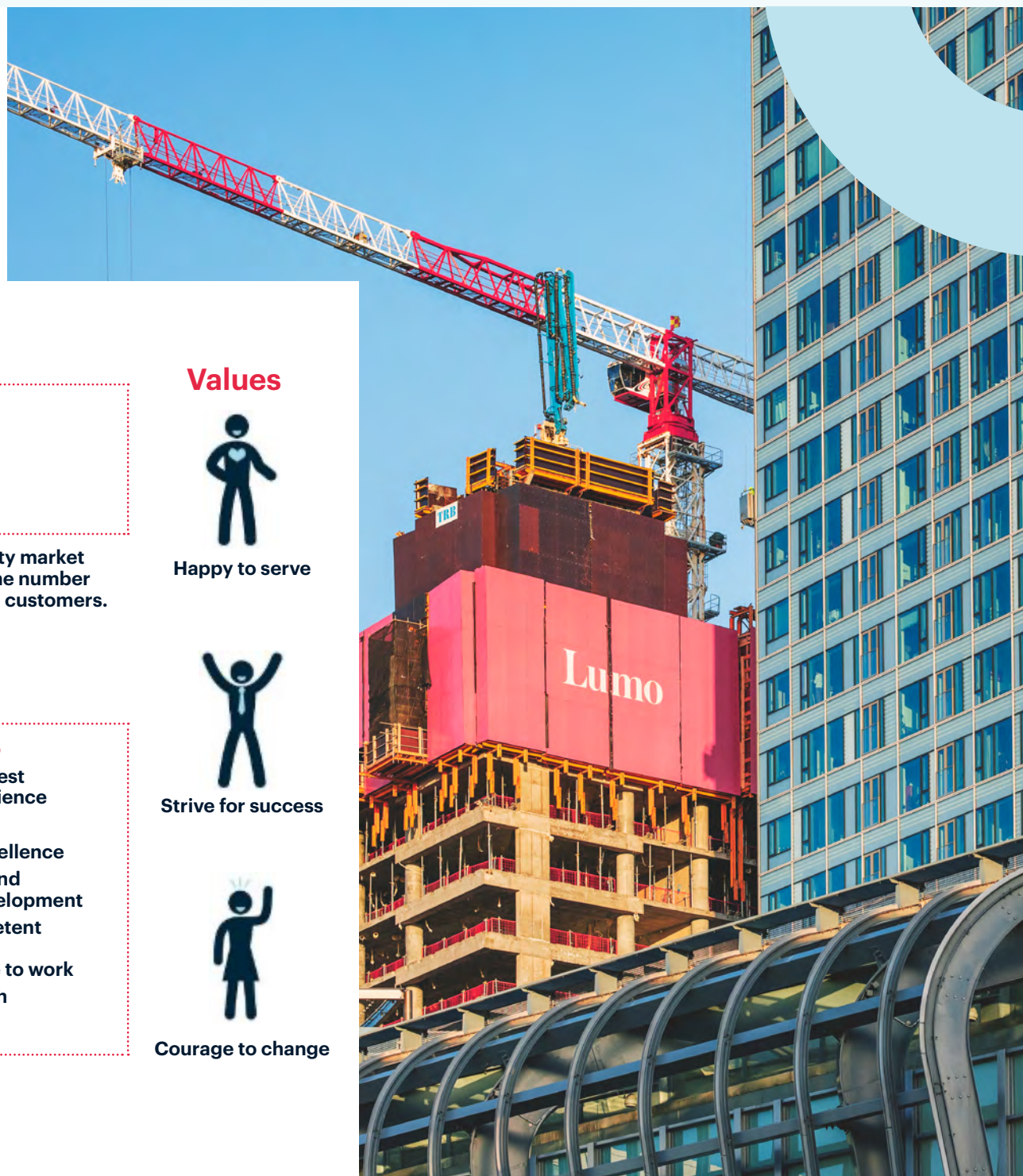
Happy to serve



Strive for success



Courage to change



Our digital roadmap guides us to the year 2023 in line with our strategy

Renewal through digital solutions is one of our key strategic focal points. We strive to be a frontrunner in our industry with regard to services offered to customers, our working methods and our properties. In the summer of 2020, we published a digital roadmap that guides our development in these respects.

Utilising digital solutions has a key role at Kojamo, as exemplified by us offering the entire apartment rental process online and using artificial intelligence in controlling the temperature of our apartments. In the future, we want to take advantage of the opportunities presented by the digital transformation even better. Our digital roadmap sets the targets for our strategy period, which runs until 2023. The roadmap consists of five areas, three of which are focused on creating added value and two on enabling this.

Customer experience and servitisation

We want to provide our customers with services that make their life easier. The Lumo.fi website and My Lumo service play a key role in this. In spring 2020, we launched the renewed Lumo.fi service, which serves all apartment seekers equally. Our webstore service is a digital frontrunner in our business. Our range of services already includes several living services, and approximately one in ten new customers purchase an additional service when signing their tenancy agreement. The My Lumo mobile application serves as a self-service platform for customers, an important channel for customer communications and as a platform for purchasing services. We invest in the customer experience of our digital services, which we also measure using digital NPS.

Scalability of operations and the employee experience

The digital transformation presents us with opportunities to enhance and develop our operations, which is reflected in our ability to provide better service to our customers. For customers, digital services enable smooth service consumption and self-service. Internally, easy-to-use systems and digital solutions enhance our employee experience. For example, we developed a mobile application in 2020 to support sales work on the go. It provides our employees with real-time data to support customer service and enables them to work on a mobile basis, regardless of location.

Digitalisation of properties and services

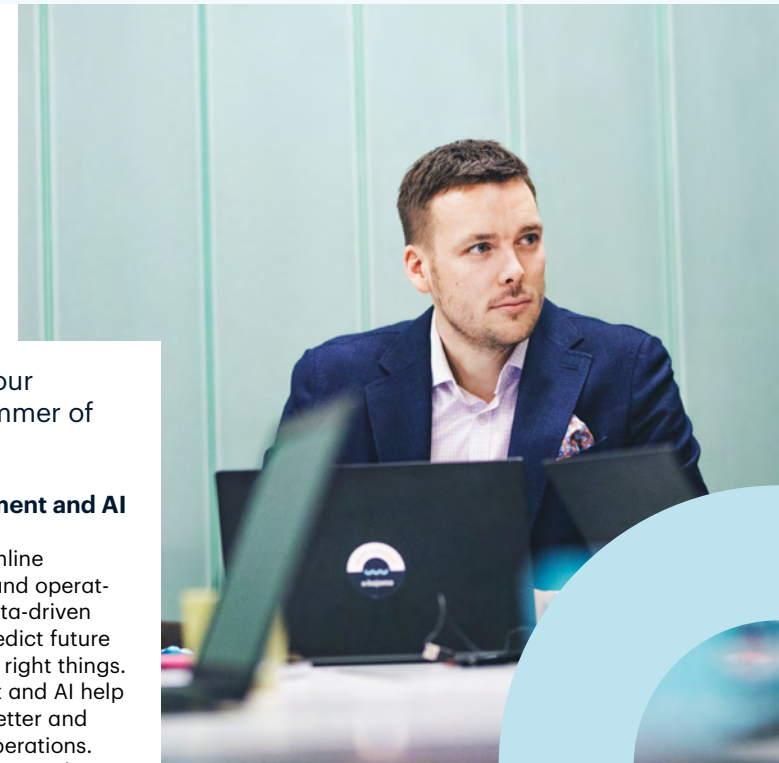
Our properties together with our digital My Lumo service constitute a service platform on top of which we can develop new services. Consequently, comprehensive high-quality property data enables both sustainable growth and developing housing services useful to our customers. An AI-based system already controls the inside temperature in approximately 29,000 of our apartments. We are also piloting a smart home concept that will be used at certain new construction projects in the future.

Knowledge-based management and AI

The constant development of online services, entirely new services and operating models requires a strong data-driven approach that enables us to predict future developments and focus on the right things. Knowledge-based management and AI help us understand our customers better and increase the efficiency of our operations. We are already using AI in pricing. In the future, AI will also help us review customer feedback and analyse our customers' purchasing behaviour.

Enabling technology and IT architecture

Another important factor in taking full advantage of the benefits presented by the digital transformation is enabling technology and IT architecture. Our systems must support our work and make our operations smoother. Our aim is to have all of our systems hosted on cloud services and for all necessary services to be accessible by mobile devices. In 2020, we adopted electronic signing across all agreement types, which is a good example of using technology to make day-to-day operations easier.



DIGITAL NPS

63

(TARGET >70)



75%

OF OUR CUSTOMERS USE
MY LUMO APPLICATION

A strong foundation for future growth

Profitable growth is a key component of our strategy. Our goal is to invest EUR 200–400 million annually in the growth of our portfolio. Growth from multiple sources plays a key role in achieving this goal. Our project portfolio was significantly strengthened during the year.

We were able to significantly grow our new construction project portfolio during the year. At the end of the year, we had 2,624 apartments under construction – over twice as many as the year before. During the year, we started construction on a total of 1,840 apartments.

During the year, we signed a cooperation agreement with SRV on the construction of 676 Lumo apartments in the districts of Kalasatama, Pasila, Munkkiniemi and Pitäjämäki in Helsinki and the Perkkaa district in Espoo. One of the projects is Lumo One, a skyscraper with 291 Lumo apartments to be built next to the REDI shopping centre in Kalasatama, Helsinki. When completed, Lumo One's location, services and profile will represent a unique housing offering above the roofs of Helsinki.

During the year, we also signed a cooperation agreement with Lehto on the construction of 392 apartments in Helsinki and Espoo. As part of that agreement, we started construction on a wooden apartment block in Nöykkiönlaakso, Espoo. The use of wood in construction supports low-carbon construction, which Kojamo wants to promote with its sustainability programme.

In addition to the aforementioned cooperation agreements, we started several new

projects during the year in Helsinki, Espoo and Vantaa. We also acquired 45 apartments in Helsinki's Vuosaari district.

Growth from multiple sources

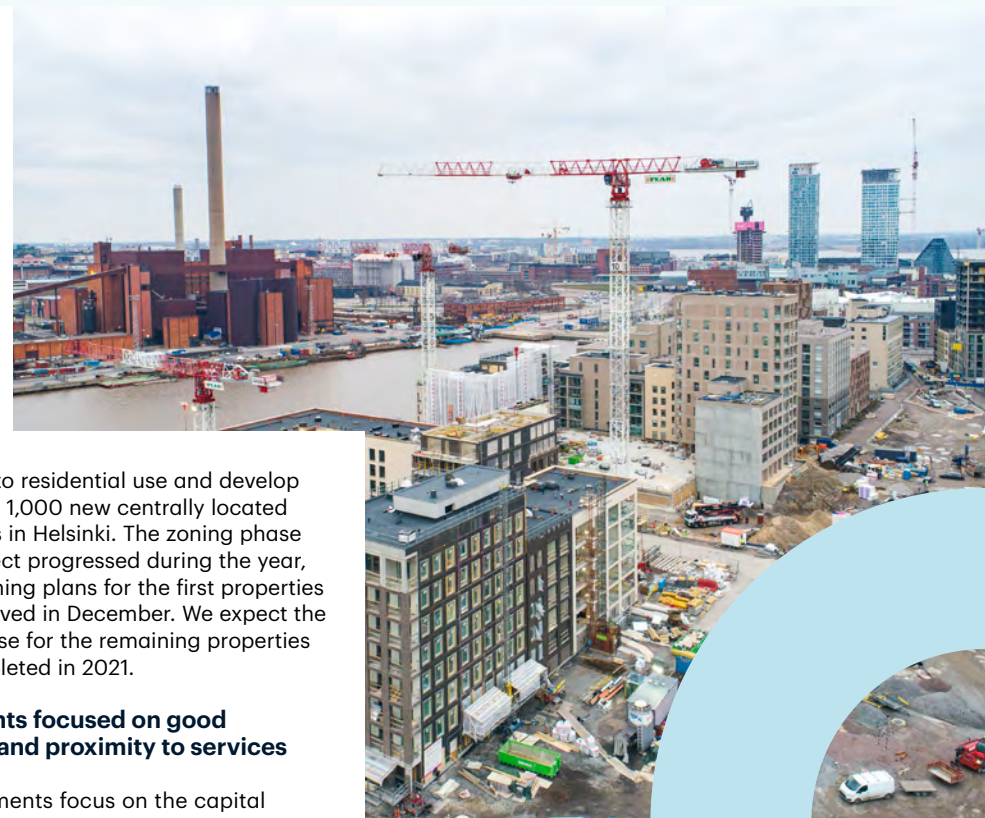
The COVID-19 pandemic has had an impact on the economy and exacerbated the slowing rate of housing production. Nevertheless, our strong balance sheet has enabled us to continue our investments despite the challenging market environment. The ability to achieve growth from multiple sources is key. By growth from multiple sources, we refer to different ways of growing our residential portfolio: by acquiring existing residential properties – either individually or in portfolios – and by purchasing projects from construction firms or developing new projects ourselves. Our plot reserve plays a key role in project development.

In addition to new construction, we also implement conversion projects, which involve the converting of commercial premises for residential use. Infill development based on conversion projects is in line with the principles of sustainable development. Our most significant conversion project currently underway concerns a set of properties used previously by the Metropolia University of Applied Sciences. Our aim is to convert the

properties to residential use and develop as many as 1,000 new centrally located apartments in Helsinki. The zoning phase of the project progressed during the year, and the zoning plans for the first properties were approved in December. We expect the zoning phase for the remaining properties to be completed in 2021.

Investments focused on good locations and proximity to services

Our investments focus on the capital region, as the demand for apartments is growing the fastest in this area due to urbanisation. However, being located in a growth centre is not the only criterion we use in our investment decisions. Other key criteria include good transport connections, the proximity of shops, services and recreational areas as well as factors concerning sustainability, such as energy efficiency. In particular, our offering responds to the demand for studios and one-bedroom apartments, which is growing continuously due to household sizes getting smaller. As a rule, we always own the entire property instead of individual apartments, as it enables us to provide our residents with a comprehensive Lumo experience built around convenience in daily life and housing.



Kojamo owned

35,802

apartments at the end of the year.

Kojamo's value creation model

Resources

Financial capital

- Equity EUR **3,309.5** million
- Liabilities EUR **3,952.0** million
- Fair value of the property portfolio EUR **6.9** billion

Production capital

- Apartments **1,925,696** fl.sq.m.
- Plots and real estate development projects owned **172,000** fl.sq.m.
- Service and innovation platform
- Gross investments EUR **371.2** million

Human resources and intellectual capital

- Committed, motivated and skilled personnel **317** 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 authorities
- Cooperation in the sector and with 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 housing

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 **36** NPS
- New customers

Apartments

- A growing housing portfolio with **35,802** units in good condition and located in growth centres, within the reach of public transport

Services and agreements

- Total revenue EUR **383.9** million
- Rental services, webstore
- Housing-related services that make daily life easier
- My Lumo application **1,300** daily users
- Multi-channel customer service
- Tenancy agreements
- Agreements with suppliers and subcontractors

Emissions, energy, waste

- Carbon dioxide emissions **5.5** kg CO₂e/m³
- Efficiency of energy consumption **34.5** kWh/m³
- Waste **15,386** t
- Waste recycling rate **37%**

Company valuation and economic return

- Funds From Operations (FFO) **151.5** 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 EUR **17.3** million
- A good place to work
- Professional development and growth **10h 20min** training hours on average

On society

- Employment, direct and indirect **7,066** person years (indirect employment effect)
- Payment of taxes, curbing the grey economy tax footprint EUR **-101** million
- Increased vitality of cities
- Efficiency of a denser urban structure

On the environment

- Properties and residential areas that promote sustainable development carbon footprint **50,881** t CO₂
- Use of technologies that increase the ecological sustainability of housing **-29,000** apartments use AI-driven indoor air management system
- Creation and impact of an ecologically sustainable urban structure

Sustainability at Kojamo

Sustainability is in Kojamo's DNA. In 2020, we published our sustainability programme based on our strategy and mission to create better urban housing.



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We create better urban housing

As a frontrunner in rental housing, Kojamo builds better and more sustainable urban housing. The core of our sustainability lies in our mission: we create better urban housing. Responsibility is becoming increasingly significant to our stakeholders, which directly affects our operations. Corporate responsibility and sustainable development are one of Kojamo's strategic focal points and an integral part of our operations and corporate culture. Sustainability is in our DNA and a 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 in our business, working conditions and the customer interface.

We emphasise responsibility towards customers, our obligations as a contractor as well as clear communication to our shareholders about Kojamo's corporate and social responsibility efforts and their progress. We provide a dynamic and professional workplace for our personnel and we invest in the well-being of our personnel. We have a significant indirect employment effect through our purchases and investments. We have made significant investments in sustainable and innovative solutions. We are committed to developing new and modern construction solutions, housing services and ecological innovations related to energy-efficient housing solutions. We operate openly and sustainably and also require the same of our partners.

Development of sustainability in 2020

Sustainability has always been at the core of our business, and we want to continuously develop the sustainability of our operations. In addition to our own objectives related to sustainability, we have to respond to stakeholder expectations, regulatory changes and

requirements beyond the legal provisions. Megatrends as well as the ambitious and increasingly stringent 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.

From the perspective of the development of Kojamo's sustainability, 2020 was a significant year for the development of Kojamo's sustainability work. We started the process of drafting our sustainability programme in April and engaged our key stakeholders in the project. In our sustainability programme, we compiled all of the long-term sustainability work we have successfully engaged in for many years and reflected this work against industry and operating environment analyses as well as stakeholder expectations. We published our sustainability programme in connection with our Investors' Day in December. The sustainability programme clarifies the sustainability focus areas and establishes long-term and short-term targets and actions for our sustainability work over the coming years.



Materiality analysis of sustainability

We conducted Kojamo's first materiality analysis of sustainability in May–June 2020 as part of the development of our sustainability programme.

In the materiality analysis, we defined the material sustainability aspects for ourselves and our stakeholders to ensure that our sustainability work is focused on the areas of sustainability most material with regard to our strategy, business operations and stakeholders. The materiality analysis helped us identify Kojamo's most significant sustainability aspects through an analysis of the views of our stakeholders, our business impacts and effects on society as well as our long-term sustainability work. We also organised workshops for Kojamo's sustainability steering group and Management Team as part of the analysis.

The views of our stakeholders played a key role in identifying the material sustainability aspects in our operations. We conducted a stakeholder survey to invite our stakeholders to anonymously assess the significance of various material sustainability aspects for Kojamo from their perspective. The study was carried out using online surveys, in-depth interviews and workshops. The study's participants included Lumo home residents, investors, owners, analysts, our own personnel, our cooperation partners, representatives from government ministries, municipalities, NGOs and the media. We received more than 2,780 valuable responses in total and reviewed the results in detail during the summer of 2020.

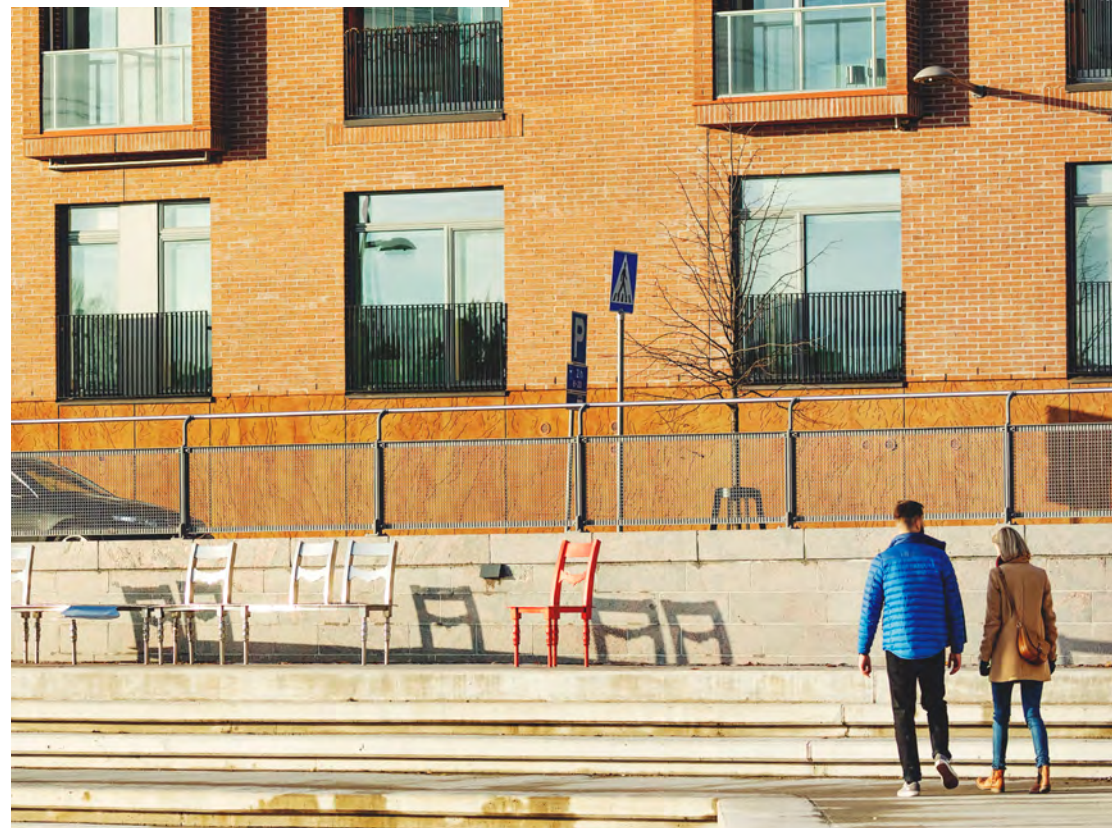
The materiality analysis was conducted in accordance with the requirements of the Global Reporting Initiative (GRI) Standards and the EPRA (European Public Real Estate Association) sustainability best practices recommendations. In accordance with the GRI Standards, the materiality of the sustainability aspects was assessed based on the extent of the company's impact on the economy, environment and society for each aspect as well as the significance of each aspect to the company's stakeholders.

As a result of the materiality analysis, the material aspects were grouped, based on their significance, into a sustainability [materiality matrix](#). The material sustainability aspects create the foundation for our sustainability programme. Based on the aspects, our sustainability programme received its cornerstones, the four focus areas and the sustainability themes linked to each focus area.

The following focus areas were chosen for the sustainability programme: sustainable cities; the best customer experience; the most competent personnel and a dynamic place to work; and a responsible corporate citizen. The following cornerstones were chosen: ensuring long-term profitability and growth; sustainable and responsible operations; and transparent communications and reporting on sustainability.

These focus areas and the sustainability themes within them constitute our material themes of sustainability in accordance with the GRI Standards framework.

The Management Team approved the results of the materiality analysis and the related materiality matrix in June 2020. 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.

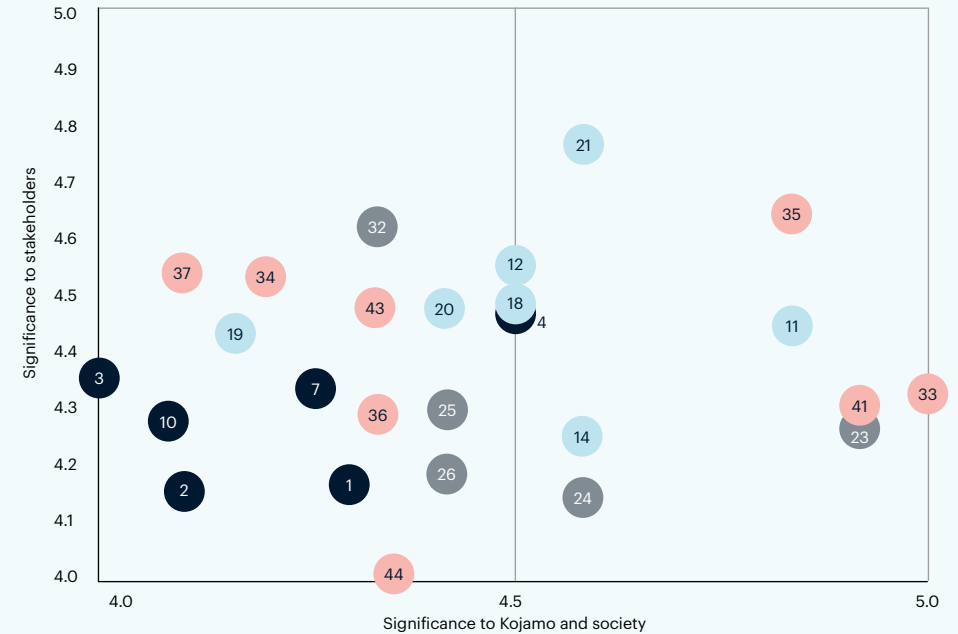




The following material sustainability aspects were identified in the analysis: ensuring the safety and comfort of residential areas; mitigating climate change; optimising and continuously improving energy efficiency; promoting the circular economy and material efficiency; leveraging innovative and intelligent solutions to reduce environmental impacts; being a responsible corporate citizen; ensuring the long-term profitability and growth of business; fair and equal treatment of employees; and developing employee competence, leadership and managerial work. In our sustainability programme, the material sustainability aspects have been grouped as sustainability focus areas with related sustainability themes.

Our materiality matrix

Kojamo's material sustainability aspects are placed in the materiality matrix based on their significance. In accordance with the GRI Standards, the Y axis shows the significance of the aspect to stakeholders, while the X axis shows the impact on the economy, environment and society.



The best customer experience

- 1. Value-added services for sustainable living
- 2. Digitalisation in the development of resident services
- 3. Controlling the heating and cooling of apartments
- 4. The safety and comfort of residential areas
- 7. Urban nature and green areas
- 10. The cleanliness of residential areas



The most competent personnel and a dynamic place to work

- 11. Development of management and leadership
- 12. Development of personnel competence
- 14. Workplace diversity
- 18. Comprehensive occupational healthcare
- 19. Occupational safety
- 20. Mental work ability, coping with work, extending careers
- 21. Equality and non-discrimination concerning personnel



A responsible corporate citizen

- 23. Long-term profitability and growth of business
- 24. Sustainability solutions and innovations as part of growth
- 25. The risks and opportunities of climate change
- 26. Sustainable urban development
- 32. Responsible corporate citizenship



Sustainable cities

- 33. Carbon neutrality and mitigating climate change
- 34. Innovative and smart solutions
- 35. Minimising the life-cycle environmental impacts of properties
- 37. Optimisation and continuous improvement of energy efficiency
- 41. Sustainable and low-emission procurement
- 43. Comprehensive recycling opportunities
- 44. Low-emission and low-noise construction sites



Our sustainability programme

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

We published our sustainability programme, which supports the implementation of our strategy, in December 2020. 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. The long-term targets of our sustainability programme extend to 2030.

The sustainability programme development project lasted almost the whole year and we engaged both internal and external stakeholders in the effort. Our new sustainability programme sets out the focus areas, guidelines and targets of our sustainability work. The sustainability programme enables us to steer and develop our sustainability work systematically as a key component of our business operations. Our sustainability programme also represents our commitment to the UN Sustainable Development Goals and the World Green Building Council's Net Zero Carbon Buildings Commitment.

The focus areas of our sustainability programme are derived from the materiality analysis of sustainability. The focus areas consist of sustainability themes that create added value in our business as well as related short-term and long-term targets and actions along with key performance indicators.

Our new sustainability programme is based on our mission to create better urban housing. The programme covers our activities in the areas of environmental responsibility, social responsibility and economic responsibility. Our sustainability programme is divided into four focus areas and the cornerstones of our sustainability.

The focus areas of our sustainability programme are:

- sustainable cities
- the best customer experience
- the most competent personnel and a dynamic place to work, and
- a responsible corporate citizen.

The focus areas of the sustainability programme are discussed on pages [26–46](#) 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 communications and reporting.

Our sustainability programme supports Kojamo's strategic targets for 2020–2023 as well as ensuring long-term profitability and

Our new sustainability programme highlights the best customer and employee experience, the development of ecological living and sustainability as a core component of our business.



Our sustainability programme has been developed by listening to our stakeholders.



growth. Our strategic targets are described in the section of this Annual Report on [strategy](#). Responsibility and sustainable development is one of our strategic focal points 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, which is incorporated into all our new partnership agreements.

We communicate annually about our sustainability through multiple channels in a transparent manner. 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.

Recognition for our sustainability work and reporting

We achieved a good score in our first GRESB Sustainability Assessment in 2020: 70 points out of 100. The score was above the average score of our benchmark group (Northern Europe, Residential, Multi-family) and saw us place 4th in our category. We earned a Green Star designation and three stars out of five. We also participated in the separate GRESB Public Disclosure assessment, which measures the transparency and coverage of public disclosures on sustainability. In this assessment, we achieved the highest possible score (A) and ranked first in our benchmark group (Northern Europe Residential).

The GRESB Sustainability Assessment provides a comprehensive frame of reference for the development of our sustainability along with an internationally comparable rating. The GRESB assessment comprehensively covers a wide range of sustainability topics both at the company and property level: company-level management of sustainability, policies and principles, reporting, risk management, supply chain sustainability, environmental performance of the property portfolio and stakeholder engagement.

Our sustainability report 2019 marked the first time that we applied the EPRA (European Public Real Estate Association) Sustainability Best Practices Recommendations in our reporting. EPRA assesses annually the financial statements and sustainability reports of European listed property companies and grants recognitions to the best-performing companies. The assessment compares the companies' reporting with EPRA's reporting standards and Best Practices Recommendations.

EPRA recognised our Financial Statements for 2019 with a gold award for the second consecutive year and our sustainability report for 2019 with a silver award. We also received a Most Improved award for the development of our sustainability reporting.

We earned a Green Star designation and three stars in our first GRESB Sustainability Assessment



Our sustainability programme

Strategic focal point 2020-2023: responsibility and sustainable development



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.

Our sustainability programme supports our commitment 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 per cent, using 2016 as the baseline.

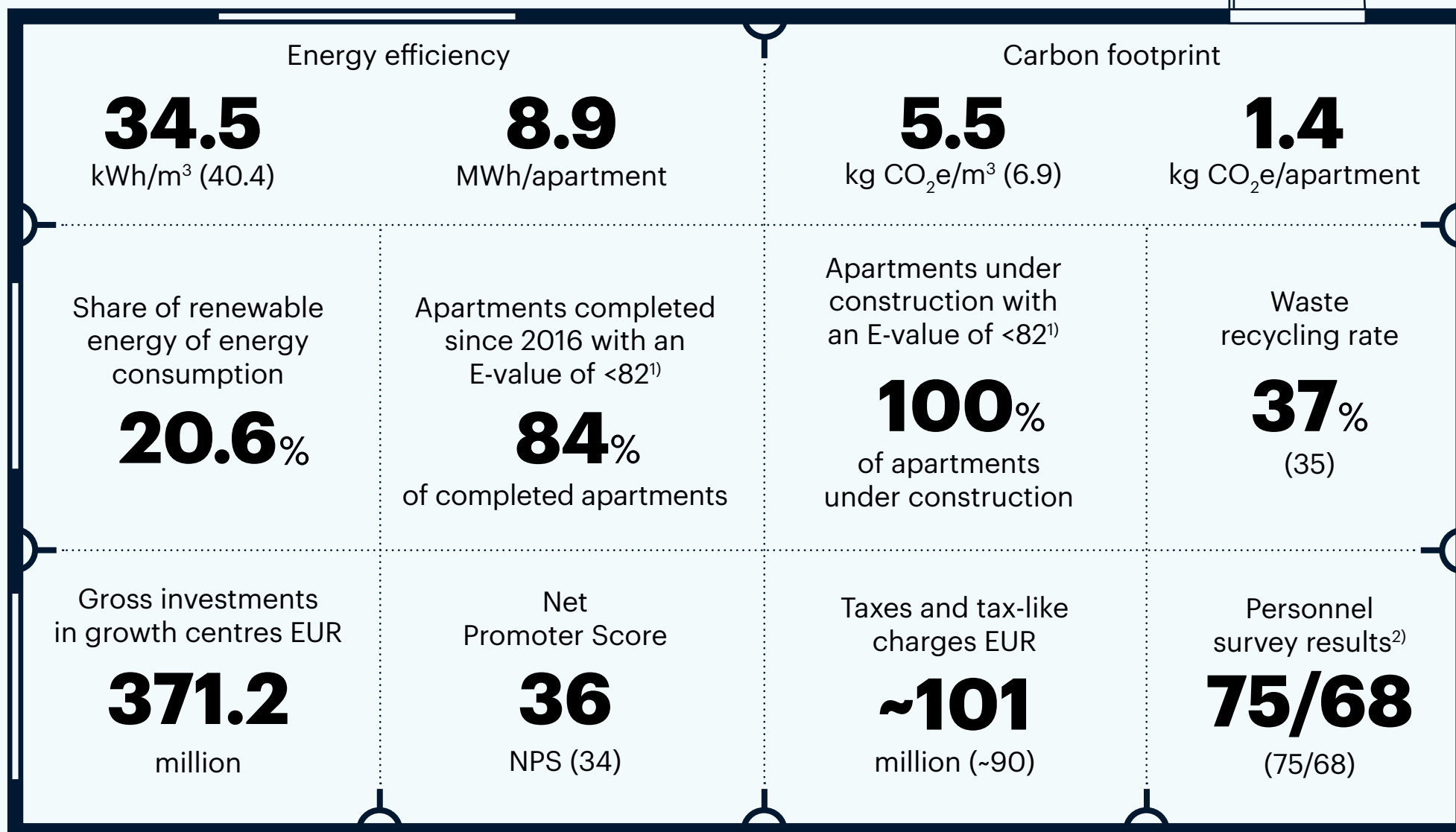
As regards the UN Sustainable Development Goals, we are committed to the eight SDGs that we can influence the most through our business operations. A summary of the link between the UN SDGs and the focus areas of our sustainability programme is presented here.



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

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 26–46 of this Annual Report.

Key sustainability figures 2020



Our report on 2020 is the first time we report on key sustainability figures.

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

2) The reported result is for 2019 and the comparison figure is for 2018. In 2020, the Kojamo Culture Compass project and remote work survey were conducted instead of a personnel survey.

Management and organisation of sustainability at Kojamo

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

We have defined the following sustainability management practices:

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 on a regular basis.

The CEO is responsible for the implementation of the Board of Director's 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 work, its development and sustainability reporting and supports the Group's business units as an expert on sustainability issues. The Corporate Responsibility and Sustainability Manager reports to the Chief Investment Officer.

The members of the Management Team are in charge of actions related to their respective areas of responsibility with regard to the implementation of the sustainability programme. The sustainability targets are integral elements of the objectives of our business.

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 the steering group's work is coordinated by the Corporate Responsibility and Sustainability Manager. The steering group evaluates, steers and ensures the implementation of the targets and practices of the sustainability programme 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 are described in the table [Management approach to sustainability](#).



Stakeholder engagement

Our stakeholder engagement is guided by our strategy, values, Code of Conduct and the sustainability programme we published in 2020. 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 established a comprehensive understanding of stakeholder views and expectations regarding our sustainability work by conducting a stakeholder survey on sustainability in the summer 2020. The survey was conducted as part of the development of our sustainability programme and the related materiality analysis. Based on the

materiality analysis, our new sustainability programme underscores the sustainability themes that are the most significant for Kojamo and our stakeholders. More information is provided on page 17.

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, and
- Finnish Business & Society FIBS ry.

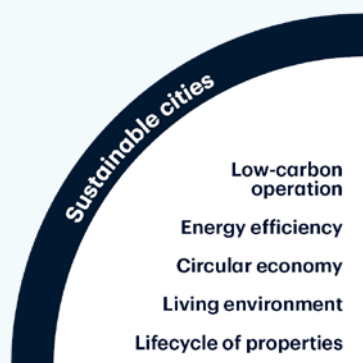
Kojamo's CEO acts as Chairman of the Board of Rakli, Chairman of the Region and Apartment Committee of Helsinki as well as Member of the Board of Helsinki Region Chamber of Commerce.

Our stakeholders have access to our Whistleblowing channel, established to reduce any potential risk to our operations. The Whistleblowing procedure serves as an early 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.
















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 are a signatory to the World Green Building Council's Net Zero Carbon Buildings commitment. We will increase the efficiency of our energy consumption by 7.5 per cent by 2025, using 2016 as the baseline (VAETS energy efficiency agreement).



Sustainable cities – targets of the focus area

THEMES	TARGETS	KPIS FROM 2021 ONWARDS	UN SUSTAINABLE DEVELOPMENT GOAL
Low-carbon operation	Our target is to achieve carbon-neutral energy consumption for our property portfolio by 2030.	<ul style="list-style-type: none"> Carbon footprint of the property portfolio, tCO₂, kg CO₂/apartment Share of renewable energy of the property portfolio's energy consumption, % 	  
Life-cycle of properties	<p>The property electricity used by our property portfolio is 100% carbon-neutral.</p> <p>Starting from 2020, we calculate the full life-cycle carbon footprint for chosen new construction projects.</p>		
Energy efficiency	<p>We will increase the efficiency of our energy consumption by 7.5 per cent 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>Starting from 2021, all of our own new property development projects 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"> Energy consumption of the property portfolio, GWh/a Specific energy consumption of the portfolio, weather-normalised, kWh/m³ Progress towards the VAETS energy efficiency agreement target, MWh, % Apartments completed and under construction with an E-value of ≤80, number of apartments, % Energy efficiency improvement from completed renovation projects Water consumption of the property portfolio, l/m³ 	   
Circular economy	<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"> Waste recycling rate of the property portfolio, % Waste volume of the property portfolio, kg/apartment Average recycling rate of construction waste during projects, % 	
Sustainable development of the living environment	<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"> Gross investments, EUR million Investments in growth centres, in locations with good public transport connections, % of apartments 	 
The environmental responsibility of our own operations	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.	<ul style="list-style-type: none"> WWF Green Office certification coverage of our offices, % Continuous improvement of Green Office operations 	  

Sustainable cities

We are committed to developing new and modern construction solutions, housing services and eco-friendly innovations by which we build sustainable cities and improve the energy efficiency of our housing stock. We want to create urban environments that are comfortable, safe and in line with the principles of sustainable development. In our new sustainability programme, we have set even more ambitious targets for our environmental responsibility.

Sustainability is an integral aspect of our investment decisions

Profitable growth from multiple sources is a key component of our strategy. Responsibility and sustainable development are integrated into our growth strategy. We can influence the way cities are built in line with the principles of sustainable development.

We build homes in growth centres, in locations with good public transport connections and services. We completed 532 apartments in 2020 and had 2,642 apartments under construction at the end of the year. Since 2016, our goal has been to implement new construction projects that use our own plot reserve in accordance with near-zero energy buildings principles, meaning an energy efficiency figure (E-value) of under 82.

Some 84 per cent of all apartments completed since 2016 using our own plot reserve and 100 per cent of the apartments under construction at the end of 2020 using our own plot reserve are built according to near-zero energy principles. In our sustainability programme, we have revised this target to make it even more ambitious. Effective from the beginning of 2021, we will apply a target E-value of less than 80 to the design of all new construction projects.

We increasingly incorporated sustainability aspects into our investment decisions in 2020. In each of our investment decisions, we assessed public transport connections, proximity to services and the accessibility of parks and recreation areas. We also evaluate our projects' energy efficiency and the energy sources used, the probability of flood risk and any biodiversity perspectives that might be relevant to the area. At our properties, we also aim to provide services that promote sustainability, such as shared-use facilities, cars and bicycles.

We are a significant indirect employer and we calculate the employment effect of our construction projects. We also calculate the carbon footprint of our properties on a case-by-case basis. Sustainability perspectives are integrated into our investment decisions concerning new construction as well as the due diligence process for property acquisitions.

Energy efficiency as a key priority

Our most significant environmental impacts are related to energy consumption at our properties and the resulting carbon dioxide emissions. We use energy as sensibly and efficiently as possible, without compromising on the quality of housing and the conditions our residents live in.

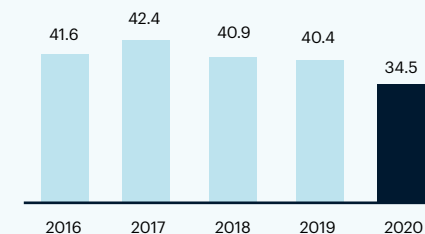
The primary objective of our new sustainability programme is carbon-neutral energy consumption for our entire property portfolio by 2030. As part of this target, we have signed the Net Zero Carbon Buildings Commitment of the World Green Building Council. In 2021, we will define our roadmap until 2030 to increase the use of renewable energy in our property portfolio.

In addition, we have previously committed to the voluntary energy efficiency agreement of the real estate sector (VAETS) until 2025. Our target for the term 2017–2025 is to increase the efficiency of our energy consumption by 7.5 per cent, using 2016 as the baseline.

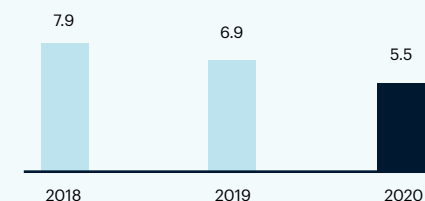
Of our property portfolio, 99 per cent is heated with district heating purchased from local district heating companies. During the year under review, 80 properties already used district heating that is produced entirely from renewable and zero-carbon energy sources. District heating in cities is almost exclusively generated using efficient combined heat and power systems. Peak power plants are needed only during the coldest periods.

The property electricity of our entire property portfolio – meaning the electricity used for shared premises and outdoor areas – is produced using 100 per cent renewable and zero-carbon energy sources. This means

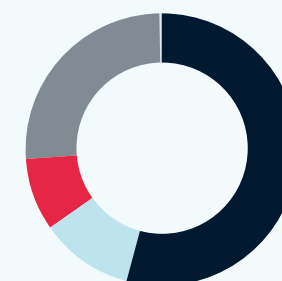
Building energy intensity (kWh/m³)



CO₂ emissions intensity, Scope 2 (kg CO₂e/m³)



Waste (t)



- Mixed waste 8,335
- Biowaste 1,710
- Energy waste 1,321
- Material recovery waste 4,011
- Hazardous waste 9

that the carbon footprint of the property electricity consumed by our property portfolio is zero. Our customers sign electricity agreements for their homes with their preferred energy company.

The importance of the life-cycle carbon footprint of properties is growing

In addition to energy consumption, the carbon dioxide emissions generated by properties is a significant environmental impact. Our long-term target for the reduction of our emissions is carbon-neutral energy consumption for our entire property portfolio by 2030. In addition to this target, we aim to promote a low-carbon approach to the full life-cycle of properties and increase our understanding of the factors that influence the carbon footprint in various stages of the life-cycle.

Accordingly, we conducted full life-cycle carbon footprint calculations for some of our new construction projects in 2020. The calculations indicate that a significant proportion – more than 40 per cent – of a property's carbon footprint arises from energy consumption during its use. Another significant factor in the life-cycle carbon footprint are property construction materials, which also constitute over 40 per cent of the carbon footprint.

We carried out our calculations in accordance with the Finnish Ministry of the Environment's carbon assessment method for buildings (2019). We aim to continue these calculations in 2021 and focus increasingly on lower-carbon construction.

Energy efficiency is an important aspect of our renovation strategy

Modernising the existing property portfolio and improving energy efficiency are central themes in the development of sustainable

cities. In 2020, we invested a total of EUR 62.9 (67.6) million in renovating and modernising our property portfolio. Investments aimed at improving energy efficiency are part of our long-term as well as annual renovation strategies.

We carried out approximately 170 modernisation investments in 2020. Included in this figure are, for example, comprehensive facade repairs including renovations of balconies, windows and roofs. We also carried out or planned 10 comprehensive renovation projects for entire properties. 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.

Smart energy conservation

We want to promote the development of smart cities through our digital solutions. For example, we have used an artificial intelligence solution to control the indoor air conditions at about 570 properties and 29,000 apartments since 2018. The application automatically adjusts heating in properties according to the actual temperature inside the apartments as well as the weather forecast, preventing excessive heating and enabling more effective control of the balance between apartments. It improves indoor air quality and comfort while reducing the energy consumption and carbon footprint of buildings. We have received good feedback on the application from our customers. The application also helps achieve savings in energy purchasing, as the system predicts peak consumption periods and starts buying energy ahead of time.



More than 90 per cent 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.

State-of-the-art smart technology for temperature control and ventilation

We continuously explore new opportunities to take advantage of smart technology at our properties. A unique pilot project was introduced in 2020 at the Lumo homes on Nassakkakuja in Espoo. Smart technology is used to control heating as well as ventilation at the property. The smart system increases comfort while conserving energy. Smart ventilation machines were installed at the property last year. The new equipment continuously measures ventilation requirements, taking into account factors such as humidity and indoor air CO₂ concentration. New smart exhaust valves were installed in each apartment, replacing the traditional exhaust valves in bathrooms and toilets. New digital thermostats were installed to control the radiators. The residents can use a mobile device to set an apartment-specific target temperature and the system maintains the specified room temperature at different outside temperatures.

Consumption trends in 2020

In 2020, our entire property portfolio's total energy consumption relative to building volume was 34.5 kWh/m³ (40.4), a decrease of -14.6 per cent from the previous year. The weather conditions in the first quarter of the year were exceptionally mild. In Helsinki, for example, the average temperature in January 2020 was 3.0°C, compared to -4.6°C in 2019. Energy savings were also affected by the effective use of the AI-driven application and lower target room temperatures compared to the previous year.

The consumption of property electricity decreased during the year under review by -6.3 per cent compared to the previous year. Specific consumption amounted to 4.3 kWh/m³ building volume. This was attributable to the closure of shared sauna facilities during the COVID-19 pandemic in the spring 2020 as well as the mild winter. Our objective – under normal circumstances – is to increase the efficiency of electricity consumption through, for example, sauna booking arrangements, electric heating and a gradual transition to LED lighting.

Water consumption increased significantly during the year. The total water consumption of the building volume of our entire property portfolio amounted to 365 (343) l/m³, representing a year-on-year increase of 6.4 per cent. The increase in water consumption was mainly due to the COVID-19 pandemic, which led to our customers spending more time at home.

Environmental responsibility figures pertaining to the consumption trends of our property portfolio, reported in accordance with the GRI Standards, are provided in the table Sustainability figures 2020 on pages 49–56.

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

We offer many kinds of support to our residents to help them sort waste and reduce food wastage. We provide advice and guidance to residents, organise waste management according to the needs of each property and keep the waste facilities as tidy as possible. Our aim is to reduce the volume of mixed waste, promote recycling and thereby increasing the waste recycling rate. We also want to provide clear instructions on waste sorting for our residents.

In 2020, the waste recycling rate of our property portfolio was 37 per cent (35). The total volume of waste increased year-on-year due to people spending more time at home during the exceptional circumstances.

We also continuously develop the way circular economy principles are observed in the management of construction operations. In both new property development and renovation, we aim to achieve a waste sorting and recycling rate above 70 per cent by the end of 2023.

Environmental responsibility of our own operations

Sustainability is also reflected in our day-to-day operations and the daily routines of our personnel. Effective from the beginning of 2020, all of our offices – including the head office and home centres – are WWF Green Office certified. The Green Office programme is aimed at continuously improving the environmental responsibility of our operating environment with the goal of reducing the environmental impact of offices, increasing environmental awareness among employees and achieving energy savings. Our progress with the environmental efficiency of our offices is regularly audited by WWF Finland. In 2020, we revised our employee car policy to enable more eco-friendly and sustainable company car use, and we also organised several sustainability-themed virtual events for our personnel.



CASE



Responsibility plays an even more important role in investment decisions

Our mission at Kojamo is to create better urban housing, and we want to do this in accordance with the principles of sustainable development. Responsibility is an increasingly important criterion in our decisions concerning investments, i.e. new construction projects and property acquisitions.

We assess the responsibility of investments from several different perspectives. These include property locations close to services and public transport, energy efficiency and energy sources, carbon footprint, long life spans, employment effects, waste sorting solutions and soil-related issues.

Location is not only a key strategic factor in our investments but also an essential responsibility criterion. The significance of location continues to grow.

"It is very important that our properties are easy to reach by public transport, whether that means being close to a metro station, tram stop or bus routes," says **Tommi Parikka**, Director of the Construction Contracting Unit at Kojamo.

The significance of the carbon footprint will increase in the future, as calculating the full life-cycle carbon footprint of a property becomes part of the building permit process

by 2025. To this end, we implemented two pilot projects in 2020 to calculate the carbon footprint of investments. The most significant factors in the carbon footprint are energy consumption during use and construction materials.

"Our goal is to be carbon-neutral in terms of energy consumption by 2030, and our new sustainability programme includes targets for energy efficiency and reducing energy consumption during the use of properties," says **Hannamari Koivula**, Manager, Corporate Responsibility and Sustainability at Kojamo. "Going forward, we will also focus increasingly on low-carbon construction and reducing the carbon footprint of construction materials."

We are developing three wooden apartment blocks in Espoo. Our aim is to learn from this project and gain experience about modern wood construction. With regard to demolition sites, we emphasise the circular economy approach, i.e. the degree to which the materials from a demolished building can be recovered and reused. The product industry is also developing new solutions related to construction products made from recycled materials, which have a substantially smaller carbon footprint than materials manufactured from virgin materials.

In 2020, we updated our construction contracting design guidelines, which now address energy-efficient, low-carbon and long life span solutions in more detail than before. For example, the design guidelines include policies regarding the types of automation systems and lighting used in apartments, the kinds of fixtures, household appliances and water fittings to be installed and what recycling opportunities will be provided for the residents. In addition, the design guidelines include provisions concerning the sustainability of our partners as well as construction site operations and reporting.

Responsibility is an increasingly important factor both when planning investments and throughout the entire life-cycle of a property. Key responsibility perspectives include the comfort and safety of the residents as well as indoor air quality. For example, most of Kojamo's apartments feature an AI-assisted temperature control system, which is one way to optimise living conditions to improve the comfort of residents while observing the principles of sustainable development.

"The comfort of living and the environmental perspective support each other and are not contradictory at all," Parikka says.

Hannamari Koivula,
Manager, Corporate Responsibility
and Sustainability









The best customer experience



We work to promote better and more sustainable urban housing. 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
Satisfied residents	<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"> NPS Annual resident survey, average – communication 	
Environmentally friendly, responsible Lumo	<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"> Annual resident survey, average – waste recycling Actions taken 	
Safety and comfortability	<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"> Annual resident survey, average – safety and comfort Actions taken 	 
Smart solutions and services for housing	<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"> Annual resident survey, average – housing services Coverage of car sharing service 	 

Delivering the best customer experience

We want to provide our customers with the best customer experience in housing. We want to create safe and comfortable homes that give our customers a strong sense of community, sustainable housing and services that make life easier. Cooperation with our residents plays a key role in creating better urban housing.

Services to make daily life easier for our customers

We want to offer convenient housing and make it as easy as possible to rent a new home. The popularity of our webstore has remained high and, during the COVID-19 pandemic, it has provided a safe way to rent a house without physical contact.

The My Lumo mobile application, which our customers can use to manage their housing and tenancy relationship as well as purchase services, is already used by 75 per cent of our customers. My Lumo also makes it easier than ever before to use and buy services such as relocation and cleaning services. Interest in housing-related services

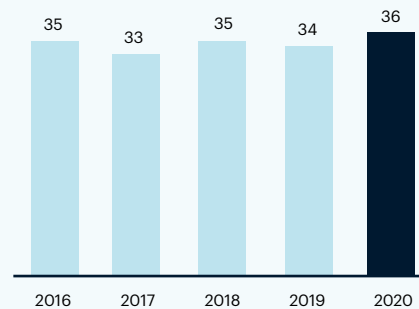
has increased, and visits to our services in the My Lumo application and on our web-site doubled during the year.

Our key courier service, in particular, has increased in popularity. It enables customers to order the keys to be delivered to a location of their choosing when they sign their tenancy agreement. The use of shared vehicles has also increased further, and we intend to increase the number of shared vehicles with the aim of offering the opportunity to use a shared vehicle at all of our properties by the end of 2025. We are also constantly piloting new services, such as a service that enables customers to order a dishwasher for their apartment for an additional fee.

My Lumo service
approx.

1,300
daily visitors

Net Promoter Score



Comfortable housing even in exceptional times

Maintaining continuous communication with our customers has been especially important during the exceptional circumstances of the past year. The COVID-19 pandemic has forced people to spend more time at home, emphasising the significance of the comfort, cleanliness and safety of their home. In response to the pandemic, we have enhanced cleaning at our properties, increased communication and focused on the safety of repair visits and shared facilities.

We also support the comfort of living in Lumo homes in other ways. One way to increase comfort is our paint benefit, which involves Kojamo providing the customer with the paint and related equipment needed to repaint their home. During the year, we made the paint benefit more environmentally friendly. Going forward, the paint products included in the paint benefit are exclusively paints that carry an environmental certification label such as the Nordic Swan Ecolabel.

We have also sought virtual solutions to replace our annual customer events, such as online Christmas concerts. As part of our efforts to increase the well-being of our customers, we moved our Lumo Trainer service to the virtual realm to continue to support physical activity amidst the restrictions imposed in response to the COVID-19 pandemic.

Customer's Viewpoint operating model

Developed in 2019, the Customer's Viewpoint operating model became an established practice during the year. The programme is aimed at creating better conditions to address and take systematic action on issues that have a negative effect on

the customers at our properties as well as improve the dialogue between Kojamo and customers. Any observed problems are entered directly into the mobile application, and corrective action is taken without delay. The operating model is also used by our largest property maintenance partner L&T. Ideally, we can react to potential issues even before the customers notice them.

The operating model also takes into account the feedback received in customer satisfaction surveys to enable us to pay special attention to emerging issues. The programme increased the satisfaction of our residents during the year, particularly with regard to waste management and communication.

Community spirit and cooperation

We also focus on developing better housing together with our customers. Our 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. Nearly 500 Lumo teams have already been established.

The start of the year also saw the introduction of the Lumo resident panel. Comprising 20 active Lumo residents from various parts of Finland, the panel works together to come up with ideas for developing resident activities to better meet the needs of Lumo residents. The panel had its first meeting in March. The second meeting, held in June, was focused on the theme of sustainability, and the meeting discussed the sustainability survey conducted among Lumo residents and its results. Based on the responses, our customers are interested in sustainability-related themes. Approximately 2,700 customers responded to the sustainability survey. Maintaining dialogue with our customers is important for our continued efforts to further improve the customer experience.



CASE



Improving satisfaction and community spirit through cooperation with residents

Cooperation with residents plays a key role in Kojamo's efforts to create the best customer experience. The most visible form of this cooperation is the Lumo team – a volunteer group of residents whose task is to support the building's community spirit.

Erja Graae, a long-term resident and Lumo Team Leader in Helsinki's Lauttasaari district, praises the concept. "The Lumo team concept is a welcome addition to traditional rental housing. Doing things together is directly reflected in the satisfaction of residents, and it helps maintain harmonious relationships between neighbours. We are easy to approach for the residents and the property manager alike, which makes it easier to manage the affairs of the building."

Every Lumo building can establish a Lumo team, which is then given an annual budget to cover the costs of its activities. In Graae's building, community events are already an established tradition: regular events include barbecues, coffee events and volunteer yard work events, even if the activities were temporarily halted by the COVID-19 pandemic. Another example of the building's community spirit is the custom of putting up the flag to celebrate the birthdays and special

occasions of the building's residents. The building has many long-term residents, and new arrivals are quickly welcomed into the community.

"The Lumo team helps the property manager stay abreast of the building's events and resident feedback. Every building is shaped by its residents, and we try to give residents as much influence over their environment as possible. At this building, that goal has been achieved very nicely. The active Lumo team deserves a lot of credit for that," says property manager **Matti Hämäläinen**. "The residents are also satisfied with the ease of our cooperation with the property manager," Graae adds.

In addition to Lumo teams, Kojamo organises regional activities for residents, such as excursions and events, as well as the opportunity to exercise influence through the national Lumo resident panel and online discussions.

"We encourage all of our residents to get involved in creating stronger communities and increase everyone's satisfaction and comfort of living. Together, we can also have a positive impact on the building's cleanliness and property maintenance as well as take advantage of services that make daily life easier," says Customer Account Manager **Riikka Ilmakunnas**.

Erja Graae, resident and Lumo Team Leader
Matti Hämäläinen, property manager



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 first-rate 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
Equality and equity for personnel	<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"> Gender distribution (all employees, supervisors, management, Board of Directors) Age distribution of employees, % Reports received through the Whistleblowing channel Development of personnel survey results related to equality and non-discrimination Wage equality amongst personnel 	
The health and well-being of personnel	<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 <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"> Number of employees Sickness-related absence rate, % Employee turnover, % Accident frequency Average number of hours of training for employees, h 	 
Good management and leadership	<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"> Overall results of the personnel survey Personnel survey results related to the employee experience and the efficiency of work Employee Net Promoter Score (ENPS) Coverage of performance appraisals, % 	  

The most competent personnel and a dynamic place to work

We want to provide our employees with a first-class employee experience that is created through a high level of occupational well-being, working towards the same goal, strong performance, values-driven leadership and industry-leading expertise. Our aim is that Kojamo's shared values – happy to serve, strive for success and courage to change – are reflected in everything we do.

During the year, the focus of our human resource management was on developing our corporate culture in line with our strategy, renewing our operating models related to competence and learning, changing our way of working and supporting our employees with regard to well-being, team spirit and remote work. As part of the development of our sustainability programme, we have also evaluated the focus areas of our responsibility for employees. We take a comprehensive approach to our HR activities and consider responsibility at every stage of the employment life-cycle. We also promote equality and non-discrimination in our operations.

Smooth remote work

The restrictions imposed in response to the COVID-19 pandemic made 2020 an exceptional year. Kojamo switched to remote work in March when the Finnish Government applied the Emergency Powers Act. In spite of the challenges, our employees have shown a great deal of agility and a strong capacity to adapt to new circumstances. Our systems and tools enabled a smooth transition to remote work. Even our customer service function and call centre were run from our employees' home offices, and it only took two weeks to complete the transition.

Over the course of the year, we have supported remote work in various ways. To support superiors, we created sparring groups

for sharing knowledge to support virtual orientation, the facilitation of virtual meetings and managing teams remotely. We have organised collective events, regular team coffee breaks, well-being lectures, exercise breaks and pre-Christmas parties through the creative use of virtual tools and platforms. We have encouraged our employees to look after their well-being and exercise sustainably by providing support in the form of sports benefits, shared office bicycles and various campaigns. For example, we participated in the Kilometrikisa cycling challenge, and a team of Kojamo employees accumulated nearly 20,000 kilometres of cycling in May–September to combat climate change as part of the Chain Reaction campaign coordinated by the Finnish Red Cross.

86%

of our employees were satisfied or very satisfied with remote work.

Are you happy to serve, ready to strive to succeed and do you have the courage to change? Check out our [vacancies](#) and apply for a job at Kojamo!



The results of our remote work survey indicated that our employees have had good experiences with remote work. Some 86 per cent of the respondents were satisfied or very satisfied with remote work, and as many as 91 per cent felt that their remote work performance was equal to, or better than, their work performance at the office.

We employed approximately 50 summer workers and are committed to the principles of responsible summer jobs. The job satisfaction of our summer workers increased year-on-year despite the exceptional circumstances. Our high level of responsibility for our employees was also recognised internationally – we scored full marks for personnel responsibility in the GRESB Sustainability Assessment.

In September, we participated in Zero Emissions Day 2020 by contributing to the afforestation of a new carbon sink in Finland to celebrate Earth's Day Off. The carbon sink is large enough to cover the carbon dioxide emissions caused by all of our employees during Zero Emissions Day. To mitigate climate change, Kojamo planted more than 300 saplings, one for each employee.

Getting to the heart of our corporate culture with the help of the Culture Compass project

Despite the exceptional circumstances, we were able to implement several strategic development projects during the year. Kojamo has systematically developed its corporate culture for several years as part of our work on our strategy. Last year, we continued to develop our corporate culture under the Kojamo's Culture Compass project, which aimed to evaluate the current state of our culture through group discussions and workshops and to clarify our shared objective. The goal was to work together to identify the next steps to develop our corporate culture in the

desired direction. More than 100 Kojamo employees participated in small group discussions and virtual workshops as part of the Culture Compass project. The results showed that the members of the Management Team and the employees have a shared view of the future and what kind of culture we are building together. Based on the results, the strengths of our culture include strong shared values, customer orientation, meaningful work, courage, a strong spirit in our local teams and a culture of getting things done. The Culture Compass project and the remote work survey we conducted alongside it gave us plenty of ideas regarding the development of our operations and ways to support employee well-being, and we did not carry out a separate personnel satisfaction survey in 2020.

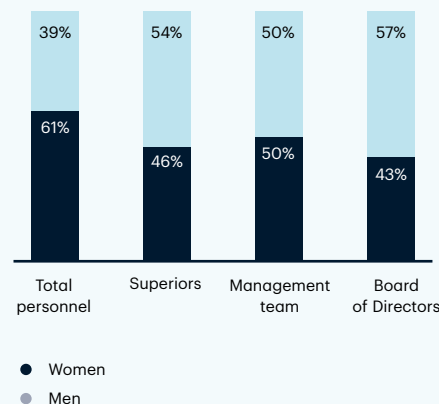
Towards a culture of lifelong learning

Competence development and the development of learning-related operating models continued to play an important role during the year. Our aim is to strengthen Kojamo's culture of lifelong learning, incorporate learning into daily life and create concrete tools for this purpose. During the year, we introduced a new digital learning environment called Virta, which is available to all of our employees and enables learning regardless of time and place. Towards the end of the year, we also established an idea group on learning to support our continued efforts to develop a culture of lifelong learning.

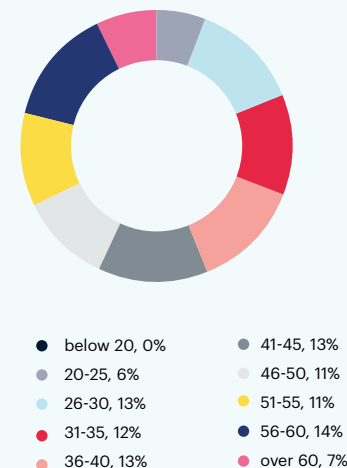
46%
of our superiors
are women.



Personnel distribution by gender (%)



Personnel distribution by age (%)



CASE



Support for learning regardless of place and time

One of our key personnel-related goals during the year was the deployment of a digital learning environment. The timing of the change could not have been better: deployed in the autumn, the Virta learning environment became an important tool as Kojamo shifted primarily to remote work due to the COVID-19 pandemic.

“Online training enables us to provide opportunities for high-quality and flexible learning regardless of place and time. The advantages of the new solution were highlighted during the period of remote work: we are able to offer collective training opportunities irrespective of whether the participating employees work at the office or at home. Newly recruited Kojamo employees have also been able to participate in diverse and consistent orientation training right from the start, which has been very helpful,” says HR Specialist **Kati Tikkamäki**.

The new tools provide even more learning opportunities for everyone. As the opportunities for competence development increase, the nature of traditional training is changing. “Taking advantage of learning opportunities requires employees to show initiative, and that is something we have plenty of at Kojamo. It is important to keep in mind that learning on the job is a continuous process, and formal training is only one important element in the bigger picture,” Tikkamäki adds.

Although the digital environment makes self-directed learning more effective, the training programmes have been designed by means of a collaborative process. In the early stages, the

training content has focused on orientation, sales and sustainability training, but we are expanding it continuously.

“Having our own learning environment enables highly agile content production that is precisely targeted according to our needs. We hope that as many Kojamo employees as possible could participate in planning and designing training content, which gives them the opportunity to share their professional expertise with their colleagues,” says HR Manager **Jenni Marko**. “We use various interactive exercises and assignments to help the participants apply their knowledge. We can gamify learning and offer training paths on various topics. We are pleased that our colleagues have found the training content interesting,” Tikkamäki adds.

The digital transformation will continue to be an important learning theme for everyone at Kojamo. In the years to come, we will focus particularly on the renewal of our harmonised working methods, the development of internal communication tools as well as the strengthening of competences in line with our digital roadmap. This will ensure that we have the competences that are essential for our strategy. “In addition to strong basic competence, we need new kinds of agile and versatile learning structures and tools, open-minded interaction across organisational boundaries and a culture that feeds collective learning,” Marko concludes.

Kati Tikkamäki, HR Specialist
Jenni Marko, HR Manager





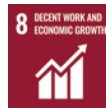
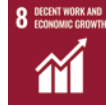
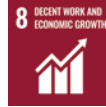

A responsible corporate citizen



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
Anti-grey economy work Employment	<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 >90.</p>	<ul style="list-style-type: none"> Gross investments, EUR million Indirect employment effect, person-years TR figure at our construction sites Reports through the Whistleblowing channel or internal reporting procedures 	 
Privacy and data protection	<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"> Actual or suspected data protection violations 	
Paying taxes	<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"> Taxes and tax-like charges, EUR million The Group's tax footprint, EUR million 	
Compliance Corporate Governance	<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"> Coverage of Code of Conduct training, % Share of new partnership agreements in which sustainability is guided by our Supplier Code of Conduct, % Reports through the Whistleblowing channel or internal reporting procedures 	
Sponsorship	<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"> Implementation of the annual sponsorship programme 	

A responsible corporate citizen

Our business has several direct and indirect impacts on our society. We operate responsibly and transparently in order to create better urban housing and develop our shareholder value in accordance with our strategy. Our operations are firmly founded on our core values: happy to serve, strive for success and courage to change.

We updated our Code of Conduct

Our responsible approach to business and the related requirements also extend beyond our own operations, to our stakeholders. In 2020, we updated our Code of Conduct for our employees and published a new Supplier Code of Conduct for our cooperation partners.

The Code of Conduct for our personnel is a set of guidelines documenting the principles by which we interact with our stakeholders, society and the environment. Everyone at Kojamo is required to be familiar with the Code of Conduct and to work responsibly and transparently in compliance with it. The updated Code of Conduct is an important component of our sustainability programme.

The Code of Conduct includes our business practices and requirements related to responsible and legally compliant operations, conflicts of interest, combating the grey economy, competing activities, responsibility for employees, bribery and corruption, sponsorship, environmental responsibility and the protection of assets and data.

We also require our cooperation partners to commit to a corresponding Supplier Code of Conduct that applies to all of the participants of Kojamo's supply chain. We also require our partners to ensure that their

subcontractors operate responsibly, transparently and in full legal compliance.

During the year, we further specified our Whistleblowing procedure for our employees and cooperation partners. The purpose of Kojamo's Whistleblowing procedure is to ensure that our management and control system works and provides the opportunity to report suspected misconduct – anything in violation of our organisation's values, Code of Conduct or business practices.

A zero tolerance policy concerning the grey economy

Combating the grey economy is an important part of Kojamo's risk management, and our anti-grey economy models exceed the legislative requirements in many respects. All 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 require our partners to join the Reliable Partner service maintained by Vastuu Group Oy and the related reporting must be kept up-to-date throughout the duration 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 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. In property maintenance partnership agreements made in 2020, sustainability aspects were considered as one decision criteria. We developed areas related to environmental and social responsibility in our partnership assessment process. We will implement these areas in future assessments. No partnership assessments were conducted during the year.

Data protection is at the core of our corporate responsibility

To deliver the best customer experience, we are always looking for new ways to refine and use data. At the same time, we have an absolute obligation to look after the quality of customer data, its appropriate and responsible processing, data security and data protection. As the operating environment becomes increasingly digital, regulation becomes more complex and stricter supervision is introduced, the importance of managing compliance risks and reputation risks is emphasised in all operations. Data protection is at the core of Kojamo's corporate responsibility, and our goal in all of our operations is to respect the individual's rights

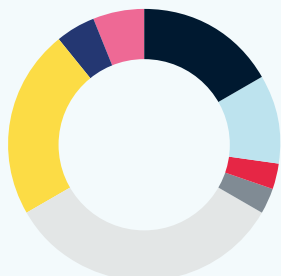
rather than merely fulfilling the minimum legal requirements. We have a zero tolerance policy concerning data protection violations.

Our most significant ongoing project is related to establishing data protection operating models and a culture of data protection at Kojamo. The primary aim of the project is to clarify the processes related to the processing of personal data and to identify and prevent related risks. In 2020, we conducted a number of data protection and data security assessments concerning Kojamo's processes, projects and alterations. In early 2020, we launched a mandatory data protection training and test for all Kojamo employees, which enables us to better monitor the data protection competences of our personnel and produce customised training content for different target groups.

**Indirect
employment effect:**

**7,066
person years**

Group's tax footprint (%)



- Income taxes, 17%
- Property taxes, 11%
- Transfer taxes, 3%
- Employment payments, 3%
- VAT non-deductible included in investments, 34%
- VAT non-deductible included in other procurements, 23%
- VAT remitted, 5%
- Withholdings from salaries, 6%

Our goal in 2021 is to further improve data protection at Kojamo.

We invest heavily in Finland

We have continued to invest in Finland despite the COVID-19 pandemic. Our employment effect extends beyond our own operations to the indirect employment effects of construction, renovation, property maintenance and cleaning partnerships, for example. Our investments that boost employment in the construction sector mainly consist of new construction and renovation projects. We measure the employment effect of our construction contracting on a project-specific basis. We are a significant taxpayer, we operate 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.

Our sponsorship programme promotes well-being through sports

We want to support top Finnish athletes as well as individual and team sports for young people. 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 awarded twice a year. 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 on the [Kojamo website](#).

In the autumn of 2020, we exceptionally decided not to organise an application process for sponsorships. Instead, we chose to continue our existing sponsorships due to the low level of competition activity in sports caused by the pandemic.

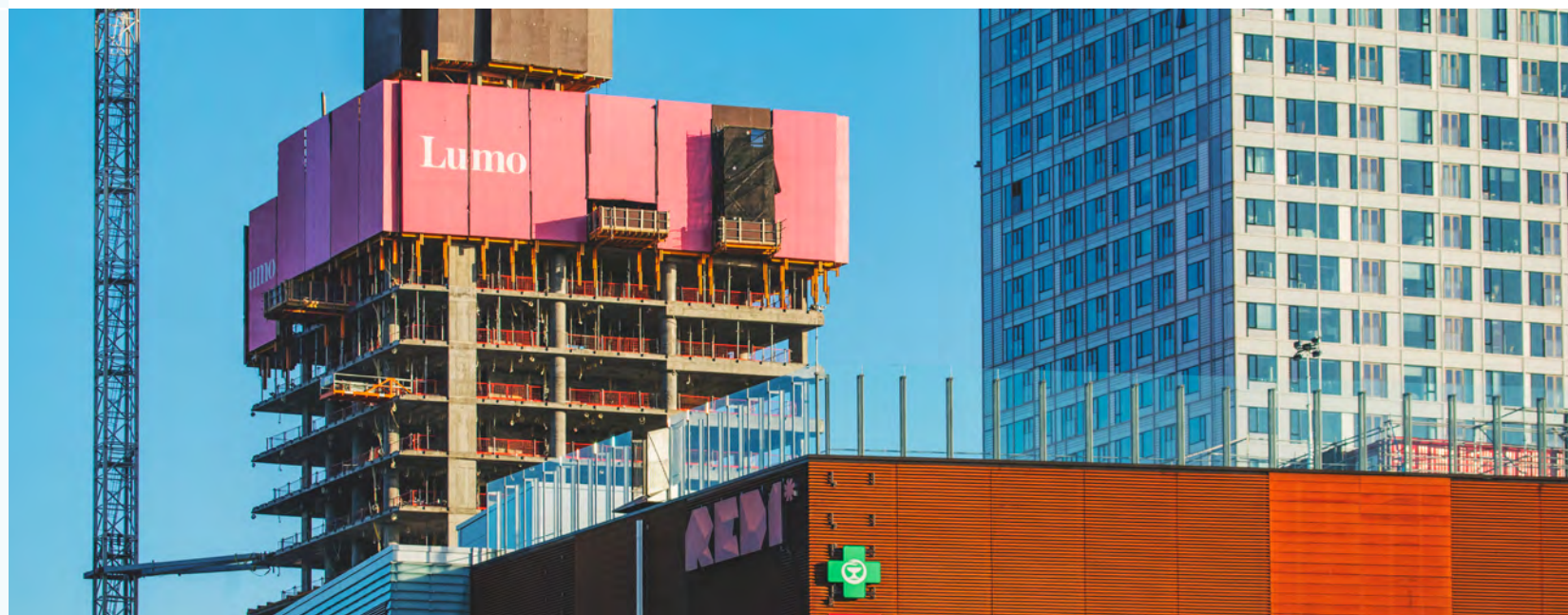
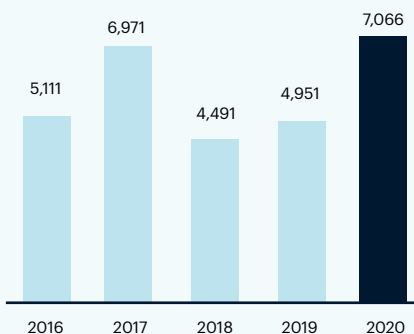
Tax footprint:

EUR

~101

million.

Indirect employment effect (person years)



CASE



A zero tolerance policy concerning the grey economy

Kojamo has a zero tolerance policy concerning the grey economy, and the operating models we use to combat the grey economy exceed the legislative requirements in many respects. We emphasise the importance of choosing responsible business partners to prevent potential problems from arising.

“We do not accept any vagueness or obscurity in the background information of companies when we are selecting a new partner,” says **Pasi Kujansuu**, Director of the Property Services unit. “Each partner must be in full compliance with the Contractor’s Obligations Act, and we also closely investigate the background of each potential partner company and its key personnel. We also contact the previous customers of potential new partners to find out what their experiences have been. We try to identify the most cost-effective and reliable partner.”

As finding new partners can sometimes be a long process, we aim to build long-term relationships with reliable partners. Suppliers and their supply chains are required to be committed to combating the grey economy and operating responsibly and with high quality in line with the relevant legislation and Kojamo’s own principles.

When cooperation has begun, the contractual relationship is continuously monitored in many ways based on our auditing models. For example, we monitor that ordering and invoicing practices are in line with what was agreed.

The careful selection of partners means that we rarely encounter problems involving the grey economy. We take immediate action in response to potential problems – no matter how small – and immediately suspend our relation-

ship with the supplier until the problem has been addressed. Our system continuously monitors our partners’ information pertaining to the Contractor’s Obligations Act. If the system notifies us of any discrepancies or issues, we contact the partner in question without delay. In most cases, the partner quickly resolves the issue and operations can continue without disruption.

Kujansuu says the prevention of the grey economy in Finland has developed in a good direction. The strong application of the Contractor’s Obligations Act has provided construction contractors with concrete and effective tools. Digital services have made contractors’ monitoring activities more effective.

“The construction sector obligation to inform the tax authorities has also been significant. These issues are now very well managed, especially among the major players. Nevertheless, it is also important for us to engage in our own monitoring activities at construction sites,” Kujansuu points out. “Our contracts stipulate that subcontracting must always be separately agreed upon. Using chains of subcontractors is not allowed.”

The exceptional circumstances created by COVID-19 have not had much of an impact on Kojamo’s supply chains or construction sites.

“It was important that we did not stop ordering work as the pandemic spread, and we have made every effort to keep our operations going. Had we slowed down, it would likely have had serious effects on society,” Kujansuu adds.

Pasi Kujansuu,
Director, Property Services



Reporting principles

Kojamo plc reports on its corporate responsibility as part of the Annual Report for 2020. The report provides information about the progress and results of corporate responsibility work in 2020. The corporate responsibility 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).

We describe the scope of both reporting recommendations in more detail in the tables relating to sustainability figures and the GRI index on pages [49–58](#) and [60–61](#).

In addition, Kojamo reports on its corporate responsibility as part of the Financial Statements, in the statement of non-financial information.

Scope of reporting

The Annual Report contains the key areas of Kojamo's financial, social and environmental responsibility and related activities in the reporting period 1 January–31 December 2020. Kojamo's sustainability reporting period is the same as used in Kojamo's financial reporting. The information is primarily disclosed for 2020. In addition, information is disclosed for 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. Topic-specific information is disclosed for Kojamo's material sustainability aspects.

The report is published annually in both Finnish and English. The report is published online in PDF format.

The report for 2019 was published on 20 February 2020, and the report for 2018 on 21 February 2019.

Coverage and limitations of reporting

Kojamo's sustainability reporting covers all of the investment properties in Kojamo's rental use, 35,802 apartments at the end of 2020. This corresponds to 100 per cent of the leasable floor area in use and owned by Kojamo. In conjunction with the properties, Kojamo also has business premises, which are included in the reporting. There were a total of 662 business premises at the end of 2020. As a rule, Kojamo owns all of the investment properties included in the reporting. Office premises that are owned and used by Kojamo are also included in the scope of 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 figures relating to sustainability are reported in accordance with the company's financial reporting principles. Kojamo does not report segment-specific figures. Kojamo is a housing investment company that focuses on rental housing in Finland, more specifically 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 figure.

Materiality

The link between Kojamo's sustainability materiality analysis and key sustainability aspects with the company's corporate responsibility programme is described in the section Sustainability at Kojamo on pages [15–66](#).

Figures of environmental responsibility

The figures of environmental responsibility cover 100 per cent of the investment properties owned by Kojamo on 31 December 2020, unless otherwise specified.

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

The figures are primarily reported for both all properties and Like-for-Like properties.

The figures of environmental responsibility primarily cover properties completed or acquired before 31 December 2020. The figures of new construction projects and renovations are also included from the beginning of the completion of the projects.

The volume (m³) of the property portfolio has been used as the divisor in calculating the figures of consumption.

Like-for-like 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 2019 and 2020.

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

Electricity and energy

Total energy consumption includes property electricity, heating and cooling.

The figures of electricity, heating and cooling cover 711 properties, 100 per cent of the investment properties owned by Kojamo.

Of the properties, 92 per cent are included within the scope of remote measurement of heating energy. 100 per cent of the properties are included within the scope of remote electricity consumption measurement.

All figures are based on actual consumption, not estimates.

Energy consumption data is primarily received from energy utilities as digital messages automatically recorded in the consumption monitoring system. For energy

meters not scanned remotely, the monitoring of consumption data is based on manual reading and recording the data in the consumption monitoring system.

Heating figures are reported using both measured data and standardised (weather-adjusted) data, which makes annual comparisons possible.

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

Electricity consumption-related figures 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 electricity suppliers of their choosing, and the electricity consumption of the apartments (residents) is therefore not included within the scope of the reporting.

Water

Water consumption figures cover 711 properties, 100 per cent of the investment properties owned by Kojamo. Water consumption figures 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 fixed 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 not scanned remotely, the monitoring of consumption data is based on manual reading and recording the data in the consumption monitoring system.

Of the properties, 96 per cent are included within the scope of remote measurement. All figures 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 figures cover 93 per cent of the investment properties owned by Kojamo, development projects (Metropolia properties) and owned office premises.

Regional waste management companies handle waste management at Kojamo's properties. Waste-related figures 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 water consumption in relation to heating as well as energy consumption at Kojamo's properties, emissions accounting is realised in accordance with the GHG Protocol, covering the Scope 1 and Scope 2 emissions of the property portfolio as well as the Scope 3 emissions of the heating of water in the property portfolio.

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. The property electricity used in 100 per cent of Kojamo's properties is Guarantee of Origin certified electricity produced with hydro

power. Kojamo's market-based accounting has used the product-specific factors of energy producers, collected directly from the energy producers.

In location-based accounting, energy grid 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 in early 2021. The accounting takes into consideration the emissions of heat, electricity and water heating.

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 water heating, emissions from Kojamo's leasing cars and emissions from the company's business flights for the reporting year. The leasing cars total approximately 105 vehicles. WWF's Climate Calculator Tool has been used in calculating the Scope 3 emissions for vehicles and flights.

Validation of reporting

The environmental or social responsibility or corporate governance figures associated with Kojamo's corporate responsibility reporting have not been validated.

Contact information

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

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Sustainability figures 2020

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 2020	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Volume (heated) (m³)	9,241,914							
Living area (m²)	1,925,696							
Number of apartments (units)	35,802	35,272						
The coverage of AI-based IoT solution controlling indoor temperature (%)	80%							

Energy	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Building energy intensity (kWh/m³)	34.5	40.4	40.9	42.4	41.6	302-3	Energy-Int	
Own development projects with EPC < 82, share of all own development projects 31 Dec 2020 (%)	100%							Share of own developments.
Own development projects with EPC < 82, share of all own development projects completed (%)	84%							Share of own developments.
Total energy consumption (GWh)	318.6	346	354.7	343.2		302-1		Total energy includes property electricity and heating. Of heating energy, 99.5% originates from district heating.
Total energy consumption, Like-for-Like (GWh)	309.4	316.7	324	339.2		302-1		
Total energy consumption of own offices (GWh)	1.7					302-1		Only electricity reported from local offices.
Share of renewable energy of total energy consumption (%)	21%					302-1		
Total heating energy consumption (GWh)	278.5	303.2	314.2	302	313	302-1	DH&C-Abs	The figures from 2018 and 2019 have been corrected as part of 2020 reporting.
Total heating energy consumption, weather-normalised (GWh)	320.1	322.7	324.4			302-1		

Energy	2020	2019	2018	2017	2016	GRI Standard	EPRA code	Additional information
Total heating energy consumption, Like-for-Like (GWh)	270.7	279	286	301	284	302-1	DH&C-LfL	
Total heating energy consumption, Like-for-Like, weather-normalised (GWh)	311.1					302-1		
Heating index, weather-normalised (kWh/m ³)	34.6	35.8	36.3	37.7	36.8	302-3		
Heating index, Like-for-Like, weather-normalised (kWh/m ³)	35.1	36.4	36.3	37	36	302-3		
Share of renewable energy of total heating energy consumption (%)	11%					302-1		
Total property electricity consumption (GWh)	40.1	42.8	40.5	41.2	43.1	302-1	Elec-Abs	
Total property electricity consumption, Like-for-Like (GWh)	38.7	37.7	38	38.2	37.7	302-1	Elec-LfL	
Specific property electricity consumption (kWh/m ³)	4.3	4.6	4.6	4.7	4.8	302-3		
Specific property electricity consumption, Like-for-Like (kWh/m ³)	4.4	4.6	4.6	4.7	4.8	302-3		
Share of renewable energy of total property electricity consumption (%)	100%	1	0	0	0	302-1		
Fuel consumption (GWh)	0					302-1	Fuels-Abs	
Fuel consumption, Like-for-Like (GWh)	0					302-1	Fuels-LfL	
Energy performance certificates, voluntary (%)	0						Cert-Tot	No voluntary certifications.
Energy performance certificates, mandatory (%)	100%	1					Cert-Tot	The energy certifications, EPC ratings.

Water	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Total water consumption (Mm ³)	3.4	3.1	3	3	3.1	303-3	Water-Abs	
Total water consumption, Like-for-Like (Mm ³)	3.3	2.8	2.9	2.8			Water-LfL	
Specific water consumption (l/m ³)	365	343	347	344	346		Water-Int	
Specific water consumption, Like-for-Like (l/m ³)	369	347	348	340		303-3	Water-LfL	

Carbon footprint and emissions	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
CO ₂ emissions, Scope 1 (t CO ₂ e)	0	0	0			305-1	GHG-Dir-Abs	
CO ₂ emissions, Scope 2, market-based (t CO ₂ e)	50,881	53,896	63,773			305-2	GHG-Indir-Abs	The emission figures from 2018 and 2019 have been corrected as part of 2020 reporting.
CO ₂ emissions, Scope 2, location-based (t CO ₂ e)	54,730	58,925				305-2	GHG-Indir-Abs	
CO ₂ emissions, Scope 2, market-based, Like-for-Like (t CO ₂ e)	51,377	53,994				305-2	GHG-Indir-Abs	
CO ₂ emissions, Scope 2, location-based, Like-for-Like (t CO ₂ e)	55,401	58,926				305-2	GHG-Indir-Abs	
CO ₂ emissions, Scope 3 (t CO ₂ e)	2,613					305-3	GHG-Indir-Abs	Scope 3 CO ₂ emissions include CO ₂ emissions from the heating of water of property portfolio, the company business flights and the leased cars.
CO ₂ emissions intensity, Scope 2 (kg CO ₂ e/m ³)	5.5	6.9	7.9			305-4	GHG-Int	
Kojamo has renewed its calculation method for carbon footprint and therefore all comparison figures for previous years are not available.								

Waste	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Total waste (t)	15,386	13,709				306-3	Waste-Abs	
Mixed waste	8,335	7,899	7,497					
Biowaste	1,710	1,510	1,430					
Energy waste	1,321	975	1,224					
Material recovery waste	4,011	3,313	3,143					
Hazardous waste	9	12	0					
Recycling rate (%)	37	35						Includes biowaste and waste for material recovery.
Share of energy recovery (%)	63	65						
Waste per apartment (kg/apartment)	430	389	393					

PERSONNEL RESPONSIBILITY								
Information on personnel	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Personnel in total	317	296	298	316	286	102-8		
Type of employment (permanent / temporary)	282 / 35	267 / 29	274 / 24	284 / 32		102-8		
Average duration of employment (years)	9.3							Reported for the first time in 2020.
New employees (number and %)	31 (11%)	33 (12%)				401-1	Emp-Turnover	Of permanent personnel.
New employees by age (number and %)						401-1		Of permanent personnel. Reported for the first time in 2020.
under 20	0							
20–25	1 (3%)							
26–30	7 (23%)							
31–35	5 (16%)							
36–40	6 (20%)							
41–45	6 (20%)							
46–50	2 (6%)							
51–55	2 (6%)							
56–60	2 (6%)							
over 60	0							
New employees by gender (number and %)						401-1		Of permanent personnel. Reported for the first time in 2020.
women	14 (45%)							
men	17 (55%)							
Turnover (%)	9.8	14.6	10.2	8.6	6.6	401-1	Emp-Turnover	Of permanent personnel.
Turnover by age (%)						401-1		Of permanent personnel. Reported for the first time in 2020.
under 20	0							
20–25	10							
26–30	16.1							
31–35	10.5							
36–40	8.7							
41–45	11.8							

Information on personnel	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
46–50	6.9							
51–55	4.3							
56–60	5.8							
over 60	15							
Turnover by gender (%)						401-1		Reported for the first time in 2020
women	8.8							
men	11.2							
Gender pay ratio (by Hay classification)						405-2	Diversity-Pay	Reported for the first time in 2020. % the average salary of women is of the average salary of men.
Hay 18–19 (senior management)	95							
Hay 16–17 (middle management, senior specialist)	95							
Hay 14–15 (specialists)	96							
Hay 9–13 (employees)	105							
Gender distribution (by Hay classification)						405-2		Reported for the first time in 2020
Hay 18–19 (senior management)	48 / 52							
Hay 16–17 (middle management, senior specialist)	43 / 57							
Hay 14–15 (specialists)	53 / 47							
Hay 9–13 (employees)	89 / 11							
Distribution of personnel	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Distribution by gender, women / men (%)						405-1	Diversity-Emp	
Total personnel	61 / 39	63 / 37	63 / 37	62 / 38		405-1	Diversity-Emp	
Superiors	46 / 54	54 / 46				405-1	Diversity-Emp	
Management team	50 / 50	40 / 60	25 / 75	14 / 86	14 / 86	405-1	Diversity-Emp	
Board of Directors	43 / 57	43 / 57	29 / 71	13 / 87	13 / 87	405-1	Diversity-Emp	

Personnel distribution by task (%)	2020	2019	2018	2017	2016	GRI Standardit	EPRA code	Additional information
Rental operations and customer service	35	34					102-8	
Building management	16	16					102-8	
Investments	3	3					102-8	
Construction	8	6					102-8	
Ownership and investing	4	4					102-8	
Marketing and communications	3	2					102-8	
ICT and development	8	7					102-8	
Financial management and financing	14	16					102-8	
Other tasks	10	10					102-8	
Task division has been updated in 2019 and earlier comparison data is not available.								

Personnel distribution by age (%)	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
below 20	0	0	0	1	0	405-1		
20–25	6	10	6	6	6	405-1		
26–30	13	9	10	10	7	405-1		
31–35	12	14	12	13	12	405-1		
36–40	13	10	13	13	14	405-1		
41–45	13	13	12	12	12	405-1		
46–50	11	10	13	15	15	405-1		
51–55	11	13	13	13	19	405-1		
56–60	14	15	14	14	13	405-1		
over 60	7	7	5	3	3	405-1		

Personnel average age	2020	2019	2018	2017	2016	GRI Standardit	EPRA code	Additional information
Average age (permanent personnel)	45							Reported for the first time in 2020
Average age (all personnel)	43							Reported for the first time in 2020

Geographic distribution (%)	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Helsinki	77	74	73	72	72	102-8		
Hämeenlinna	2	2	2	2	1	102-8		
Jyväskylä	3	2	3	3	2	102-8		
Kuopio	2	3	2	3	2	102-8		
Lahti	3	3	3	3	3	102-8		
Lappeenranta	0	1	1	1	1	102-8		
Oulu	4	4	4	4	4	102-8		
Rovaniemi	0	0	0	1	1	102-8		
Tampere	7	7	8	9	9	102-8		
Turku	2	3	2	3	3	102-8		

Job satisfaction and competence development	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Personnel satisfaction index, Kojamo / control group (%)	75 / 68	75 / 68	73 / 67	75 / 67	73 / 64			The result is from 2019. In 2020 there was no separate employee satisfaction survey; instead, a culture compass project and personnel survey about remote work was conducted.
Coverage of performance appraisals (% of personnel)	100%	100%	100%	100%		404-3	Emp-Dev	
Average training hours per person	10h 20min	12h 24 min				404-1	Emp-Training	Total hours of training during the year divided by the average number of personnel annually.

Health and safety	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Work accidents	6	12				403-9	H&S-Emp	
Injury rate (IR)	10.36					403-9	H&S-Emp	Injuries divided by annual working hours.
Lost Day Rate, injuries (LDR) (%)	0.04						H&S-Emp	Lost days divided by annual working hours.
Occupational diseases	0	0				403-10	H&S-Emp	
Absentee Rate, %	3.14	3.64				403-10	H&S-Emp	
Work-related fatalities	0	0				403-9	H&S-Emp	

Health and safety	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Assets of which health and safety impacts are assessed, number	451					416-1	H&S-Asset	Internal fire inspections in 2020.
Asset health and safety compliance violations	0					416-2	H&S-Comp	
Occupational safety index (TR figure) at construction sites	94.4	93.7	94.3	93.2	92.9		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	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Net Promoter Score	36	34	35	33	35			
Digital Net Promoter Score	63							Reported for the first time in 2020.

Data protection	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Requests related to personal data processing								
- requests for information	6	6						
- requests for data rectification	0	1						
- requests for data erasure	9	7						
- objections to data processing	0	4						
Refusals of automatic decision making	0	0						
Requests for clarification and information by supervisory authorities	1	0				418-1		Based on one grievance and request for investigation in 2018 concerning an electric lock system used at a property.
Personal data breach notifications	0	0				418-1		
Serious information security incidents	0	0				418-1		
Suspected or detected personal data breaches	0	0				418-1		
Audits	0	2						

Local communities	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Community engagement	~500					413-2	Comty-Eng	The number of Lumo teams.

ECONOMIC RESPONSIBILITY								
Taxes	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Group's tax footprint (%)						203-2		
Income taxes (%)	17	22	32	27	37	203-2		
Property taxes (%)	11	12	9	9	9	203-2		
Transfer taxes (%)	3	3	5	1	1	203-2		
Employment payments (%)	3	4	4	4	4	203-2		
VAT non-deductible included in investments (%)	34	22	19	29	18	203-2		
VAT non-deductible included in other procurements (%)	23	25	21	21	23	203-2		
VAT remitted (%)	5	6	4	4	4	203-2		
Withholdings from salaries (%)	6	6	5	5	5	203-2		
Taxes and tax-like charges in total (EUR million)	~101	~90	~106	~104	~100	207-4		
Code of Conduct	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Whistleblowing reports received	0							
Prevention of corruption	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Whistleblowing reports received	0	0						
Risk assessments related to bribery and corruption, coverage (%)	100	100				205-1		
Confirmed corruption cases and actions	0	0				205-3		

Financial impact	2020	2019	2018	2017	2016	GRI Standards	EPRA code	Additional information
Distribution and creation of direct economic added value (EUR million)							201-1	
Total revenue	383.9	375.3	358.8	337.0	351.5	201-1		
Operating profit	446.3	1081.9	324.2	307.0	335.6	201-1		
Gross investments	371.2	259.9	365.2	367.3	696	201-1		
Investments in growth centres (%)	100							
Corporate tax	16.7	19.9	34.1	28.6	35.4	201-1		
Salaries and fees	17.3	16.4	16.8	15.3	16.3	201-1		
Grants and sponsorship								
Lumo grants (number)	150							
Lumo sponsorship (number of persons)	7							
Material indirect economic impacts							203-2	
Indirect employment effect (person years)	7,066	4,951	4,491	6,971	5,111	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"> Circular economy and material efficiency Comprehensive recycling opportunities Carbon neutrality and mitigating climate change Optimisation and continuous improvement of energy efficiency Minimising the life cycle environmental impacts of properties Innovative and smart solution 	<ul style="list-style-type: none"> Services & shared-use solutions promote sustainable housing Digitalisation in the development of resident services The safety and comfort of residential areas The cleanliness of residential areas Urban nature and green areas Low-emission and low-noise construction sites 	<ul style="list-style-type: none"> Equality and non-discrimination concerning personnel Workplace diversity Development of management and supervisory work Development of personnel competence Mental work ability, coping with work, extending careers Comprehensive occupational healthcare Occupational safety 	<ul style="list-style-type: none"> Responsible corporate citizenship Sustainability solutions and innovations as part of growth The risks and opportunities of climate change Sustainable and low-emission procurement Ensuring privacy and data protection 	<ul style="list-style-type: none"> Long-term profitability and growth of business
Focus areas	<ul style="list-style-type: none"> Low-carbon operation Energy efficiency Circular economy Living environment Life-cycle of properties 	<ul style="list-style-type: none"> Satisfied residents An environmentally friendly, responsible Lumo Safety and comfortability Smart solutions and additional services for housing 	<ul style="list-style-type: none"> Equality and equity for personnel The health and well-being of personnel Good management and leadership 	<ul style="list-style-type: none"> Anti-grey economy work Privacy and data protection Corporate Governance Paying taxes Compliance 	<ul style="list-style-type: none"> Ensuring long-term profitability and business growth Sustainable and responsible operations Transparent communications and reporting
Key policies, principles, commitments and programmes	<ul style="list-style-type: none"> Kojamo's strategy Kojamo's values Code of Conduct UN Sustainable Development Goals Net Zero Carbon Buildings commitment Voluntary energy efficiency agreement of the Finnish real estate sector 2017-2025 City of Helsinki Climate Partnership WWF Green Office Due diligence Investment decisions 	<ul style="list-style-type: none"> Kojamo's strategy Kojamo's values Code of Conduct UN Sustainable Development Goals Customer's Viewpoint operating model 	<ul style="list-style-type: none"> Kojamo's strategy Kojamo's values Code of Conduct UN Sustainable Development Goals A responsible employer Responsible Summer Job campaign Personnel policy Equality and non-discrimination plan Collective bargaining agreements 	<ul style="list-style-type: none"> Kojamo's strategy Kojamo's values Code of Conduct Supplier Code of Conduct UN Sustainable Development Goals Corporate Governance Code Whistleblowing procedure Vastuu Group Oy's Reliable Partner service Data Security Policy Risk management Lumo sponsorship and grant programme 	<ul style="list-style-type: none"> Kojamo's strategy Kojamo's values Code of Conduct Supplier Code of Conduct UN Sustainable Development Goals GRI Standards Global Real Estate Sustainability Benchmark (GRESB) EPRA Sustainability Best Practices Recommendations Guidelines
Assessing the effectiveness of the management approach	<ul style="list-style-type: none"> Whistleblowing procedure Property and Building Sector Energy Efficiency Agreement steering group and reporting Operating in accordance with the Net Zero Carbon Buildings commitment WWF Green Office audits Management Team and steering groups 	<ul style="list-style-type: none"> Whistleblowing procedure Resident satisfaction surveys NPS Management Team and steering groups 	<ul style="list-style-type: none"> Whistleblowing procedure Overall results of the personnel survey Personnel satisfaction index Management Team and steering groups 	<ul style="list-style-type: none"> Internal auditing Vastuu Group Oy's Reliable Partner service Whistleblowing procedure Tax footprint Management Team and steering groups Partner evaluation practices 	<ul style="list-style-type: none"> Internal auditing Vastuu Group Oy's Reliable Partner service Whistleblowing procedure Management Team and steering groups
Aspect boundaries	Kojamo and the supply chain	Kojamo and customers	Kojamo	Kojamo	Kojamo, supply chain, customers

GRI index

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EPRA	LOCATION	ADDITIONAL INFORMATION
General Disclosures					
Organizational Profile					
102-1	2016	Name of the organisation		Key figures in 2020	
102-2	2016	Activities, brands, products, and services		Key figures in 2020, 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. 17, 40, Key figures in 2020	
102-6	2016	Markets served		Kojamo's value creation model, Financial development	
102-7	2016	Scale of the organisation		Key figures in 2020, Key sustainability figures in 2020	
102-8	2016	Information on employees and other workers		Sustainability figures 2020, The most competent personnel and a dynamic place to work	We employed 50 summer employees in total in summer 2020.
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, 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, Stakeholder engagement	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EPRA	LOCATION	ADDITIONAL INFORMATION
Strategy					
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. 26, Our strategy 2020-2023, Kojamo's value creation model, Sustainability at Kojamo, Materiality analysis of sustainability	
Ethics and integrity					
102-16	2016	Values, principles, standards, and norms of behavior		Our strategy is to create profitable growth, Reporting principles, Management and organisation of sustainability at Kojamo, A responsible corporate citizen	
Governance					
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: https://kojamo.fi/wp-content/uploads/2020/10/Nimitystoimikunnan-tyojarjestys-EN.pdf
102-25	2016	Conflicts of interest	Gov-Col	Corporate Governance Statement, p. 10	
102-32	2016	Highest governance body's role in sustainability reporting		Management and organisation of sustainability at Kojamo	
Stakeholder engagement					
102-40	2016	List of stakeholder groups		Stakeholder engagement	
102-41	2016	Collective bargaining agreements		Financial Statements: Statement of non-financial information, p. 23	
102-42	2016	Identifying and selecting stakeholders		Stakeholder engagement	
102-43	2016	Approach to stakeholder engagement		Stakeholder engagement	
102-44	2016	Key topics and concerns raised		Stakeholder engagement	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EPRA	LOCATION	ADDITIONAL INFORMATION
Reporting practice					
102-45	2016	Entities included in the consolidated financial statements		Financial Statements: Note 1, Basis for presentation of the financial statements, p. 38	
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. 38	
102-47	2016	List of material topics		Materiality analysis of sustainability, Reporting principles	
102-48	2016	Restatements of information		Reporting principles, Sustainability figures 2020	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 2020	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	
Management approach					
103-1	2016	Explanation of the material topic and its Boundary		Materiality analysis of sustainability, Reporting principles	
103-2	2016	The management approach and its components		Our sustainability programme, Management and organisation of sustainability at Kojamo, Sustainable cities – targets of the focus area, The best customer experience – targets of the focus area, A responsible corporate citizen – targets of the focus area	
103-3	2016	Evaluation of the management approach		Management and organisation of sustainability at Kojamo	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EPRA	LOCATION	ADDITIONAL INFORMATION
GRI 200 Economic standards					
Economic Performance					
201-1	2016	Direct economic value generated and distributed		Kojamo's value creation model, Sustainability figures 2020	
Indirect Economic Impacts					
203-2	2016	Significant indirect economic impacts		Kojamo's value creation model, A responsible corporate citizen	
Anti-corruption					
205-1	2016	Operations assessed for risks related to corruption		Financial Statements: Statement of non-financial information, p. 26, Corporate Governance Statement, p. 8–9	Assessed as a part of Kojamo's risk management process.
205-3	2016	Confirmed incidents of corruption and actions taken		Sustainability figures 2020	
Tax					
207-1	2019	Approach to tax		Financial Statements, Note 5, Taxes p.65, A responsible corporate citizen	
207-2	2019	Tax governance, control and risk management		Corporate Governance Statement, p. 9	https://kojamo.fi/wp-content/uploads/2021/02/ad6791db3850abd5.pdf
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.
207-4	2019	Tax paid		Sustainability figures 2020, Corporate Governance Statement	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EPRA	LOCATION	ADDITIONAL INFORMATION
GRI 300 Environmental standards					
		Mandatory and potential voluntary certificates of properties	Cert-tot	Sustainability figures 2020	
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 2020	
Energy					
302-1	2016	Energy consumption within the organization	DH&C-Abs, DH&C-LfL, Elec-Abs, Elec-LfL, Fuels-Abs, Fuels-LfL	Sustainability figures 2020, Reporting principles	
302-3	2016	Energy intensity	Energy-Int	Sustainability figures 2020, Sustainable cities, Reporting principles	
Water and Effluents					
303-1	2018	Interactions with water as a shared resource		Sustainable cities	
303-2	2018	Management of water discharge-related impacts			Not a material topic for Kojamo's operations.
303-3	2018	Water recycled and reused	Water-Abs, Water-LfL, Water-Int	Sustainability figures 2020, Sustainable cities, Reporting principles	
Emissions					
305-1	2016	Direct (Scope 1) GHG emissions	GHG-Dir-Abs	Sustainability figures 2020, Reporting principles	
305-2	2016	Energy indirect (Scope 2) GHG emissions	GHG-InDir-Abs	Sustainability figures 2020, Reporting principles	
305-3	2016	Other indirect (Scope 3) GHG emissions	GHG-InDir-Abs	Sustainability figures 2020, Reporting principles	
305-4	2016	GHG emissions intensity	GHG-Int	Sustainability figures 2020, Sustainable cities, Reporting principles	
305-5	2016	Reduction of GHG emissions		Sustainability figures 2020, Reporting principles	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EPRA	LOCATION	ADDITIONAL INFORMATION
Waste					
306-1	2020	Waste generation and significant waste-related impacts		Sustainability figures 2020, Sustainable cities, Reporting principles	
306-2	2020	Management of significant waste-related impacts		Sustainability figures 2020, Reporting principles	
306-3	2020	Waste generated	Waste-Abs, Waste-LfL	Sustainability figures 2020, Reporting principles	
Supplier Environmental Assessment					
308-1	2016	New suppliers that were screened using environmental criteria		A responsible corporate citizen	The related process has been described.
GRI 400 Social standards					
Kojamo's own topic		Gross investments in growth centres (M€)		Key sustainability figures 2020, Sustainability figures 2020	
Kojamo's own topic		Total amount of grants		Sustainability figures 2020	
Kojamo's own topic		Annual resident survey, average – safety and comfort			Will be reported starting from 2021.
Kojamo's own topic		Annual resident survey, average – waste recycling			Will be reported starting from 2021.
Kojamo's own topic		Annual resident survey, average – housing services			Will be reported starting from 2021.
Kojamo's own topic		NPS		Key sustainability figures 2020, The best customer experience, Sustainability figures 2020	
Kojamo's own topic		Reporting according to EPRA sBPR and GRI Standards frameworks and participating in GRESB sustainability assessment annually.			
Employment					
401-1	2016	New employee hires and employee turnover	Emp-Turnover	Sustainability figures 2020	

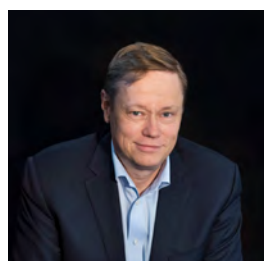
GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EPRA	LOCATION	ADDITIONAL INFORMATION
Occupational health and safety					
403-1	2018	Occupational health and safety management system			Kojamo applies a Safety at work induction model, safety and rescue plans and occupational health action plan. Coverage is 100% of personnel and offices. In addition, Kojamo applies safety plan for customer service work covering customer service function of personnel.
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.
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 2020, 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 2020	
403-10	2018	Work-related ill health	H&S-Emp	Sustainability figures 2020	

GRI STANDARD	STANDARD VERSION	DISCLOSURE TITLE	EPRA	LOCATION	ADDITIONAL INFORMATION
Training and education					
404-1	2016	Average hours of training per year per employee	Emp-Training	Sustainability figures 2020	
404-3	2016	Percentage of employees receiving regular performance and career development reviews	Emp-Dev	Sustainability figures 2020	
Diversity and equal opportunity					
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 2020	
405-2	2016	Ratio of basic salary and remuneration of women to men	Diversity-Pay	Sustainability figures 2020	
Non-discrimination					
406-1	2016	Incidents of discrimination and corrective actions taken		Sustainability figures 2020	No reported concerns via Whistleblowing procedure.
Local communities					
413-1	2016	Operations with local community engagement, impact assessments, and development programs	Comty-Eng	The best customer experience	
Supplier social assessment					
414-1	2016	New suppliers that were screened using social criteria		A responsible corporate citizen	The related process has been described.
Customer health and safety					
416-1	2016	Assessment of the health and safety impacts of product and service categories	H&S-Asset	Sustainability figures 2020	
416-2	2016	Incidents of non-compliance concerning the health and safety impacts of products and services	H&S-Comp	Sustainability figures 2020	
Customer privacy					
418-1	2016	Substantiated complaints concerning breaches of customer privacy and losses of customer data		A responsible corporate citizen, Sustainability figures 2020	

Material sustainability topics and reference to GRI Standards

MATERIAL TOPIC FOR KOJAMO	GRI STANDARD
The best customer experience	
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)	
Sustainable cities	
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)	
A responsible corporate citizen	
Compliance	Supplier environmental assessment (308), Supplier social assessment (414)
Anti-grey economy work	Anti-corruption(205)
Paying taxes	Economic performance (201), Vero (207)
Employment	Indirect economic impacts (203)
Sponsorship (Kojamo plc's own topic)	
Privacy and data protection	Customer privacy (418)
The most competent personnel and a dynamic place to work	
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)
The sustainability cornerstones	
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	

Members of the 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.

Independent of the company and its significant shareholders.



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.

Independent of the company and its significant shareholders.



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.

Independent of the company and its significant shareholders.



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.

Independent of the company and its significant shareholders.



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.

Independent of the company and its significant shareholders.



Heli Puura
Member of the Board

b. 1965, Finnish citizen
Master of Laws

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

Independent of the company and its significant shareholders.



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.

Independent of the company and its significant shareholders.

Members of the 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
(CCO)

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



Ville Raitio
Chief Investment Officer
(CIO)

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



Information for investors

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

During the year, we met with investors on virtual roadshows and participated in seminars for institutional investors. After our results publications, we have hosted press conference with the possibility to participate either via webcast or phone. Before the beginning of silent periods, we publish an Investor Newsletter overviewing current topics and themes that interest investors. In December, we arranged Kojamo's first Investors' Day with the purpose of increasing understanding on Kojamo as an investment. The presentation materials related to the event are available on Kojamo's website for investors.

Analyst coverage

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

Kojamo's interim reporting in 2021

- Interim Report January–March 2021: 12 May 2021

- Half-Year Financial Report January–June 2021: 19 August 2021
- Interim Report January–September 2021: 4 November 2021

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 17 March 2021. More information on the Annual General Meeting and registration for the AGM is available online at <https://kojamo.fi/agm>.

Investor relations

Maija Hongas, Manager, Investor Relations,
tel. +358 20 508 3004
e-mail: maija.hongas@kojamo.fi

Flagging notifications are to be sent to:
liputusilmoitus@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

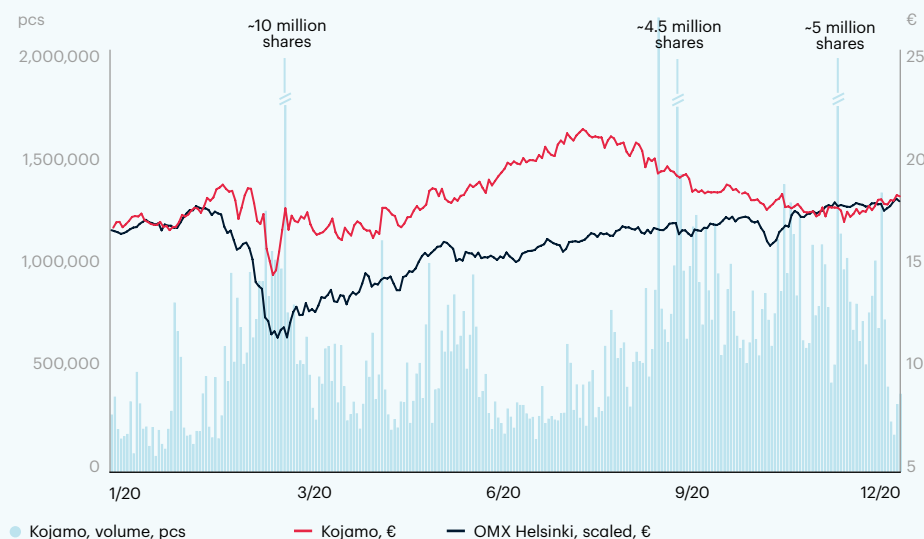
Trading code: KOJAMO

ISIN code: FI4000312251

Reuters symbol: KOJAMO.HE

Bloomberg symbol: KOJAMO:FH

KOJAMO'S SHARE PRICE DEVELOPMENT 1 JANUARY–31 DECEMBER 2020



Glossary for investors

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.

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.

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 on its sustainability in accordance with EPRA sBPR since 2019.

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.

Financial occupancy rate

The financial occupancy rate is calculated by dividing actual rental income by potential rental income. In recent years, Kojamo's financial occupancy rate has been 96–98 per cent.

Funds From Operations (FFO)

Funds From Operations (FFO) is an indicator of business 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 2021. The dividend payout objective is also linked to this performance indicator.

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 opera-



More detailed information on the calculation formulas of financial performance indicators and the calculation of sustainability indicators is provided in the section Reporting principles on page 47.



tions from the perspectives of environmental responsibility, social responsibility and governance. Kojamo's Annual Report for 2020 complies with the GRI Standards Core framework.

Gross investments

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

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.

Like-for-Like 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 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 per cent.

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 rental income

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

Net Zero Carbon Buildings commitment

In December 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.

nZEB

All of our new development projects based on developer contracting 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.

Operating profit

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

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

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.

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.

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

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 2021.

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.

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.

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 per cent during the period 2017–2025, using 2016 as the baseline.






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