

OP Real Estate Asset Management Ltd Sustainability Review 2021



The effects of climate change are already visible in Finland as record heatwaves, storms, and droughts.

In addition, biodiversity loss requires urgent measures to be taken also in Finland. We must find ways to reduce biodiversity loss and the overconsumption of natural resources. The preservation of biodiversity can also be supported in the built environment.

Sisältö

OP Real Estate Asset Management’s key figures in 2021.....4

OP Real Estate Asset Management Ltd.....5

 In the real estate market, ESG is at the centre of focus after the pandemic6

 OP Real Estate Asset Management Ltd in a nutshell7

 Real estate investment products8

 Indirect real estate investment.....9

ESG at OP Real Estate Asset Management..... 10

 Responsible investing at OP Asset Management..... 11

 OP Real Estate Asset Management’s journey towards net zero emissions..... 12

 ESG work is long-term development..... 13

 Road map to net zero emissions 14

Our solutions in 2021..... 15

 Energy production at our properties 16

 Towards carbon neutrality through cooperation17

 Sustainability in property maintenance in 2021 18

 Cooperation in LEED-certificates: Case Logitri19

 Social responsibility is caring 20

 Increasing carbon sequestration and biodiversity in our forests..... 21

Key figures..... 22

 Consumption at properties (heating, electricity, and water) 23

 The carbon footprint of energy consumption24

 Environmental certificates 25

 Waste 26

 Job creation and tax footprint..... 27

Appendices: fund-specific pages..... 28

 OP-Rental Yield (special common fund) 29

 OP Public Services Real Estate Fund (special common fund) 30

 OP-Forest Owner (special common fund) 31

 OP Toimitilakiinteistö Ky 32

 Real Estate Fund of Funds V Ky 33

 Real Estate Fund Finland III Ky 34

 OP Tonttirahasto Ky35

 Contact information 36

OP Real Estate Asset Management's key figures in 2021

25

properties with
ground source heat

40

properties with
solar panels

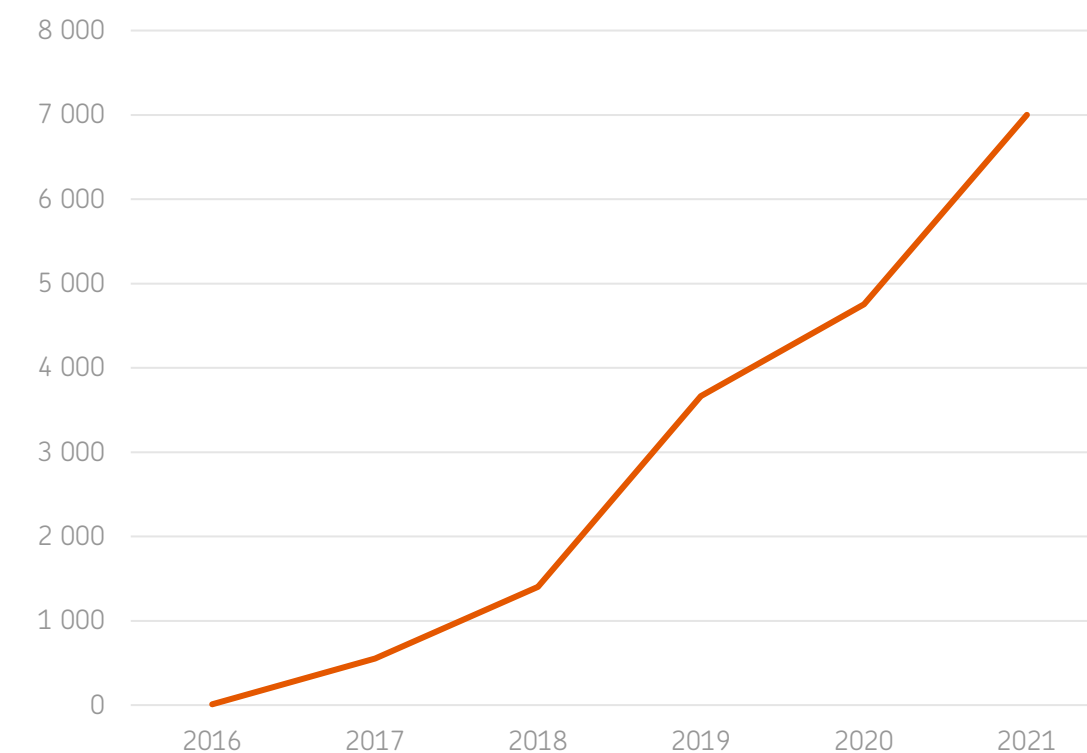
42

properties constructed
from wood

37%

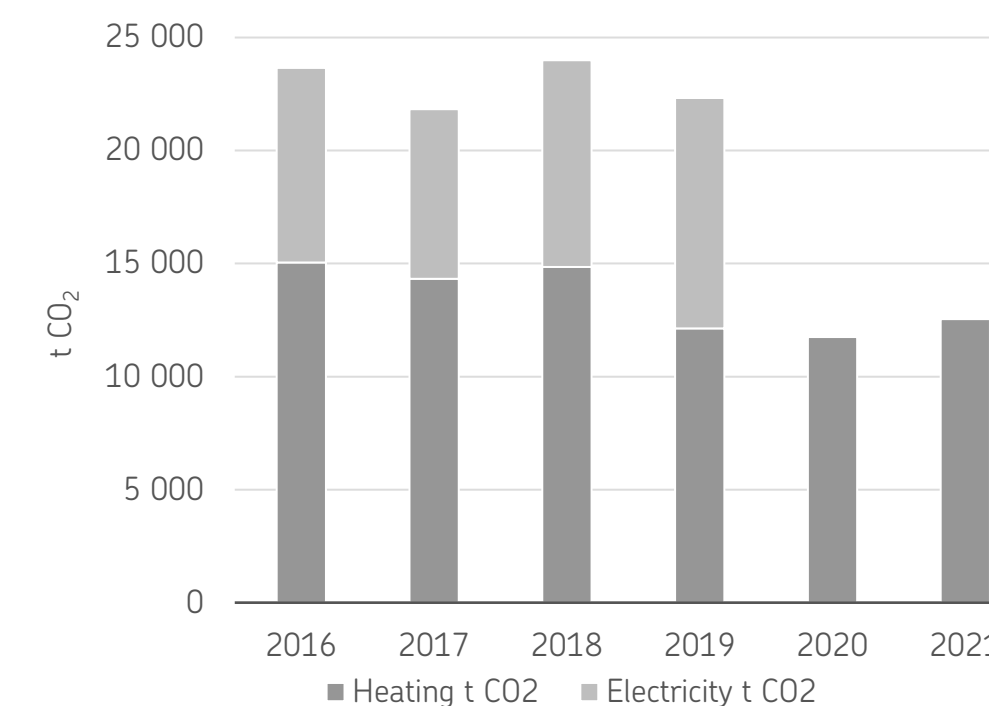
share of renewable
energy

Renewable energy production, MWh



Charging stations for
electric cars at
39 properties

Emissions from energy consumption



18
properties with
environmental
certifications

OP Real Estate Asset Management Ltd

As Oy Helsingin Poudantuoja

In the real estate market, ESG is at the centre of focus after the pandemic

In 2021, transaction volumes in the real estate markets returned to the high level seen before the pandemic.

Just over 50% of transactions were concluded with a non-Finnish buyer, and new international actors entered the Finnish market. The market was driven particularly by demand for residential properties while perhaps surprisingly, the trend in hybrid work accelerated by the pandemic had only a minor impact on sales of commercial properties. As ownership becomes more international, it will be interesting to follow the decisions made by Finnish and non-Finnish actors regarding corporate responsibility. Environmental certification of properties is emerging as one factor affecting prices, along with other investments in sustainability solutions. As energy prices rise, options for producing heating energy and electricity locally become more attractive.

This review is a summary of the ESG (environment, social and governance) actions and key figures of OP Real Estate Asset Management in 2021. ESG actions and reporting have been a part of our operations since 2014. ESG work is the “new normal” in real estate investment. As an actor that focuses on professional real estate asset management, our work

is challenged by increasingly strict rating criteria and reporting obligations. In addition to environmental sustainability, our efforts increased in the areas of social sustainability and governance.

In early 2021, OP Real Estate Asset Management published its [Principles for Responsible Real Estate Investment](#). We implemented a concrete road map to achieve our target of net zero emissions (net zero emissions from energy consumption at our investment properties). We joined the Global Real Estate Sustainability Benchmark (GRESB) and committed to supporting the goals of the [Net Zero Asset Managers](#) initiative by an international group of asset managers. We made investments in risk identification as part of our corporate responsibility programme.

After the second full year of the pandemic, we have largely adapted to the changes and restrictions on our lives. However, adaptation need not mean submission. We must not forget the things that bring us joy and positive experiences. For me personally, one such experience in 2021 was seeing Popeda perform live in Tampere at the newly opened Nokia Arena. OP is one of the arena’s investors, and ESG played a major role during the five-year construction



”

ESG work is the “new normal” in real estate investment

Markku Mäkiäho
Managing Director, OP Real Estate Asset Management

and will continue to do so as ESG measures during the arena’s life cycle are developed. Seeing the full crowd of happy people at the concert gave me confidence that after the pandemic, we can return to the things that bring us joy. Not everything needs to change!

OP Real Estate Asset Management Ltd in a nutshell

Our mission

We manage real estate funds and our clients' direct real estate investments. We are part of OP's Corporate and Institutional Clients organisation.

We provide a full range of real estate asset management services. We provide expert services for OP in the real estate sector. We represent OP parties as a lessor.

Networked operating model

Our team consists of 20 employees. We work in close co-operation with the following key partners:

- Newsec
- Vahanen Monitoring Services
- Lassila & Tikanoja
- Network of constructors
- Network of letting agencies
- Network of international investors

Investor clients

Our investor clients are:

- OP's insurance and pension companies
- Institutions and professional investors
- Private individuals

Investment portfolio	2021	2020
Commercial properties and others		
No. of properties	157	162
Gross floor area in m ²	688,000	801,000
No. of care home units	276	227
No. of leases in commercial properties	665	707
Utilisation rate, %	90	90
Residential properties		
No. of properties	114	128
Gross floor area in m ²	296,000	348,000
No. of homes	6,204	6,110
Utilisation rate of apartments, % (including units in care homes)	97	96
Forests		
Area in hectares	112,000	96,000
No. of properties	1,075	790
Indirect property investments		
No. of funds and assets	61	63
Rental plot funds		
No. of rental plots	98	90

Real estate assets
EUR 4.2 billion

Our portfolio consists of a diverse range of real estate assets.

Tax footprint
EUR 18.5 million

Our most significant tax categories are real estate taxes and value added tax.

Job creation
1,970 person-years

Calculated based on property maintenance and construction costs. The most significant impact on jobs is in the construction sector.

Real estate investment products

We manage several funds in the form of limited partnerships and three special common funds. We also actively invest in mortgage-backed debt instruments. We also manage the real estate investment activities of OP Financial Group’s insurance and pension institutions.

Closed-end funds in the form of limited partnerships	Special common funds
Real Estate Fund of Funds II Ky	OP-Rental Yield (special common fund) ●
Real Estate Fund Finland III Ky	OP-Forest Owner Fund (special common fund) ●
Real Estate Debt and Secondaries Ky	OP Public Services Real Estate Fund (special common fund) ●
Real Estate Fund of Funds V Ky	
Semi-open funds in the form of limited partnerships	OP Ryhmän vakuutus- ja eläkeyhteisöt
OP Toimitilakiinteistö Ky ●	OP-Eläkesäätiö
OP Tonttirahasto Ky ●	OP-Henkivakuutus Oy
	Pohjola Vakuutus Oy
Debt investment	
A channel for financing real estate in Europe and Finland	● Light Green Fund (Article 8) ● Dark Green Fund (Article 9)



KOy Tampereen Kanavanportti

Indirect real estate investment

OP Real Estate Asset Management influences the responsibility of the underlying fund through an active investment policy.

In addition to direct real estate investment, we invest our clients' funds in real estate funds and businesses. We currently have investments in 61 underlying funds and businesses that invest in real estate with equity and debt investments. In a fund investment, the underlying fund's management company manages the property holdings. By choosing our underlying funds with care, we can trust them to comply with agreed policies in both property acquisition and management.

Responsibility of indirect investments

We carry out ESG surveys of all potential investments. The results of the survey are used to agree on the necessary changes to the fund's operations. We actively monitor the activities of underlying funds by participating in investor meetings and regularly communicating with management firms. The underlying funds regularly report on their ESG performance, and we also carry out annual ESG surveys. Most underlying funds have begun to give increased attention to responsible investing. In the most recent ESG survey, nearly all respondents had signed the UN Principles for Responsible

Investment and had an internal company-wide ESG investing policy (survey response rate 75%). Many asset management companies are also committed to various ESG initiatives, such as the UN Sustainable Development Goals. Employees are trained on ESG issues. Environmental certifications for properties are applied for with increased frequency, and interest in annual GRESB reporting has grown significantly. All our new real estate fund investments outside Finland over the past few years have been in underlying funds whose management companies participate in GRESB reporting.

Case 176, rue Montmartre, Paris 2nd district

The property 176 rue Montmartre is in the 2nd district of Paris city centre and owned by the OREI-MA III fund, which invests in France. The commercial and office building will be refurbished as a high-quality prime property that meets modern standards.

After the previous lease ended, a new, more ambitious business plan was drawn up for the property based on its central location, rising rents in Paris city centre, and the growing quality demands of tenants.

The location is accessible by public transport from

everywhere in Paris. Metro lines 8 and 9 as well as several bus lines pass next to the building, with several other connections within walking distance. A shared-use city bike stop is located next to the building. The property also has parking for private cars.

A technical team was set up for the development project to optimise value for money. Development focused on the property's sustainability, quality of premises, and expected cash flow. An important aspect of the design was recycling materials as part of the environmental programme. Reusable materials and components removed from the building were sold through a digital marketplace. Sold materials include 170 m² of carpet, and 200 individual building components, such as doors, lighting, and other equipment.

The refurbishment and development permit enabled the construction of a lobby, extended terraces, and larger connected spaces. At the same time, the property's lettable space was increased by 700 m². Environmental certificates applied for the property include HQE, BREEAM, WELL, WiredScore, Biodiversity and BBCA Low Carbon Building. Photo of 176 rue Montmartre, an indirect real estate investment of OP Real Estate Asset Management.



176, rue Montmartre, Paris

ESG at OP Real Estate Asset Management

Responsible investing at OP Asset Management

OP Real Estate Asset Management is a part of OP Asset Management, and ESG work is done in close cooperation. ESG is an important part of all our asset management investment operations.

OP manages a total of around 112 billion euros in client funds and is actively involved in promoting ESG issues. We take ESG perspectives into account in our investment decisions, through active ownership and positive thematic investment, among other means. Our clients also increasingly value responsible choices, which is reflected in the growing popularity of responsible investing. For example, the responsible thematic fund OP-Climate was OP's most popular fund in 2021. The investment activities of OP Asset Management are guided by its Principles for Responsible Investment.

These are complemented by [the Principles for Responsible Real Estate Investment of OP Real Estate Asset Management](#), which was published in February 2021. The aim of the Principles for Responsible Real Estate Investment is to examine sustainability factors from the perspective of resi-

dential, commercial, land, and forest assets and indirect real estate and debt investments. A separate examination of sustainability risks from the perspective of real estate investment is critical as the impact of climate change on returns and property value increases. In addition, properties themselves have a significant effect on climate change which we want to mitigate through our actions.

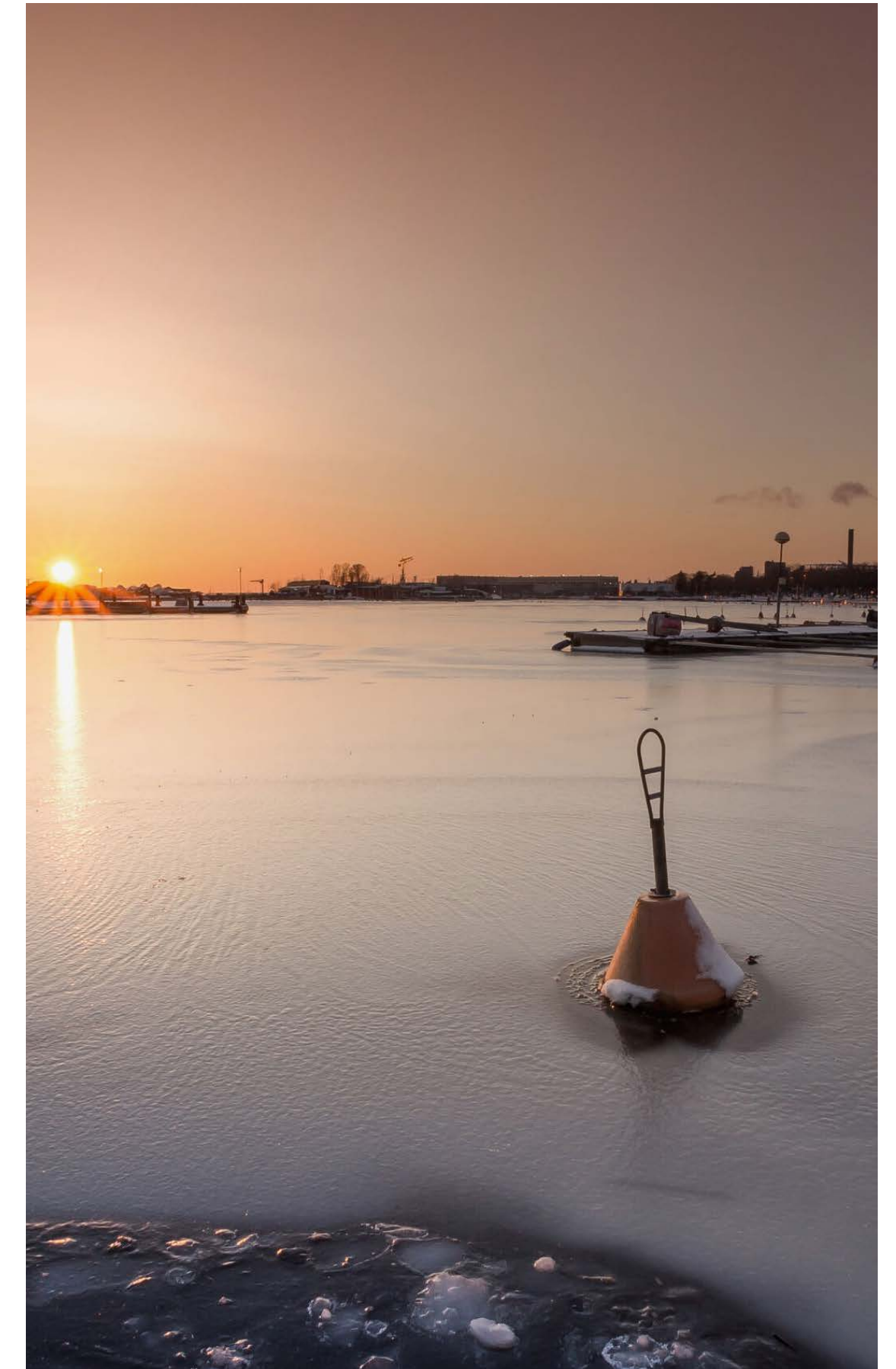
At OP Asset Management and OP Real Estate Asset Management, we strive to promote the transition to a carbon neutral economy. OP Real Estate Asset Management has set the goal of attaining net zero emissions from energy consumption by 2030 and construction by 2050. Our decision to join the Net Zero Asset Managers initiative in autumn 2021 further strengthens our commitment to net zero emissions targets. We will continue tracking the measures listed in OP Real Estate Asset Management's sustainability programme and our development work with concrete actions in order to achieve net zero emissions targets.

Participation in ESG reporting supports the trans-

parency and understanding of ESG issues in the investment sector. Together with OP Asset Management, OP Real Estate Asset Management has participated in reporting in line with the UNPRI since 2009. In 2021, OP Real Estate Asset Management also participated in GRESB reporting for the first time with two of its funds. Participation in GRESB reporting also serves as a tool for developing our own ESG activities.

EU regulations will continue to have a growing role in ESG work associated with asset management.

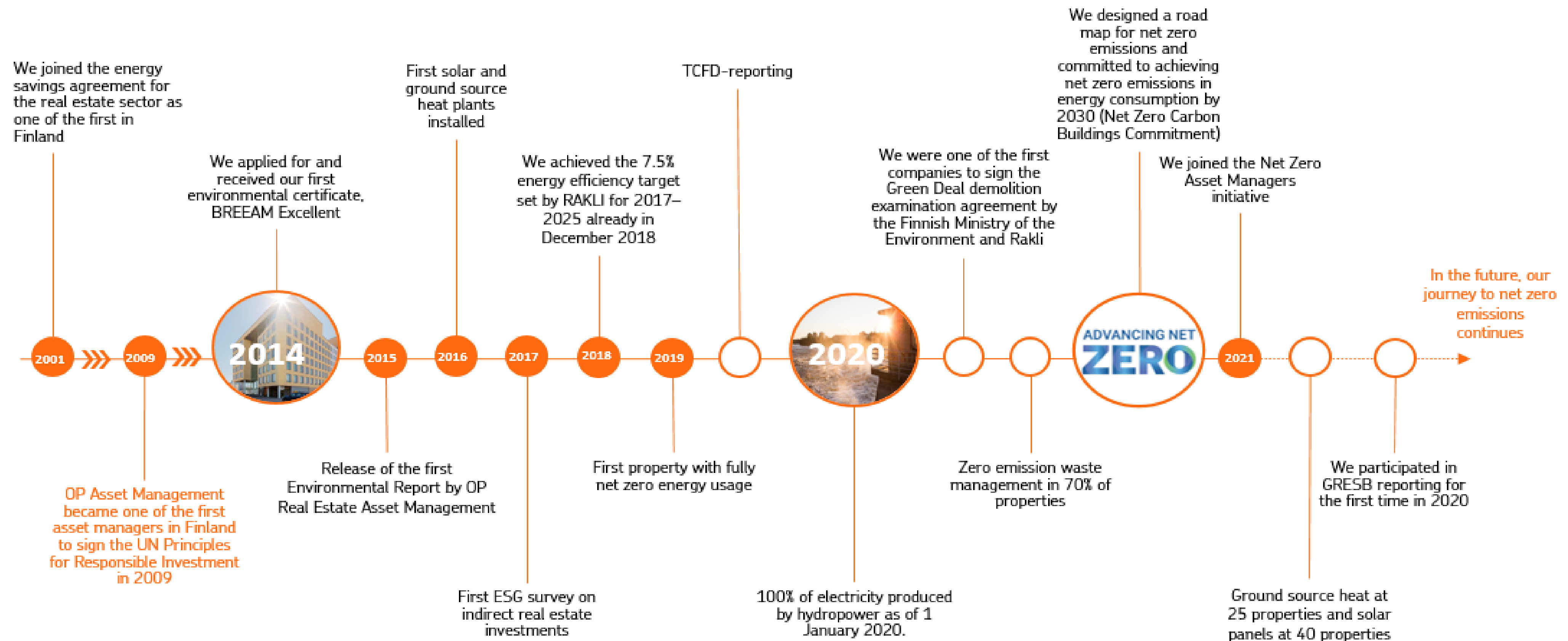
One of the goals of the EU's sustainable finance regulations is to ensure better transparency and availability of ESG data on investment products and easier comparison between products. Promoting the sustainability of our real estate funds is important to us. We have already classified most of our real estate funds as Article 8 or Article 9 products, in accordance with the SFDR. You can also [read here](#) (in Finnish) how we have taken adverse sustainability impacts into account in OP's investment and insurance activities.



Signatory of:



OP Real Estate Asset Management's journey towards net zero emissions



ESG work is long-term development

We updated our sustainability programme in 2020. Our new sustainability programme for the years 2020–2023 is built around four targets. The sustainability programme is reviewed regularly by the Sustainability Working Group. The Working Group is responsible for implementing the programme's measures and for updating the programme as needed. In addition, the Sustainability Working Group ensures that the programme is disseminated to key stakeholders and partners.

The four targets of the sustainability programme are:

1. We advance net zero emissions
2. We work towards a more sustainable real estate portfolio
3. We encourage dialogue and well-being, and
4. We uphold our principles of responsible business

We advance net zero emissions

Reducing emissions from our properties is at the core of our ESG work. In 2021, we have taken steps to advance net zero emissions by increasing the production of renewable energy at our properties (see page 16 for more), among other measures. Construction constitutes a significant emissions spike

in the life cycle of a building, and we also strive to find solutions for low carbon construction. We have begun to monitor the life cycle carbon footprint of new construction projects and obtained calculations from 14 properties under construction in 2021.

We work towards a more sustainable real estate portfolio

This target includes measures aimed at developing the environmental friendliness of properties, such as promoting circular economy activities, obtaining new environmental certificates, and carrying out measures to promote biodiversity. In 2021, we obtained environmental certificates for four properties, carried out an experiment at one property to redesign outdoor areas to improve biodiversity, and investigated possibilities for promoting the circular economy in construction.

We encourage dialogue and wellbeing

We believe in promoting openness in the industry, improving the well-being of users of properties, and acting according to good governance. In 2021, we have developed our remote monitoring services to improve the monitoring of conditions at our properties. In addition, we have developed our processes for verifying the sustainability of our supply chains

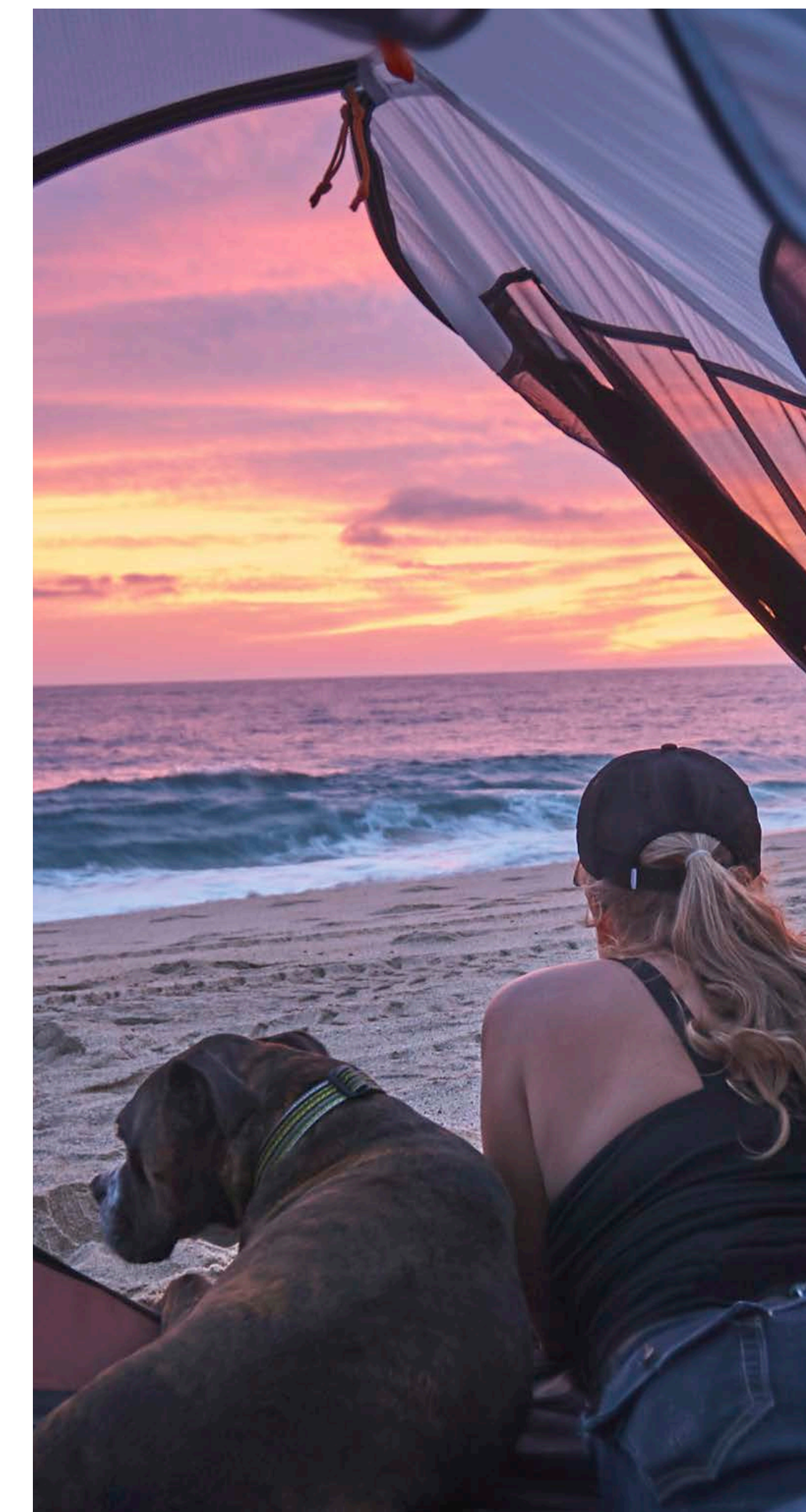
and their related contractual terms. We have also reviewed our risk management processes and taken steps to improve our sustainability reporting by taking part in GRESB reporting for the first time.

We uphold our principles of responsible business

Our fourth target describes our existing good practices. We want to actively maintain these practices as part of our processes. These include, among others, carrying out ESG analyses on investment decisions, anti-corruption measures such as strong 'know your client' processes, compliance with regulations, internal guidelines, and ethical principles. We practice shareholder engagement in our investment properties, including attending board meetings and active property maintenance, among other measures.

The Sustainability Working Group

is responsible for implementing the sustainability programme



Road map to net zero emissions

Net Zero Carbon Buildings Commitment

We recognise the central role of the real estate sector in the fight against climate change. We are committed to net zero emissions in our properties' energy usage by the year 2030. To demonstrate this, we signed the Net Zero Carbon Buildings Commitment of the World Green Building Council in 2020.

We promote net zero emissions as part of our sustainability programme. We are committed to 22 actions to reduce emissions from construction and energy consumption and increase carbon sequestration in forests.

Zero emission energy consumption in our properties by 2030

In designing the road map, we carried out comprehensive emissions calculations for our properties, including both energy consumption and estimated annual emissions from new constructions and repairs, as well as the carbon footprint of waste from our properties. The diagram shows emissions from energy consumption and their development in the future. We are set to achieve net zero emissions in our properties' energy consumption by 2030. If necessary, any remaining emissions from our purchased energy will be compensated in 2030, but this is only done as a last resort.

Working together to reduce emissions

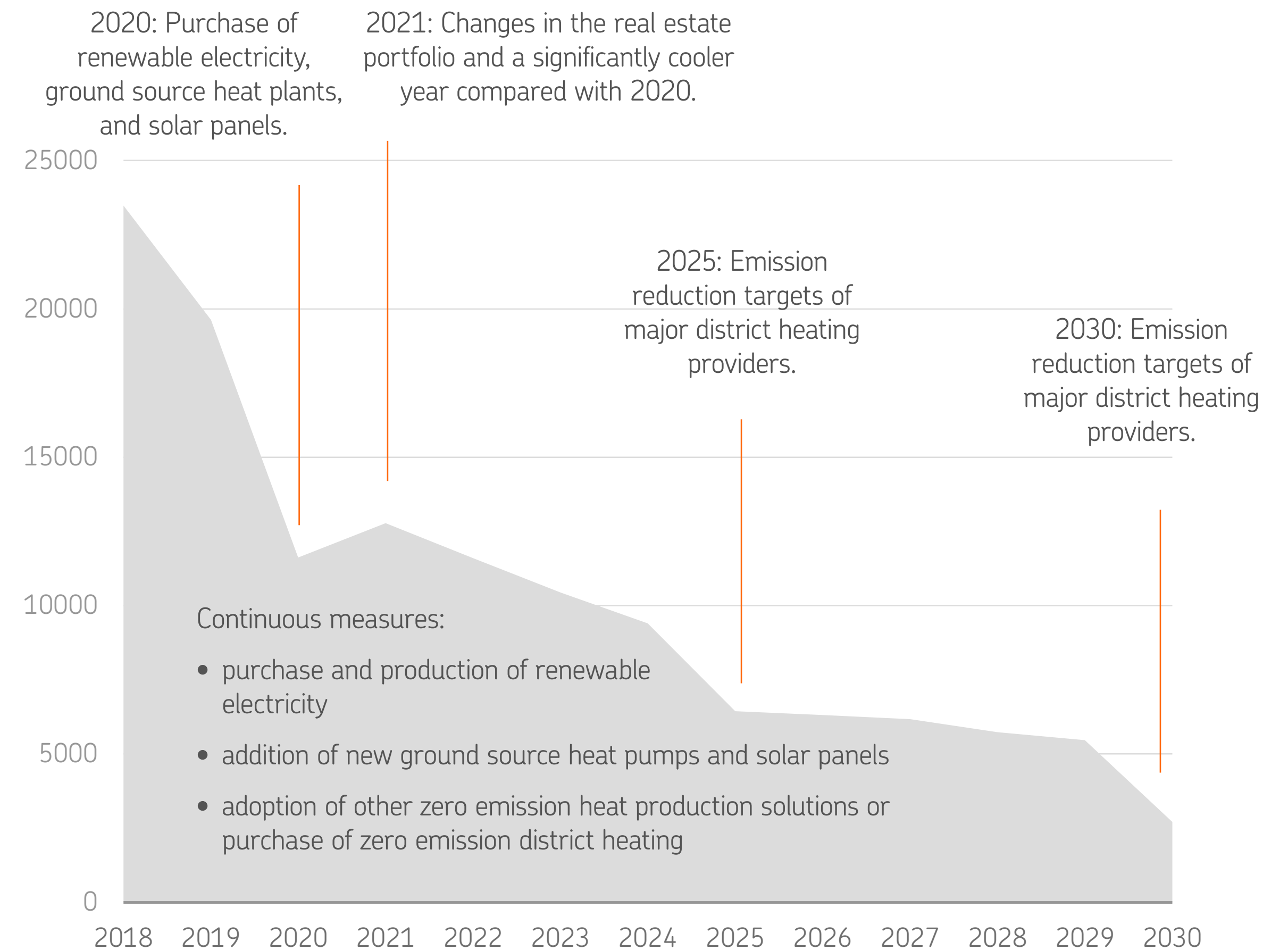
Our road map to net zero emissions includes both our own energy efficiency actions and the targets set by the district heating providers of major cities on cutting down emissions. The energy production sector is also constantly making progress on solutions for net zero emissions. We follow the latest developments in measures and collaboration opportunities that can help achieve our shared target.

Our most significant actions

In 2021, our most significant actions to reduce emissions were the completion of two ground source heat plants and the launch of construction for two more. We also implemented a number of energy efficiency solutions, from automation regulations to upgrading building technology. However, our emissions from energy consumption increased in 2021 from 2020. This is explained by the abnormally high average temperatures in 2020, which resulted in significantly lower emissions from building heating compared with 2021. In addition, we made changes to our real estate portfolio which increased energy consumption.



Our road map to net zero emission energy consumption by 2030



Our solutions in 2021

Energy production at our properties

We have made investments in renewable energy production at our properties. In 2021, we invested in three solar power plants and two ground source heat plants, as well as one air-water heat pump solution.

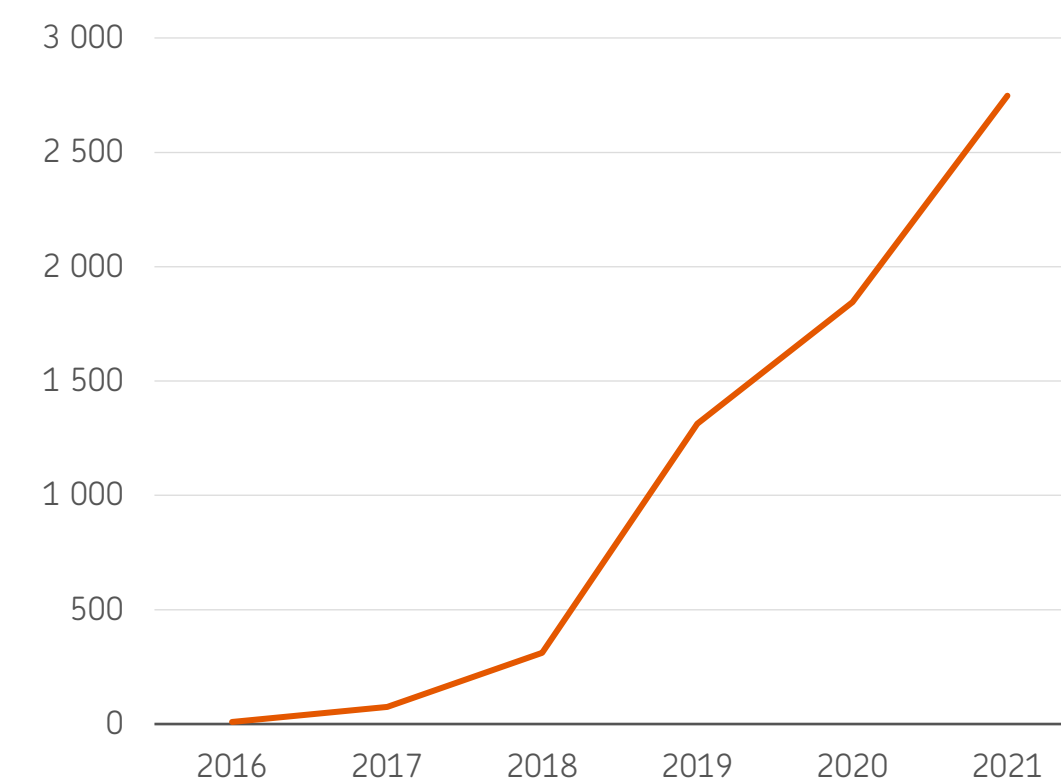
The heating of buildings accounts for about a quarter of all energy consumed in Finland. Alongside improving energy efficiency, emission-free energy production is an essential part of the efforts to achieve net zero emissions from energy consumption.

Increasing the share of renewable energy as part of maintenance and construction

As part of every construction and modernisation project, we evaluate the potential for renewable energy production and adopt ground source heat, solar power, or air-water heat pump solutions whenever justification for them exists.

In our existing portfolio, we actively search for properties with potential for renewable energy production and typically implement these projects as part of energy modernisations. The first ground source heat project for a residential apartment building was completed in 2020. Construction of ground source heat for two more apartment buildings began in 2021, in addition to which ground source heat

Solar power production in MWh

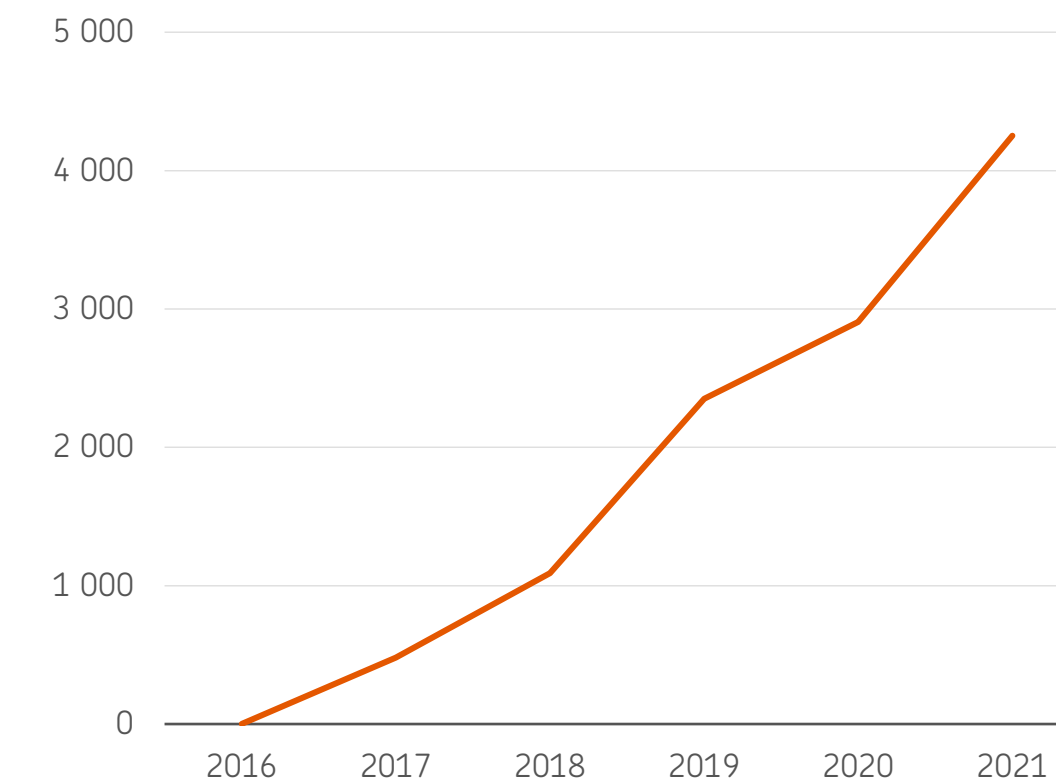


projects were completed in two other properties.

40 solar power plants, 25 ground source heat plants, and 3 air-water heat pump systems

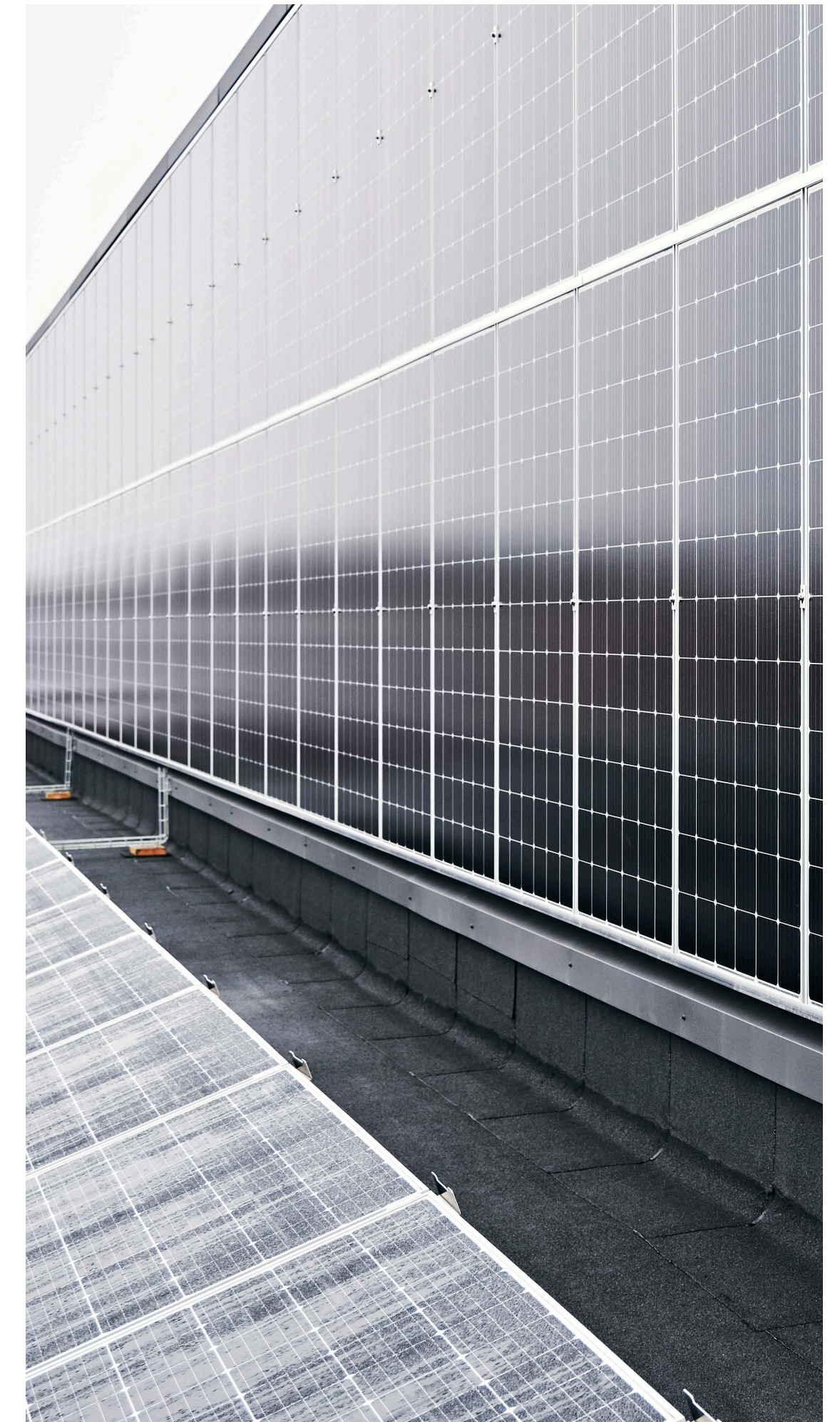
Renewable energy production at our properties is also justified in terms of costs saved. In particular, production from our solar panels has exceeded expectations. The outputs of solar panels installed in late 2020 will be visible as increased solar power production in 2021. Renewable energy produced at our properties amounted to 3.8% of all energy consumption in 2021.

Utilised share of ground source heat in MWh



” Renewable energy production at our properties is also a win-win situation in terms of the environment and financially.

Matti Puromäki
Property Manager



First installation of wall-mounted solar panels at K0y Hämeenlinnan Wähäjärvenkatu 6

Towards carbon neutrality through cooperation

Together with our stakeholders, we can accelerate the path to net zero emissions. Construction accounts for about one-fifth of global CO₂ emissions and around 50% of virgin raw materials. Reducing the carbon footprint of construction is a key part of the solution to achieve carbon neutrality.

Promoting carbon neutral construction is an important part of efforts to achieve net zero emissions, both at OP Real Estate Asset Management and on the scale of Finland and the world. Our goal is to achieve net zero emissions in construction by 2050. Our most important tool in promoting net zero emission construction is engaging in active dialogue with construction firms.

Our toolbox also includes the following solutions for promoting net zero emission construction, among others:

- Circular economy solutions
- Using low-carbon materials
- Making use of existing structures
- Wood construction

The largest emissions impact in construction comes from the production of building materials. We continuously look for low-carbon alternatives to emission-intensive materials as part of our sustainabili-

ty programme. We also request a life cycle carbon footprint analysis for each of our developed properties. The average carbon footprint of properties completed in 2021 was 2,576 tCO₂.

Reducing emissions with wood construction

Wood construction offers one way to cut down emissions from building construction. Trees store carbon as they grow and serve as a long-term carbon store when used as a building material. In addition, wood construction reduces the need for emission-intensive materials such as concrete. Wooden buildings in our portfolio include in particular daycares, care homes, and residential apartment buildings.

During the raw material supply stage, the CO₂ emissions of a wood-framed building are about 40 per cent less than those of a concrete building. In addition, the carbon footprint of a wood-framed building, in other words, the amount of carbon captured by the wooden structures, is considerably greater than in a similar concrete building.

42 wood-constructed

properties in our portfolio



Sustainability in property maintenance in 2021



Carbon neutral bike shelter

We installed a Bikebox bike shelter for our commercial property in Aviapolis, Vantaa, which users of the property can use to store their bikes during the day.

The shelter also has a charging station for electric bikes. The main material used in the shelter is CLT elements from massive wood manufactured in Finland. Massive wood elements serve as a long-term carbon sink throughout their life cycle. After the manufacturing process, 1 m³ of CLT still contains about 676 kg of captured CO₂. The material used to manufacture a Bikebox tie the same amount of CO₂ emitted by a single passenger car in one year.



Campaigns during energy conservation week

While many ESG efforts are the responsibility of property owners, tenants also have a significant role in promoting sustainability. Through their actions, users impact a property's energy efficiency and sustainable mobility.

During energy conservation week, we encouraged tenants to energy-conserving actions and sustainable transportation. We carried out a survey among tenants to find out which ESG themes were most important to them and what issues they would like to see improved. The best sustainability improvement idea was awarded a gift card to Folks hotel. We also organised bike repair workshops at our properties.



Promoting biodiversity

Biodiversity in the built environment can be promoted through landscaping choices in outdoor areas, for example. We have begun investigating options for increasing biodiversity at our properties. In a pilot project, we prepared a landscaping plan for the outdoor area of a residential property that takes into account biodiversity. Planned measures include diversifying flora, adding new honey and pollinated plants, and converting the lawn to a meadow and dynamic garden. Our work in promoting biodiversity at our properties is only beginning, and we will focus on this more in the future as we gain more experience.



Service charge agreements

Service charge agreements are an easy way to make the ESG impacts of facilities visible and include tenants in ESG work. We prefer to use service charge agreements as they can be considered one form of 'green lease agreements'.

In a service charge agreement, the tenant pays for the actual maintenance costs based on the floor area of leased premises. If they wish, tenants can agree to purchase affordable renewable electricity through us. This way, the tenant is aware of the energy consumption of the leased premises and can influence electricity bills through their own actions. Often, both energy consumption and the tenant's costs are reduced as a result.

Cooperation in LEED-certificates: Case Logitri

During 2021, we received the first LEED EB Gold-level certifications in Operations and Maintenance for two logistics properties in Tuusula, KOy Tuusulan Jatke and KOy Tuusulan Högbergintie 10. In addition to these, KOy Högbergintie 5 received a LEED EB Gold-level certification in building design and construction.

The certifications were obtained in cooperation with the tenant, Logitri Oy

LEED certification in operations and maintenance includes for example a commuting survey and well-being at work survey for employees. According to the CEO of Logitri Jarno Hanhinen, it was delightful to learn from the survey that employees considered the premises a pleasant place to work. Long-term monitoring of energy consumption gave a better insight into cost development and opportunities for influencing consumption. Hanhinen believes that from the tenant's perspective, LEED certification for a property should be obtained already during the building's design and construction phase rather than during operations and maintenance. This also makes Gold level certification easier to attain. As a result of the certification projects, the number of waste collection points was increased, and the measurement and reviewing of energy consumption were improved in monthly operational meetings.

From LEED to net zero emissions

Logitri Oy and its subsidiary Storemen Logistics Oy have reinforced their efforts in promoting sustainable development thanks to the LEED certification process. Hanhinen says that the process and the new perspectives it offered reinforced the decision of the companies' owners to invest in an operating model that conserves the environment. As of early 2022, both companies have reached net zero emissions.

Hanhinen says that the certification project gave the final motivation to see a multi-year quality management process to completion. Logitri Oy obtained certificates for its quality management system during the summer of 2021 and now boasts ISO 9001, ISO 45001, ISO 14001, and FFS 22000 certificates.

”

OP Real Estate Asset Management is a supportive owner to its tenants. I would like to extend my particular thanks to Kari Kangasmaa for his efforts in the project.

Jarno Hanhinen
Managing Director, Logitri Oy



LEED Gold certified KOy Tuusulan Jatke

Social responsibility is caring

Alongside environmental issues and good governance, social responsibility is an important theme in ESG. In addition to caring for employees, social responsibility includes impacts on the surrounding communities, such as tenants, users of premises, and social wellbeing.

Responsibility in tenant relationships

As a real estate investor, tenant satisfaction is of the highest importance to us. We regularly carry out tenant satisfaction surveys to develop our operations. In addition, during energy conservation week, we organised a survey for our residential tenants focusing on ESG themes and asking for suggestions for improvement related to ESG at our properties. Our tenants' satisfaction with property maintenance is important, and we continue to try to improve in areas such as the response times of property maintenance.

The COVID-19 pandemic has changed how facilities are used. Remote work has increased in popularity, reducing the utilisation rate of our office properties. Particularly at our office properties, maintenance services have been optimised to correspond to the utilisation rate. We have also instructed users of our properties on safety practices related to the virus.

In addition, we have drafted ESG guidelines for our commercial and residential tenants for communicating about ESG themes that our tenants can observe in their daily routines.

Social responsibility in forest investments

Social responsibility is visible in our forest estates in many ways. The OP-Forest Owner fund enables the recreational use of forests much more broadly than afforded by the freedom to roam. We lease our forest land to hunting clubs and generally uphold any existing leases in newly acquired new forest estates. We also offer recreation opportunities for hikers, and there are hiking trails and rest stops on the fund's lands.

”

The neighbourhood I live in is lovely and has great transport connections. I have only positives to tell you!

Feedback from a tenant in the survey carried out during energy conservation week



Increasing carbon sequestration and biodiversity in our forests

EU regulations are aimed at combatting climate change

The European Commission has prepared sustainable finance regulations aimed at promoting solutions that combat climate change and improve transparency by improving access to sustainability information on investment products. OP-Forest Owner is classified as a sustainable investment product under Article 9 of the Sustainable Finance Disclosure Regulation. This means that the objective of the OP-Forest Owner fund is to make sustainable investments and achieve measurable positive impacts on climate change, biodiversity, and human well-being.

More carbon sinks and wind power

The OP-Forest Owner fund mitigates climate change by logging forests at below their growth rate, thus ensuring that the forests serve as a carbon sink. In 2021, logging was around 75% of the amount of tree stand growth. The fund's forests are used to manufacture wood products that store carbon over long periods. Products made from wood fibres replace fossil fuel-based products.

The fund helps advance Finland's transition to renewable electricity production. The fund signs lease agreements with wind power companies inte-

rested in constructing wind farms on the fund's land.

The fund increases the growth of forests and their ability to sequester CO₂ from the atmosphere. Tree stand growth is improved through effective and timely forest management. In 2021, the fund invested about 20% of its profits from timber sales in forest management. The ability of the fund's forests to serve as carbon sinks is improved by using wood ash fertiliser and by reforesting wasteland.

Forest is left outside of economic use

Compliance with forest certification criteria ensures that the economic use of forests has minimal impact on biodiversity. Reserve trees increase the amount of decayed wood in forests, protective belts around waterways reduce nutrient runoff, and areas of natural value are excluded from economic use. In FSC certification, at least 5% of forest land is protected against forestry activities, and biodiversity is increased through peatland restoration.

The fund improves human wellbeing by enabling the recreational use of its forests more broadly than afforded by the freedom to roam. Hunting rights to forest estates are leased to local hunting clubs, and the fund provides opportunities for building hiking routes on its land.



Key figures

Consumption at properties (heating, electricity, and water)

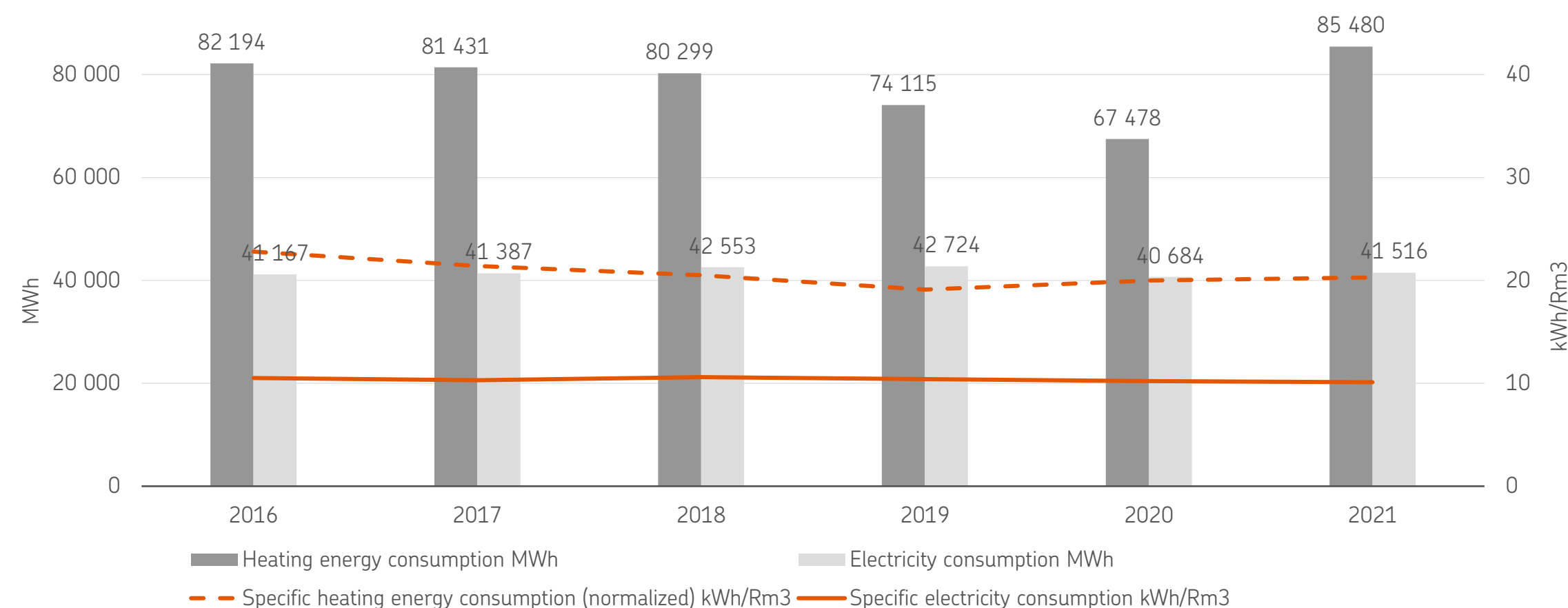
Target: reducing specific consumption

The continuing goal of our property maintenance is reducing energy and water consumption. We work towards this goal without compromising on user convenience. Specific consumption increased from 2020 to 2021. This is due to the fact that the year 2021 was cooler than average while 2020 was warmer than average. In addition, changes in our real estate portfolio have impacted energy consumption.

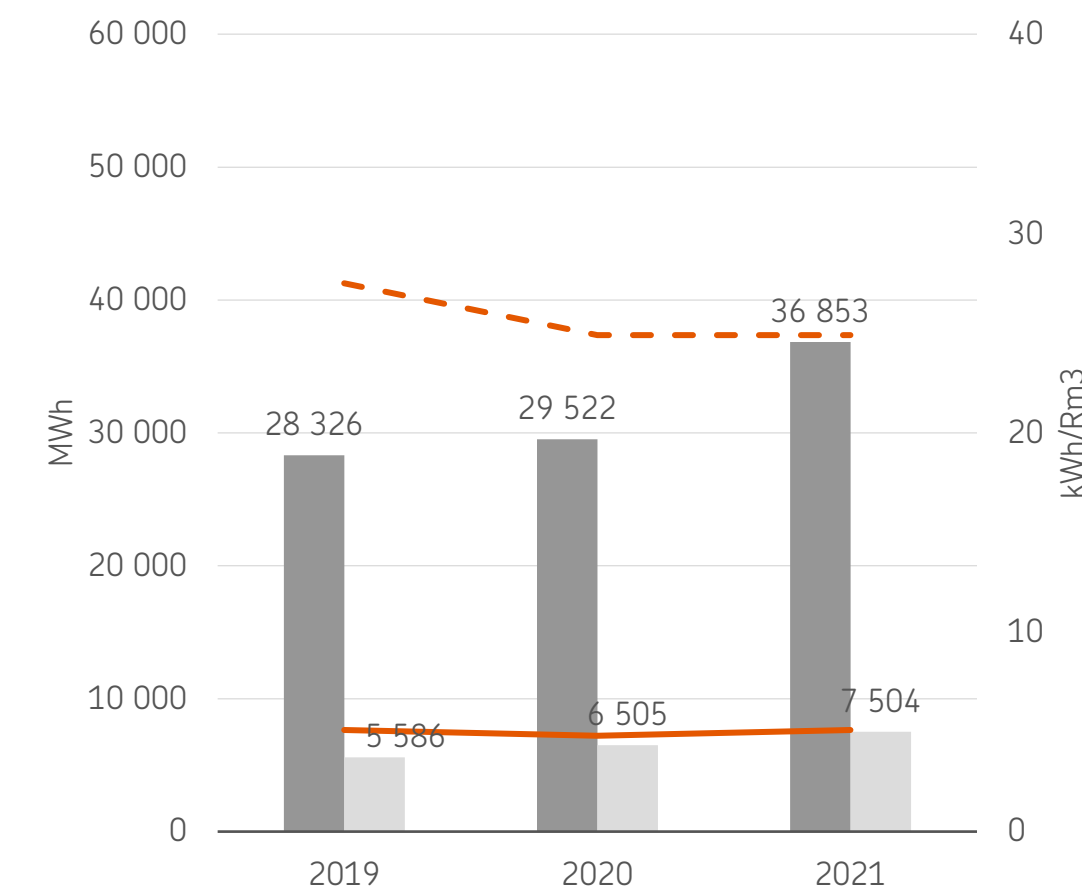
Basis for calculations

Triple net rent properties where the tenant is responsible for maintenance are excluded from the report. Total consumption (MWh and m³) includes the consumption data measured at all of our directly owned properties during our ownership of them. The figures include all properties where we have a holding of more than 50%. For these, 100% of the consumption is included. The specific usage figures include only comparable properties (those that were in our ownership for the entire year without any major basic renovations).

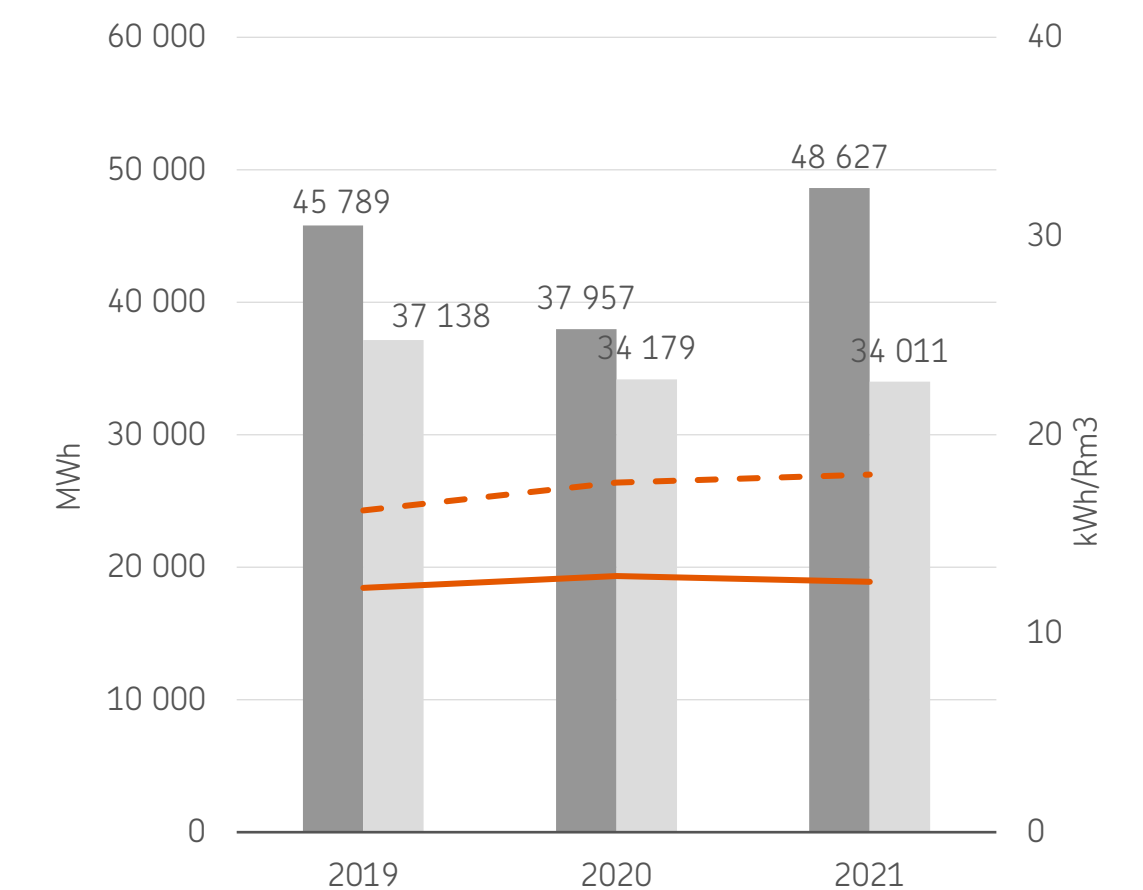
Energy consumption, total real estate portfolio



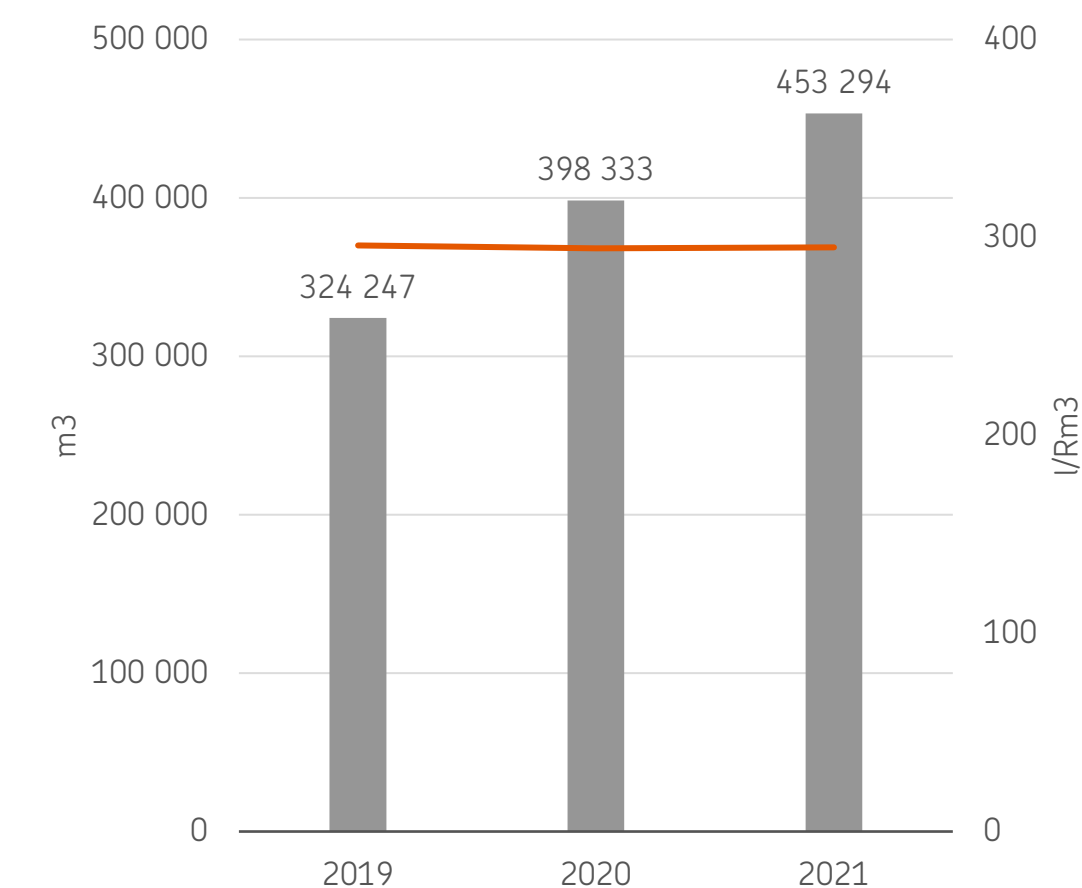
Energy consumption, residential properties



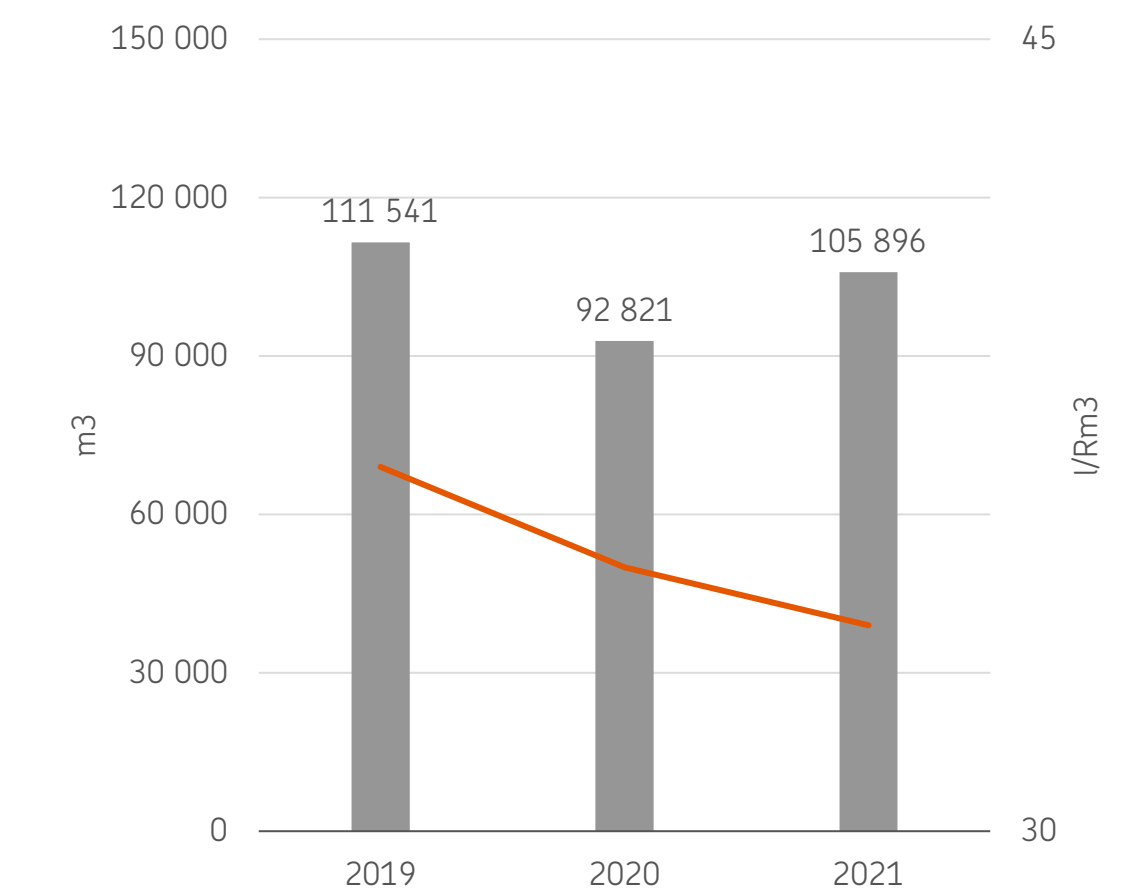
Energy consumption, other properties



Water consumption, residential properties



Water consumption, other properties



The carbon footprint of energy consumption

We aim to achieve net zero emission energy usage in our properties by 2030. We advance this goal by reducing energy consumption and producing renewable energy in our properties and by purchasing renewably sourced energy from energy suppliers.

Net zero emission electricity

In 2020 and 2021, our purchased electricity is produced at the Merikoski hydropower plant, which is equipped with a fish ladder. Starting in 2022, we will switch to electricity generated by wind power.

Purchasing net zero emission electricity is an effective way to reduce our carbon footprint. Over the long term, our most important actions for zero emissions have to do with renewable energy production and improving the energy efficiency of our properties. In 2021, our properties generated a record amount of 8,000 MWh of energy. This is the equivalent of the annual energy consumption of about 350 single-family homes heated with electricity.

Our annual emissions increased in 2021 compared to the previous year. The year 2021 was cooler than 2020, resulting in an increased need for heating. Our Scope 1 emissions were 0 tCO₂, while our Scope 2

emissions amounted to 12,535 tCO₂.

The basis for emissions calculations

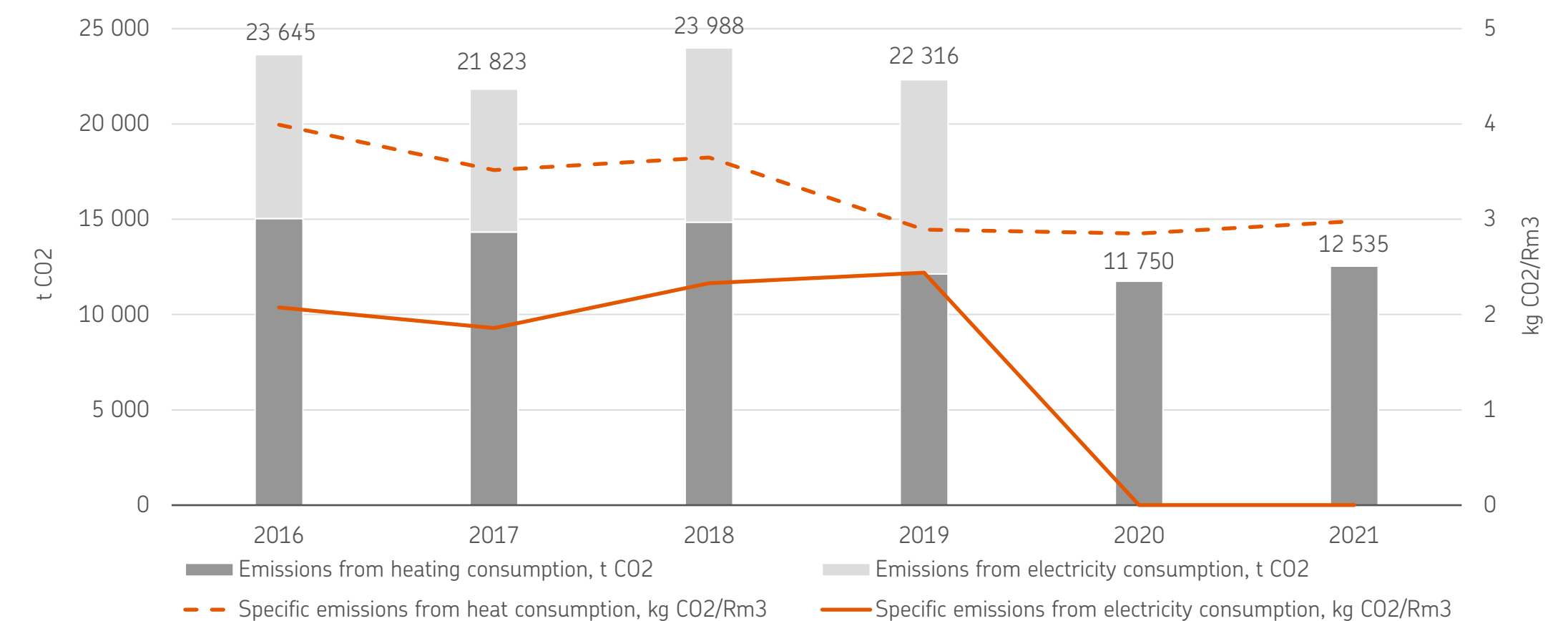
Until 2017, we used Motiva's CO₂ emission factors to calculate our emissions. Since 2018, we have followed Motiva's guidelines on calculating emissions for individual properties. Municipalities have been divided into co-production and separate production areas, depending on the type of production. Municipality-specific CO₂ emission factors have been obtained based on this division, and these have then been used to calculate the carbon footprint of energy consumption. The calculations for 2021 use the district heating factors reported for energy production plants.

In 2021, our properties generated a record amount of renewable energy

8,000 MWh



Emissions from energy consumption



Environmental certificates

We analyse the property’s environmental certificates as part of our investment decision. When constructing commercial premises or carrying out significant renovations, we always obtain environmental certi-

fication when suitable by the property’s nature and financiers.

Environmental certification is an indication that a building’s construction, modernisation, or mainte-

nance takes certain environmental principles into account, such as energy efficiency, waste management, and renewable energy. Environmental certification supports the continuous development of the property and provides the property owner with concrete areas for development.

We have obtained international LEED and BREAM certificates for our commercial premises. In our certifications, we try to obtain the highest certification levels (Gold or Platinum in the case of LEED and Very good or Excellent in BREEAM). International environmental certifications enable comparisons between properties and their energy efficiency.

In 2021, we obtained LEED certifications for four of our properties, two in operations and maintenance and two in building design and construction.

Property	Certification	Level
KOy Tuusulan Jatke	LEED EB v4.1	Gold
KOy Tuusulan Högberginhaara 10	LEED EB v4.1	Gold
KOy Högbergintie 5, Tuusula	LEED NC v4	Gold
KOy Hämeenlinnan Wähäjärvenkatu 6	LEED NC v4	Gold
KOy Avia Line 3, Vantaa	LEED CS v3	Platinum
KOy Aitio Business Park Vivaldi, Helsinki	BREEAM, new construction	Excellent
KOy Vallila AKO, Helsinki	BREEAM, new construction	Very good
KOy Aitio Business Park Verdi, Helsinki	BREEAM, new construction	Excellent
KOy Lönnrotinkatu 11, Helsinki	LEED CS v3	Platinum
KOy Helsingin Puutarhurinkuja 2	LEED NC v3	Gold
KOy Koskitammi, Tampere	LEED CS v3	Gold
KOy Oulun Kiilakivi	LEED CS v3	Gold
KOy Espoon Niittykummun metrokeskus	LEED CS v3	Gold
KOy Kuopion Isabella	LEED CS v3	Platinum
KOy Alberga, talo D, Espoo	BREEAM, new construction	Very good
KOy Alberga, talo E, Espoo	BREEAM, new construction	Very good
KOy Turun Joukahaisenkatu 9	LEED CS v3	Platinum
KOy Järvenpään Myllytie 1A	BREEAM In-Use (Part 1/Part 2)	Very Good/Pass

In 2021 environmental certificates for

4 properties



LEED Gold certified
KOy Hämeenlinnan Wähäjärvenkatu 6

Waste

Our goal in waste management is to increase the recycling and reuse rate. We advance this goal at our properties by improving recycling opportunities for users, such as by increasing plastic recycling capacity.

Lassila & Tikanoja plc is our nationwide partner in waste management. In 2020, we switched to **net zero emission waste management** in waste management services provided by Lassila & Tikanoja, which account for about 70% of waste generated at our properties. Since 2018, we have collected data on waste generated at our residential properties

from both our partner and municipal waste management companies. We have data on about 70 per cent of our residential properties.

Construction site waste

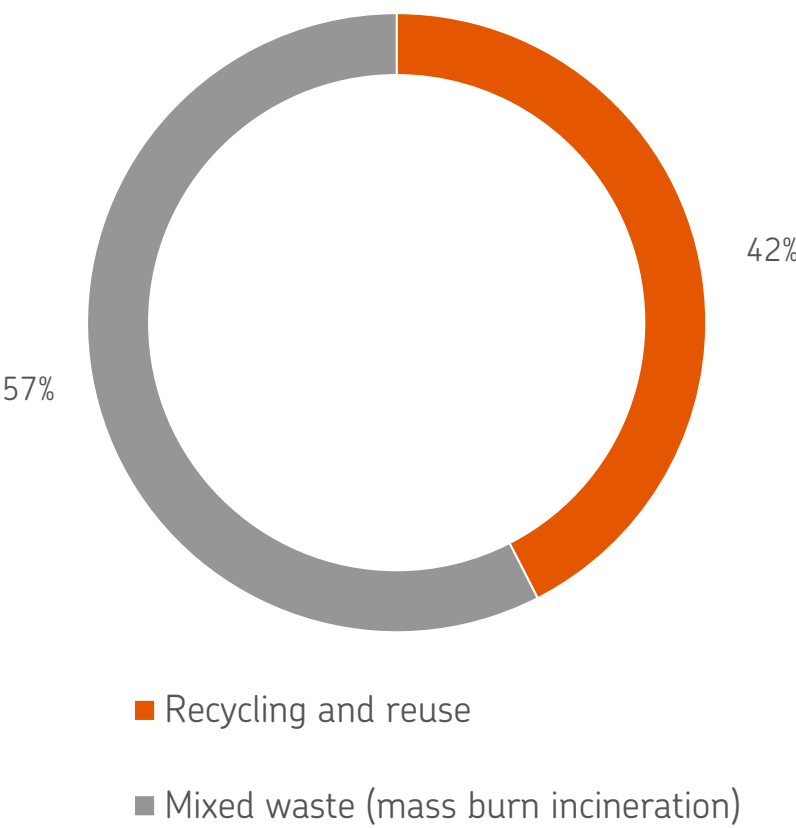
The EU Waste Directive requires 70 per cent of construction waste to be reused as material by 2020. In our construction projects, we have required construction sites to supply a waste management plan when the site opens. We also collect data about waste volumes when construction sites are closed down.

Waste volumes in residential properties	2021	2020	2019	2018	2017	2016
Total volume of waste in tonnes	1,636	1,851	1,860	1,481	728	954
Number of properties reported on	74	73	86	69	60	56

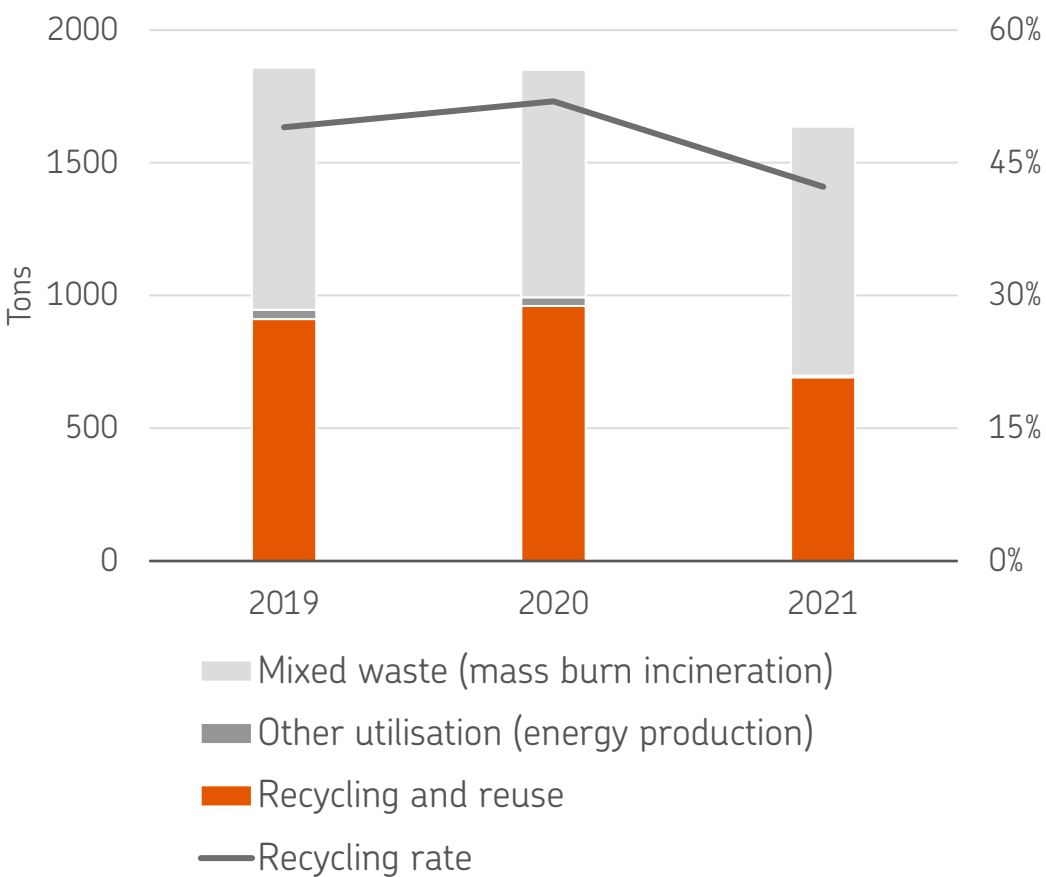
Waste volumes at other properties	2021	2020	2019	2018	2017	2016
Total volume of waste in tonnes	1,318	1,341	1,530	1,700	1,490	1,830
Number of properties reported on	42	40	44	53	54	58

Construction site waste	2021	2020	2019
Number of projects completed	17 projects	16 projects	29 projects
Total volume of waste from projects	1,365 t (10 projects)	2,823 t (13 projects)	3,836 t (25 projects)

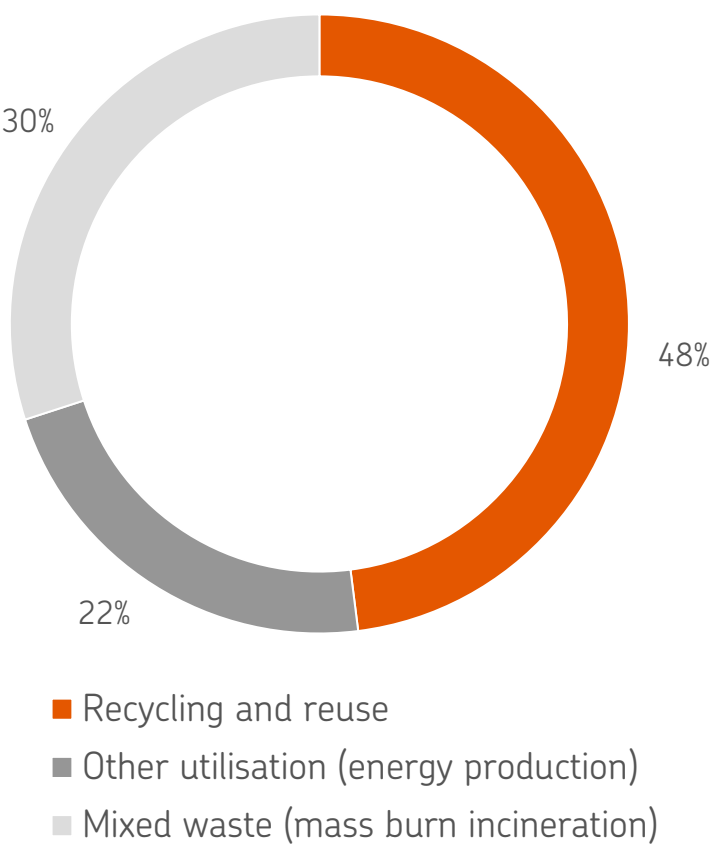
Waste recovery in residential properties



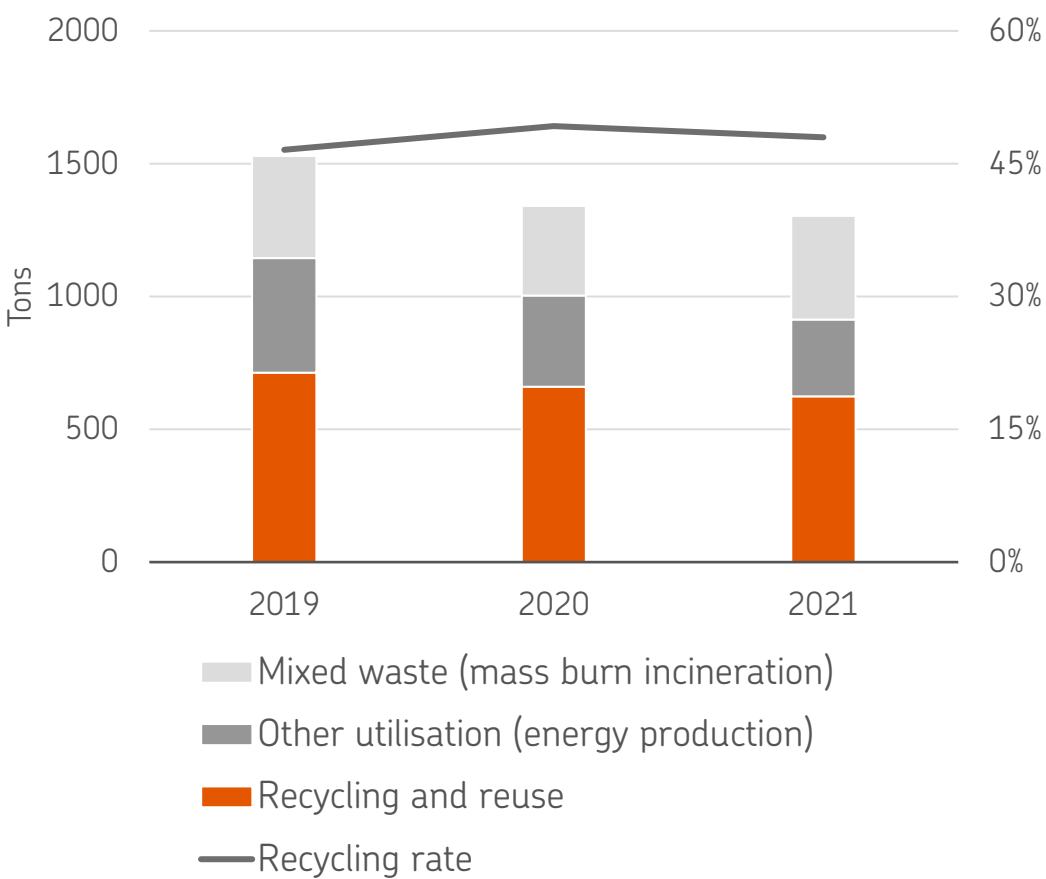
Waste volumes in residential properties



Waste recovery at other properties



Waste volumes at other properties



Job creation and tax footprint

In addition to the metrics presented in this report, the social impact of OP Real Estate Asset Management can be illustrated by describing our impact on job creation and the amount of taxes paid through our business. We have a significant impact on society by indirectly employing nearly two thousand people and paying nearly 20 million euros in taxes.

Job creation

Our real estate business employed about 1,970 people in 2021. The largest source of employment was construction, which created jobs for about 1,527 people. A smaller number of jobs were also created in annual repairs (184 persons), property use and maintenance (100 persons), and cleaning (71 persons). Indirectly created jobs in cleaning and housekeeping nearly doubled from the previous year due to the pandemic. In addition to the above, the total number of jobs created includes the management of outdoor areas, heating, water and wastewater, electricity, waste management, renovation, and other maintenance.

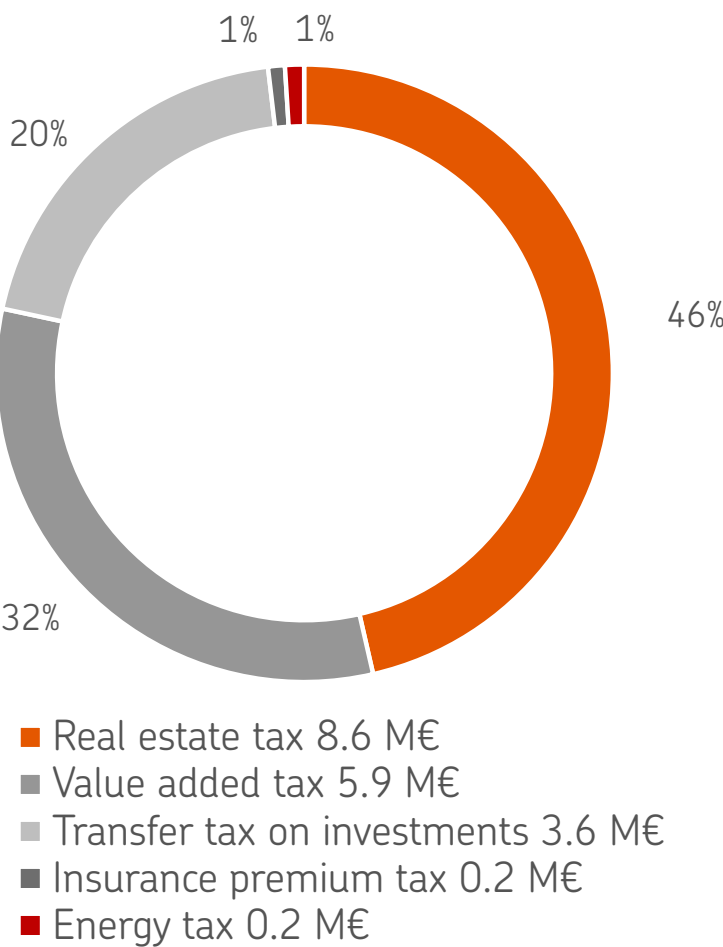
The figure is a calculated estimate of person-years based on maintenance and construction costs.

Tax footprint

We paid a total of 18.5 million euros in taxes in 2021. Real estate taxes accounted for the largest share of taxes (46%). We also paid value-added taxes (32%), transfer taxes on investments (20%), insurance premium taxes (1%), and energy taxes (1%).

In 2021, we paid about 1 million euros more in taxes compared to 2020. This was comprised almost entirely of an increase of 2.4 million euros in value-added tax liabilities from 2020. On the other hand, in 2021, we paid about 1.7 million euros less in transfer taxes on investments compared with 2020.

Tax footprint 2021



Job creation in 2021

1,970 person-years

Tax footprint in 2021

EUR 18.5 million



Appendices: fund-specific pages

OP-Rental Yield (special common fund)

The fund invests in homes and commercial premises, and their construction. About half of the homes are located in the Helsinki Metropolitan Area, with the remainder in other growth centres. The fund’s commercial properties are located mainly in the Helsinki Metropolitan Area.

Comfortable homes, satisfied tenants

In customer satisfaction surveys, our residents’ overall satisfaction and satisfaction with their residential building and services are at a high level. We encourage the occupants of our real estate units to be more environmentally conscious by providing them with good recycling options and informing them about sustainable choices. We also encourage users of our properties to reduce their water and electricity consumption.

Responsibility of the fund’s investments

We continuously develop the responsibility of the fund’s investments. Responsibility efforts include reducing the environmental impact of properties, ensuring the functionality of properties in a changing environment, protecting the safety and healthy use of properties, and responsible property ownership.

The development and certification of responsibility also extend to our network of partners. We always strive to identify and know our partners. We only work with reputable companies and actors.

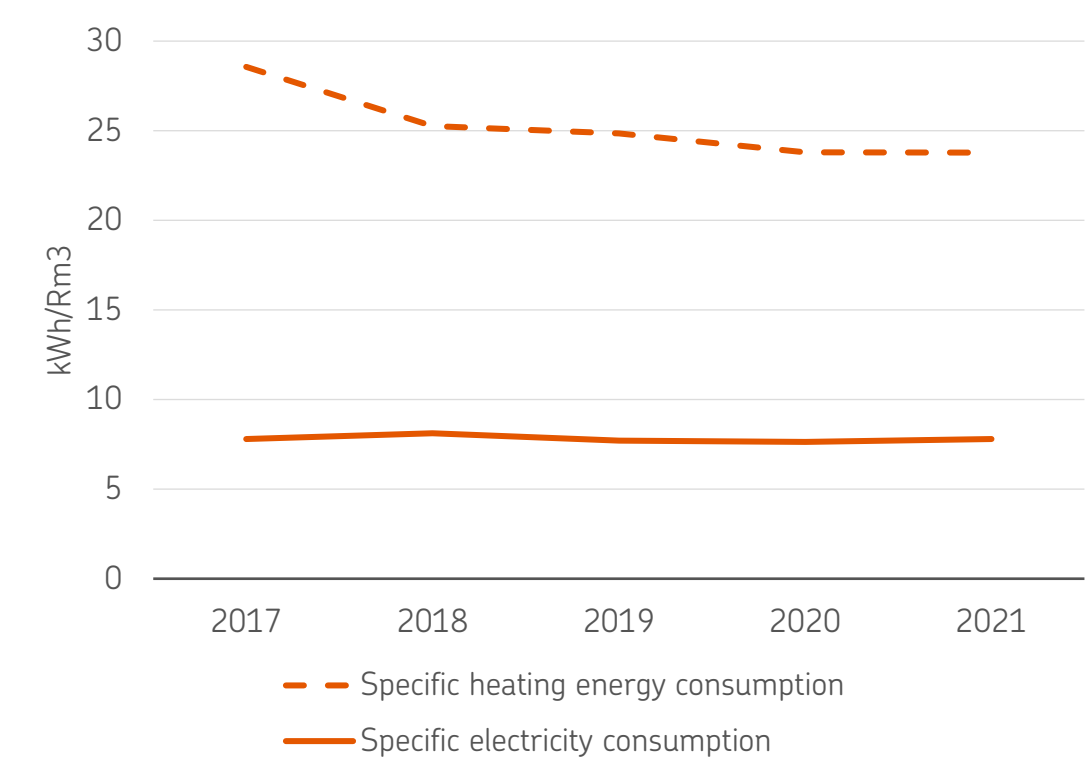
During construction, the fund has its own supervisor at each construction site, and we actively collaborate to minimise our environmental impact. For example,

we require a waste management plan to be drafted before a project is launched, and data on waste volumes must be submitted after each project has ended. The fund owns wooden apartment buildings in Tampere, Turku, and Helsinki.

Energy efficiency and the use of renewable energy are among our most important goals. The first ground source heat project for OP-Rental Yield’s residential properties was completed in the summer of 2020, with another two projects launched in 2021. In June, construction of a logistics property of around 16,000 m² equipped with ground source heat and solar panels was completed in Tuusula.

OP-Rental Yield uses renewable electricity and waste management with net zero emissions at its properties to the extent that it is responsible for these. We have equipped several of our properties with water-saving plumbing.

Specific energy consumption



To promote sustainable mobility, we select properties that are centrally located and have also equipped all our properties with charging stations for electric vehicles. Some of our properties also have car-sharing for residents and bike repair facilities.

The fund in figures	2021	2020
Gross asset value, EUR billions	1.9	1.8
Jobs created, person-years*	1,317	1,710
Tax footprint, EUR million	4.3	8.6
Residential properties	2021	2020
No. of homes	5,859	5,915
Area of homes, m²	258,000	300,000
No. of homes under construction	174	646
Utilisation rate of homes, %	97	96
Commercial properties	2021	2020
No. of commercial properties	23	24
Ccommercial properties, m²	148,000	144,000
Utilisation rate, %	91	92
Environmental figures	2021	2020
No. of solar power plants	13	8
No. of ground source heat plants	3	2
Properties with environmental	8	8
Properties with EV charging	24	23
Energy class A-C, %	71	71

* Calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation)



As Oy Helsingin Poudantuoja

OP Public Services Real Estate Fund (special common fund)

OP Public Services Real Estate offers investors the opportunity to diversify their investments in a variety of public service properties – daycares, schools, care homes, assisted living residences, multipurpose properties, and public administration agencies. The fund has constructed more than half of all its owned properties. As of the end of 2021, the fund includes 59 completed properties and 4 properties under construction.

Responsibility of the fund’s investments

Responsibility is part of the fund’s investment activities and portfolio management. Responsibility efforts include reducing the environmental impact of properties, ensuring the functionality of properties in a changing environment, protecting the safety and health of property users, and responsible property ownership.

During construction, the fund has its own supervisor at each construction site, and we actively collaborate with contractors to minimise our environmental impact from construction. For example, we require a waste management plan to be drafted before a project is launched, and data on waste volumes must be submitted after each project has ended. The building material used has an emission rating of M1, which helps ensure good indoor air quality. Since the beginning of 2021, we have required carbon footprint reports from all properties under construction.

In purchasing properties, identifying the seller and

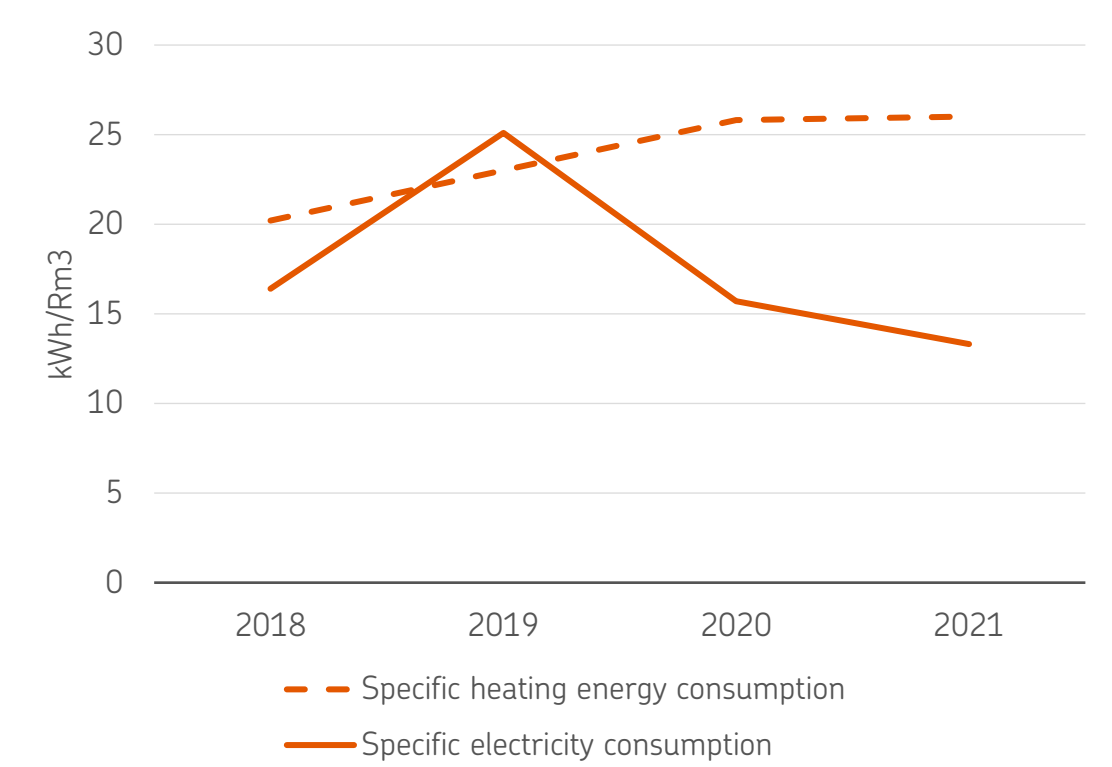
carrying out due diligence on the property’s finances and technical condition are integral parts of the process. We monitor the maintenance level of properties maintained by the user with 1 to 2 annual audits organised in cooperation with the user.

Renewable energy and other climate actions

The fund owns seven converted properties that received a new purpose of use and life cycle following modernisation. By making use of the existing building frame, conversions save on raw materials and energy compared to new constructions.

Several of the fund’s properties source all or a part of their energy needs renewably. Of the fund’s properties, 15 are equipped with ground source heating, 5 with solar panels, and two with air-water heat pump systems.

Specific energy consumption



Of public service properties, 41 are constructed from wood. The use of wood in construction helps to reduce CO₂-emissions, sequester carbon, and reduce the use of natural resources. The fund also includes two properties with environmental certifications.

Properties acquired in 2021 have a total of 69 customer places. The average energy class is C, and 4 of the properties are constructed from wood. One of the acquired properties is equipped with ground source heating, and redevelopment involving demolition is required at one acquired property.

The fund in figures	2021	2020
Gross asset value, EUR millions	419	327
Jobs created, person-years*	311	760
Tax footprint, EUR million	1,8	-2,4
No. of completed properties	59	50
Our environmental key metrics	2021	2020
No. of properties constructed from wood	41	37
No. of which timber-framed	12	12
No. of properties constructed from stone	23	21
No. of conversion projects	7	7
No. of solar power plants	5	3
No. of ground source heat plants	15	15
Renewable energy production MWh	945	463
Energy class A-C, %	76	92

* Calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation)



As Oy Tampereen Fanni ja Arvid

OP-Forest Owner (special common fund)

In 2021, we managed more than 112,000 hectares of forest estates through the OP-Forest Owner Fund special common fund. The fund is the fifth largest forest owner in Finland.

Responsibility of the fund

In 2021, the fund carried out projects to secure the carbon sequestration and biodiversity of its forests. In spring 2021, a large-scale fertilisation project of around 25 hectares using wood ash fertiliser was carried out in Sotkamo. The purpose of fertilisation is to improve tree stand growth through natural methods. The positive impact of fertilisation on growth may last up to decades, and the annual impact of the project on carbon sequestration is calculated at around 100 tCO₂. In selecting forests for fertilisation, we make sure to avoid the direct risk of nutrient runoff.

The fund also carried out a reforestation project of about 10 hectares of wasteland with the intention of creating new forest growth in Simo in Southern Lapland.

The fund has previously acquired a peat bog that has been retired from economic use. In 2021, a plan was launched to restore the site to a wetland. Wetlands have a positive impact on biodiversity as nesting areas and rest stops for waterfowls and by shielding nearby waterways against nutrient runoff. Plans for the wetland restoration are ready, and the work is estimated to begin in the summer of 2022.

Measures are taken to protect biodiversity

Around 28% of the fund's forests are currently FSC certified* and audited annually by an independent third party. In the audit, the fund received praise for its decision to exclude undrained peatlands in a natural-like state from logging.

The fund sets aside at least 5% of FSC-certified forest land to be excluded from economic use. In addition, the fund is in discussions with ELY Centres on the establishment of permanent conservation areas of around 500 hectares. The areas would be located across Finland, from Rautjärvi in the south to Ii in the North.

The fund promotes the construction of wind power

In 2021, OP-Forest Owner continued negotiations for several new wind farm projects. During the year, 27 new agreements were signed, bringing the total number of agreements to 40. The fund promotes the construction of wind power in Finland and the transition to renewable electricity production with land lease agreements.

100 %

of our forests are PEFC™ certified, with about 28% also FSC® certified

Social responsibility

New hiking trails have been constructed in the fund's forests, and older trails have been restored. An example of a restored hiking trail is found in Ähtäri. The trail is part of the Kuuden tähden reitistö kuntoon! project and passes through about 2.5 kilometres of forest owned by the fund.

The fund also continued signing hunting leases with local hunting clubs. Around 90 new agreements were signed, bringing the total to around 560 hunting leases. Hunting clubs have also been given the right to build campfire sites and rest stops on the fund's land.

*Licence number FSC C109750

The fund in figures	2021	2020
Hectares of forest	112 034	96 000
Change in hectares from prev. year, %	+ 16	+ 19
No. of forest estates	1 075	790
PEFC certificate, % of forests	100	100
FSC certificate, % of forests, approx.	28	35
No. of wind farm contracts	40	13
No. of hunting leases	560	480
Hectares of protected forest, approx.	1 600	1 600
Gross asset value, EUR millions	394	285



OP Toimitilakiinteistö Ky

OP Toimitilakiinteistö Ky offers investors the opportunity to invest in a very diversified portfolio of Finnish commercial properties that generate high cash flow.

Responsibility of the fund’s investments

The selection of assets emphasises geographical sustainability and analyses the accessibility and convertibility of the asset. We continuously develop the responsibility of the fund’s investments. Responsibility efforts include reducing the environmental impact of properties, ensuring the functionality of properties in a changing environment, protecting the safety and health of property users, and responsible property ownership. By supervising construction, we ensure the quality of construction and that the buildings are long-lived and safe for users. Starting in 2021, the fund participates in international GRESB reporting.

Energy efficiency through audits and monitoring

An energy audit has been carried out at all of the fund’s properties to ensure that building technology is being used properly and working as planned. The audits identify any potential for energy savings at the properties and assess the payback period of investments. All of the fund’s properties carry out energy monitoring, which provides up-to-date usage data and comparison with similar properties.

Energy production supports net zero emissions

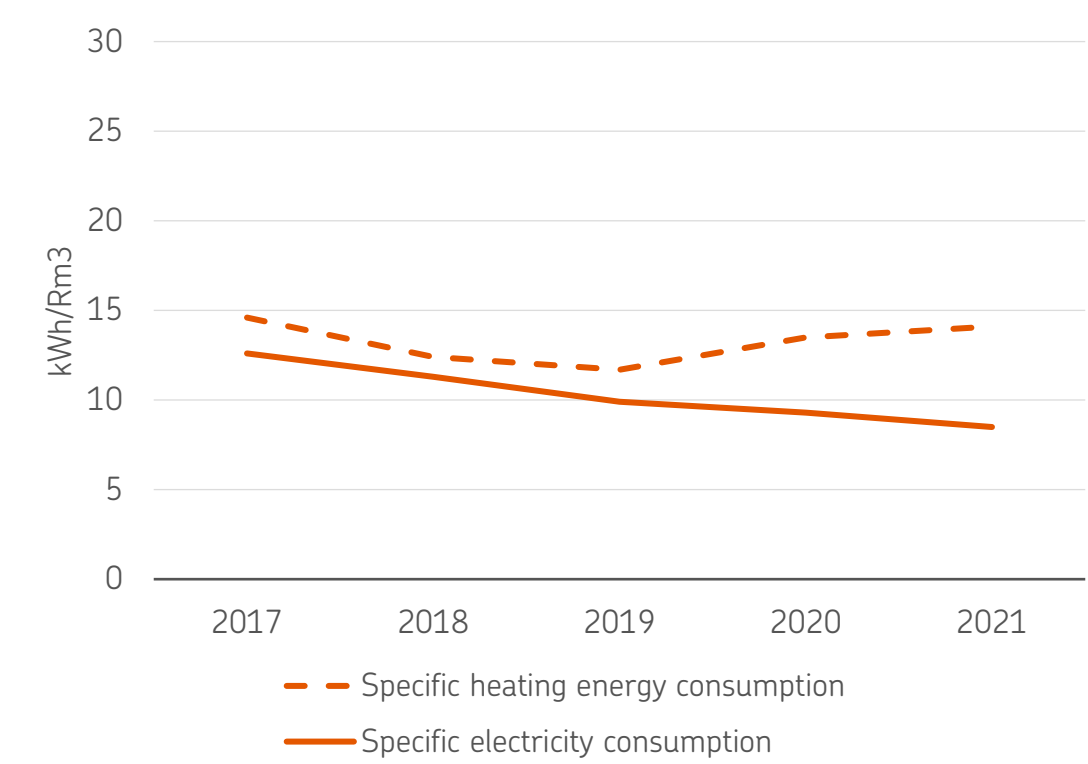
The fund’s properties have used green electricity since the start of 2020. As of the start of 2022, purchased electricity is sourced from wind power. When developing our properties, we always investigate possibilities for producing renewable energy at the site and improving energy efficiency. The fund’s properties are equipped with eight solar power plants, one ground source heat plant, and one air-water heat pump.

Responsible choices for tenants

Three of the fund’s properties are equipped with electric vehicle charging stations. More charging stations will be installed as demand for them increases. The carbon footprint from waste management has been compensated for 2021 and is fully zero emission.

The fund maintains active communication with tenants and carries out annual audits for proper-

Specific energy consumption



ties maintained by tenants. The audits ensure that maintenance measures are appropriate and that the property functions for its intended purpose. Tenants are asked to respond to annual tenant satisfaction surveys that verify the functionality of services and properties. The fund seeks to promote pedestrian and bicycle traffic by building secure bike parking spots with charging stations and additional staff facilities for users. As a pilot project, the fund has equipped KOy Meiramitie 3 in Vantaa with an easily portable and responsibly sourced bike shelter that also takes the needs of winter cyclists into account.

The fund in figures	2021	2020
No. of commercial properties	26	26
Commercial properties, m²	171,000	172,000
Lease agreements	77	80
Utilisation rate, %	94.1	94.6
Gross asset value, EUR millions	219	210
Jobs created, person-years*	95	130
Tax footprint, EUR million	3.7	3.1
Our environmental key metrics	2021	2020
No. of solar power plants	8	8
No. of ground source heat plants	1	1
Renewable energy production MWh	2,382	1,500
Energy class A-C, %	95	93

* Calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation)



KOy Meiramitie 3 and a carbon-neutral bike shelter

Real Estate Fund of Funds V Ky

Real Estate Fund of Funds V Ky (REFoF V) is a real estate fund investing in Europe and it was established in 2016 with a ten year term.

The fund is highly diversified geographically and in different real estate sectors, and it includes equity as well as debt investments. Most of the fund's underlying funds have selected their investment assets and are currently working on development plans for the assets, with several completed assets successfully realised.

The properties in the fund's underlying funds typically require either modernisation investments or development to begin a new life cycle. There is exceptionally good potential to enhance responsibility at this stage of the property lifecycle by making the choices that have tangible impacts on the property's emissions, for example. Completely developed, low-risk, and sustainable properties are highly suited for the current real estate market.

All of the underlying funds consider responsible investing in both their investment decisions and portfolio management. OP Real Estate Asset Management influences the responsibility of underlying funds through its active investment policy. All the underlying fund managers have signed the UN Principles for Responsible Investment, and all equity funds participate in extensive GRESB reporting.

European Property Fund IV (EFIV) as an example of REFoF V's investments

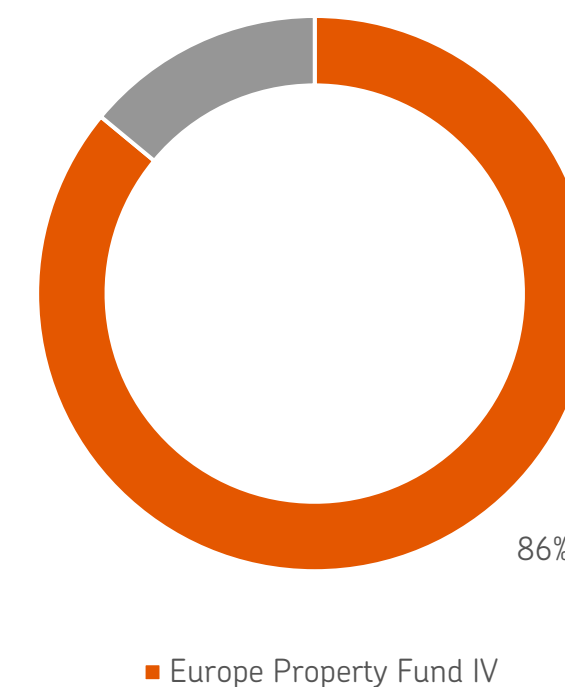
Managed by BlackRock, the investment strategy of real estate fund EFIV is to invest in European properties to create value through repositioning and development activities. In addition, the fund has the option of constructing new properties. The underlying fund is fully invested in 16 assets in 13 European cities. EFIV has been highly successful in realising completed assets, and its portfolio has only four assets remaining that still require further development measures.

BlackRock has signed the UN's Principles for Responsible Investment in 2008 and takes responsible investing and ESG factors into account in its investment activities. BlackRock has an ESG investing policy in place. Responsibility is taken into account in real estate investments, among other means, by analysing potential investments in the due diligence phase, including an ESG survey as an integral tool, and in decision-making and management of assets. Managers update the ESG analyses of existing assets quarterly. Where possible, managers try to obtain environmental certificates for assets, include green clauses in lease agreements, and investigate possibilities for green financing.

Responsibility and ESG factors are also given a significant focus in the EFIV fund. Most (10) of the fund's assets have environmental certificates while some (4) are still in the process of applying for a certificate. Examples of certificates obtained to date are

BREAAM Excellent and HQE Exploitation Excellent. Manager report on ESG factors as part of fund's quarterly reporting and the fund participates in the annual GRESB survey, which results are published to the investors. In 2021, the fund received a good score of 86/100 (average score of 73/100), reaching second place in its peer group, and was awarded four stars.

GRESB Green star



BlackRock team ensured that Impuls was developed as a Grade A, green-pre-certified building (DGNB Gold and WiredScore pre-certified). The building is inspired by the Cradle-2-Cradle (C2C) concept, an ambitious standard to allow for safe and nearly infinite circulation of certified building materials. Furthermore, the building has a renewable energy mix supported by geothermic energy sources.



Impuls, Berlin

Real Estate Fund Finland III Ky

Real Estate Fund Finland III Ky offers investors the opportunity to invest in a very diversified portfolio of Finnish commercial properties.

Responsibility of the fund’s investments

The selection of assets emphasises geographical sustainability and analyses the accessibility and convertibility of the asset. We continuously develop the responsibility of the investments. Responsibility efforts include reducing the environmental impact of properties, ensuring the functionality of properties in a changing environment, protecting the safety and health of property users, and responsible property ownership. By supervising construction, we ensure the quality of construction and that the buildings are long-lived and safe for users. Starting in 2021, the fund participates in international GRESB reporting.

Energy efficiency through audits and monitoring

An energy audit has been carried out at all of the fund’s properties to ensure that building technology in properties owned by the fund is used properly and working as planned. The audits identify any potential for energy savings at the properties and assess the payback period of investments.

All of the fund’s properties carry out energy monitoring, which provides up-to-date usage data and comparison with similar properties. This monitoring covers electricity, water, and heating energy usage. Since early 2020, electricity purchased for the

fund’s properties has been renewably sourced. As of the start of 2022, purchased electricity is sourced from wind power. When developing our properties, we always investigate possibilities for producing renewable energy and improving energy efficiency. The fund’s properties include three ground source heat plants and three solar power plants.

Responsible choices for tenants

Three of the fund’s properties are equipped with electric vehicle charging stations. More charging stations will be installed as demand for them increases. The carbon footprint from waste management has been compensated for 2021 and is fully zero.

The fund maintains active communication with tenants and carries out annual audits for properties maintained by tenants. The audits ensure that main-

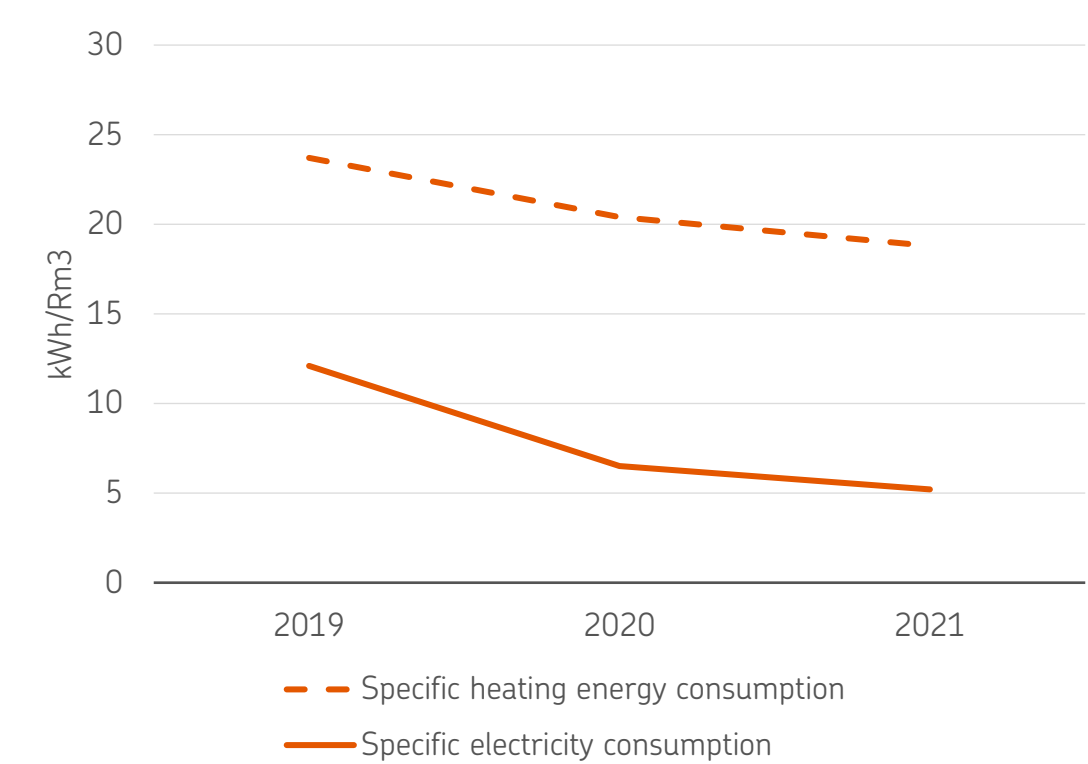
tenance measures are correctly scaled and appropriate and that the property functions for its intended purpose.

Tenants are asked to respond to annual tenant satisfaction surveys that verify the functionality of services and properties. The fund seeks to promote pedestrian and bicycle traffic by building secure bike parking spots with charging stations and additional staff facilities for users.

The fund in figures	2021	2020
No. of investment properties	22	22
Area of commercial properties, m²	74,715	81,091
Lease agreements	57	67
Utilisation rate, %	97.6	94.1
Gross asset value, EUR millions	192	185
No. of tenants	64	62
No. of investments in rental plots	7	7
Jobs created, person-years*	208	273
Tax footprint, EUR million	0.7	-0.2
Our environmental key metrics	2021	2020
No. of solar power plants	6	7
No. of ground source heat plants	3	3
Renewable energy production MWh	1,308	1,232
Energy class A-C, %	51	46

* Calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation)

Specific energy consumption



KOy Vuosaaren Pohjoinen Ostoskeskus

OP Tonttirahasto Ky

OP Tonttirahasto Ky is a fund aimed at professional investors that invests in residential land in Finland. The fund promotes environmental and social sustainability by supporting sustainable urbanisation and by favouring energy efficient solutions and infill development.

The fund enables efficient housing production

OP Tonttirahasto Ky invests in residential land in growth centres, thereby reducing the capital needed by small, medium-sized, and large construction firms to launch development projects. By providing an alternative financing solution for development land, the fund facilitates the construction of healthy new homes and enables homeownership for a larger pool of buyers. A total of 493 new homes will be built on land acquired in 2021 in growth centres and their surrounding regions. The fund currently invests in 89 residential plots, the majority of which are undergoing redevelopment involving demolition or infill development of existing urban structures.

Responsibility as part of the fund’s investment decisions

The fund invests in land in locations that enable the use of public transport and pedestrian and bicycle traffic. In selecting investment assets, we emphasize locations that have access to services even without the need for a private car. The location’s accessibility, public transport connections, and local services

are reviewed before each investment decision. The developer is asked to provide a report on the energy efficiency of the property. The fund’s terms of lease are transparent, and tenants always have the option of purchasing the land or a part of it at no additional cost, as well as the option to extend the lease at the end of the lease term.

The fund’s investment decisions take into account the energy class of new developments, use of renewable energy, number of homes built in the invested assets, accessibility on foot (Walkscore), and compliance with environmental certificates on access to public transport. The average energy class of new investment assets acquired in 2021 was B, renewable energy is used at 55% of assets, and 64% of assets comply with BREEAM and LEED criteria on access to public transport. In addition, 83% of the buildings to be constructed on the fund’s land will be wood-framed or otherwise use wood materials in significant amounts.

Of investments made in 2021, 100% were infill development and 73% were redevelopments that involved demolition

The fund in figures	2021
Gross asset value, EUR millions	103
Tax footprint, EUR million	0.6
Jobs created, person-years*	1
No. of rental plots	89
Lease agreements	89
Properties invested in**	2021
Infill construction, %	100
Redevelopment involving demolition, %	73
Average energy class	B
Access to public transport, %	64
Wood-framed, %	72
Heating method of properties invested in**	2021
District heating, %	45
Air-water heat, %	36
Ground source heat, %	18
Solar power, %	9

* Calculated based on construction and property maintenance costs (KTI-Rakli sustainability reporting recommendation)

** Figures apply to investments made in 2021, not the entire portfolio.



As Oy Oulun Pantturipiha 6-8 under construction in a brownfield of a former sawmill

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