



Y-FOUNDATION

**Board of Trustees'
report and financial
statements
2021**

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Our story

The Y-Foundation group is the fourth-largest lessor in Finland. We employ over 170 housing professionals. We operate throughout Finland. We are a social operator and an expert in combating homelessness. We are a politically independent non-profit entity. We want everyone in Finland to have a home. Our apartments include M2-Kodit rental apartments and Y-Kodit apartments. The focus of our operations is on the social and economic well-being of our tenants.



Mission

So that everyone can have a home.

Values

We are bold and trustworthy creators of housing with dignity.

Courage

We have the courage to be on your side even when others are not. We lead the way, make decisions and put our plans into action with an open mind.

Trust

We do what we promise. Our tenants can trust in the affordability, continuity, and safety of their housing.

Housing with dignity

Dignity is the foundation of our work. We treat our tenants equally. We provide affordable rental apartments. Everything we do starts with the Housing First principle.



The Y-Foundation in figures

171 (168)
employees

7 offices around
Finland

4th largest lessor
in Finland

Over
26,000
tenants

18,358 (17,374) apartments in
57 (55) cities and
municipalities


7,489 (6,850)
Y-Kodit apartments
designed for special groups

10,869 (10,524)
affordable M2-Kodit
apartments

Strategic goals 2020-2030



The economic and social well-being of our tenants



A fair transition towards carbon neutral living

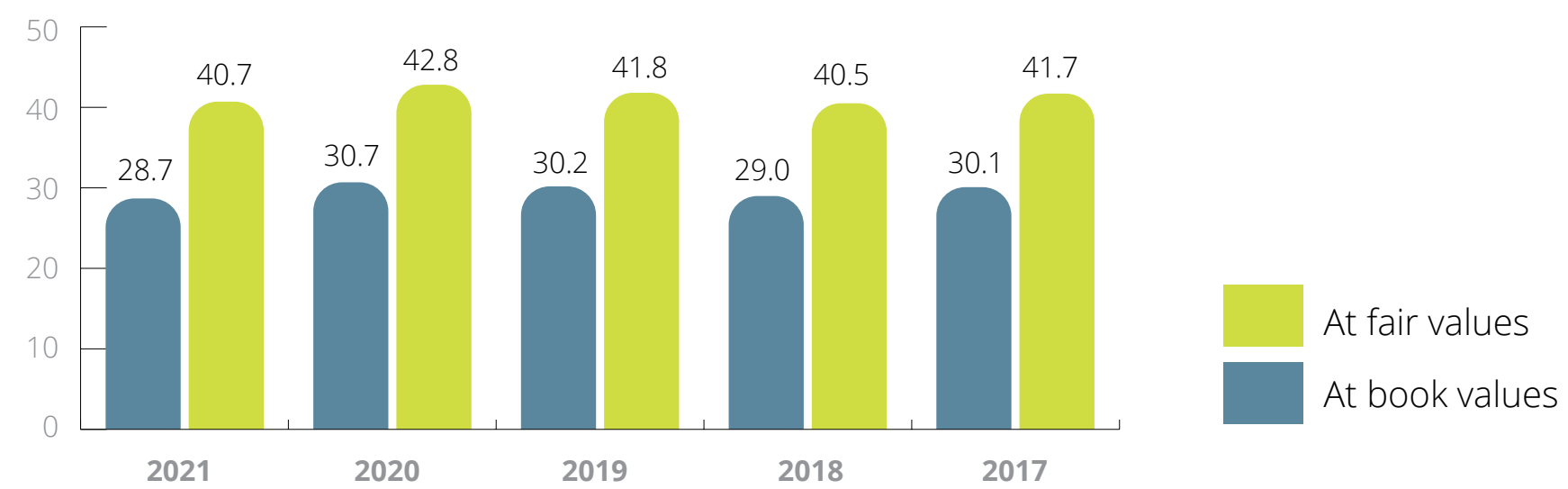


Eradicate homelessness in Finland and reduce it internationally



Y-Foundation in figures

Equity ratio %

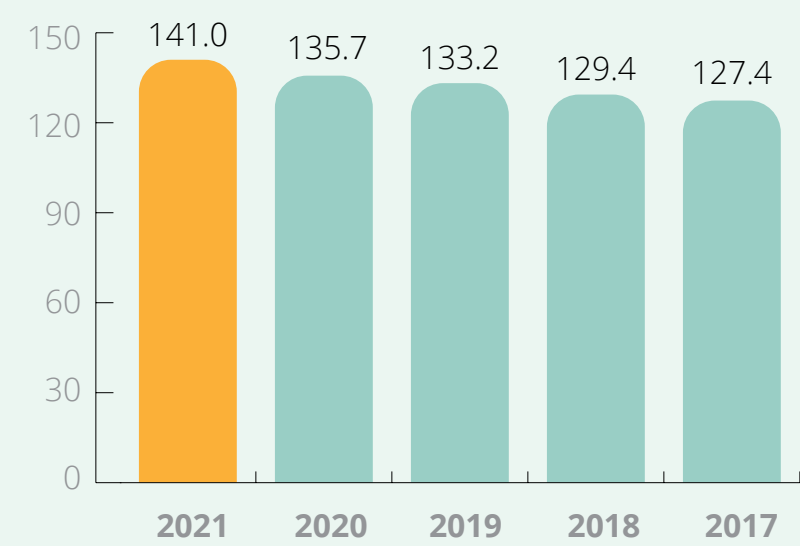


Apartments under construction

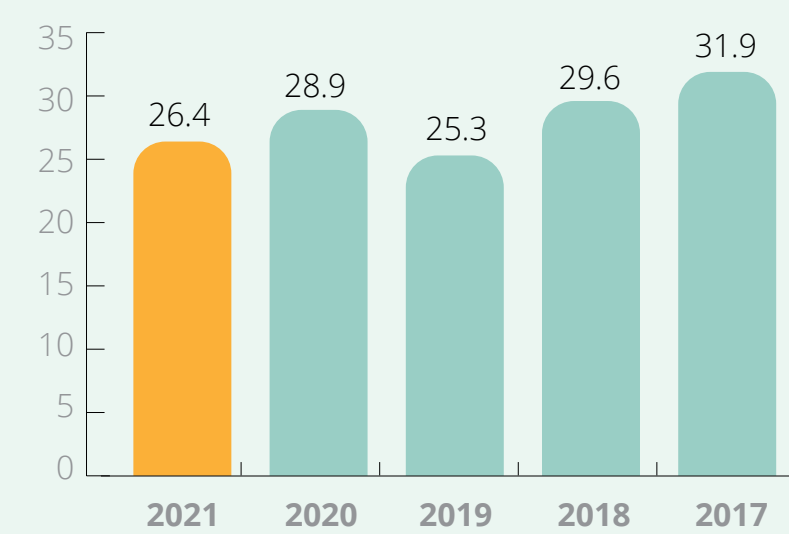
633



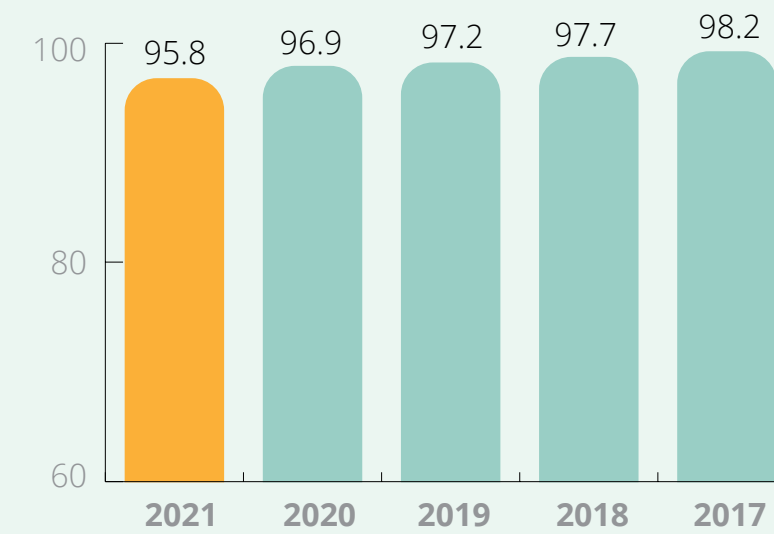
Revenue M€



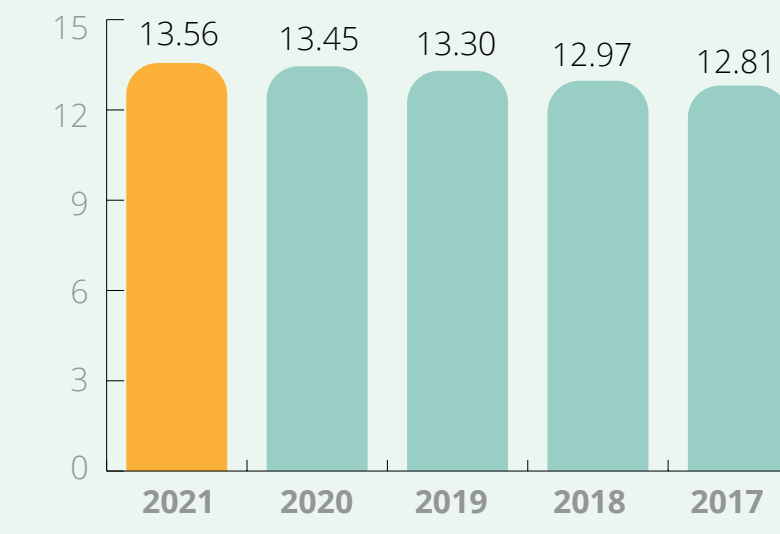
Rent margin %



Financial occupancy rate %



Average rent EUR/m²/month



Tenant turnover %



CEO's review



Kuvaaja: Lasse Lecklin

A year is usually a very short time in the real estate sector. For example, it can easily take a year for a construction project to get started. For a homeless person, however, a year is a very long time. It is long enough to see the classification of their situation in life change, to see them filed under the long-term homeless in the statistics. This is a fate we want to prevent well in advance.

In 2021, we continued to work on eradicating homelessness in Finland. We developed affordable new rental homes in particular, as we believe they are crucial in the prevention of homelessness. We completed over 400 apartments in seven municipalities. We also had hundreds of homes under construction.

We also helped prevent homelessness by purchasing nearly 600 rental apartments aimed at young people from Nuorisosäätiö. This enables us to ensure affordable housing for them in the future and also serve other young people more broadly.

The year 2021 was the first full year of implementing our strategy, which extends to 2030. The strategy is based on the UN Sustainable Development Goals. I was very pleased to see how committed our employees were to the strategy as the year went on.

Their commitment helps us achieve the Y-Foundation's ambitious strategic objectives.

We believe our responsibility extends beyond the walls of the apartments we provide to our tenants. Last year, we invested in the social and economic well-being of our tenants in accordance with our strategy. The number of customer contacts rose to a record-high level. Our housing counselling team served nearly a thousand tenants, helping them with various challenges related to their housing. At the same time, our Uuras employment programme provided at least one instance of short-term employment to over 120 tenants. During the past three years, 100 tenants have entered the open job market through the Uuras programme. This means that the programme is both significant to our tenants and has a positive impact on society.

During the year, we also prepared our transition into a carbon-neutral organisation. We reduced our carbon footprint and charted our path towards carbon neutrality in 2035. We also recognise that we should not be satisfied with carbon neutrality only; we also need to take on responsibility for protecting biodiversity. With this in mind, we

The field of combating homelessness will face a new situation when the new well-being services counties become operational.



developed the Biodiversity Building concept during 2021, with funding from the Ministry of the Environment.

The year under review was my last full year at the Y-Foundation. I will be retiring in spring 2022. Over the past decade, the Y-Foundation has dramatically increased the number of apartments it provides, especially in the affordable housing segment. The field of combating homelessness will face a new situation when the new well-being services counties become operational. They may lead to future changes in the subletting of our scattered apartments, for example, but the Y-Foundation will be ready to respond to any changes as a financially sound and sustainable operator.

Juha Kaakinen

CEO until 28 February 2022



Y-Foundation as a part of society

The European Parliament has recently approved a new goal stating that all member states must eradicate homelessness in Europe by 2030. Finland is the only country in the European Union where homelessness has decreased over the past years. The Government of Prime Minister Sanna Marin is committed to eradicating homelessness in Finland by 2027.

The City of Helsinki has set an even more ambitious target. Finland's capital aims to eradicate homelessness by 2025. The opposite trend elsewhere in Europe over the past decade has been dreadful to see. Some 700,000 people in the EU spend their nights outdoors or in emergency shelters.

It is no wonder that our small Nordic country is talked about as a model for combating homelessness, and Finnish expertise is in high demand.

One of the factors behind Finland's success is the Y-Foundation, whose human, yet effective operating model is internationally unique.

International interest in the Y-Foundation's approach remains very high. As in previous years, we responded to dozens of international media enquiries in 2021. Our approach to managing homelessness by acquiring apartments and providing them to those who need them the most is considered groundbreaking by those outside Finland. This is what the Y-Foundation has focused on, together with its partners, since it was first established. The Foundation's management is following closely the development of the war in Ukraine and is preparing to make the Group's apartments available to Ukrainian refugees in accordance with official guidance.



Successful
housing

Successful housing

The development of new, affordable homes is an important strategic focus area for us. We also aim to ensure the economic and social well-being of tenants and enable successful housing. Our professionals work towards these goals every day.

Over 400 new apartments completed

The Y-Foundation's goal is to build over 5,000 new apartments by 2030. To make progress towards this goal, the Group was again active in property development in 2021. A total of 633 apartments were under construction at the end of the year. The COVID-19 pandemic did not have a significant impact on the Group's construction projects.

A total of 357 interest-subsidised M2-Kodit ARA rental apartments were completed in good locations in growth centres in 2021. Municipalities:

Tuusula	89 apartments
Jyväskylä	52 apartments
Helsinki	62 apartments
Nokia	84 apartments
Kuopio	48 apartments
Tampere	22 M2-Kodit apartments, 17 Elmu Foundation apartments

The Y-Foundation Group wants to take an innovative approach to property development. For example, a flow-oriented concrete construction technique was used in a property in Tuusula, making the construction process faster and more efficient. In Kuopio, we developed the city's first wooden apartment buildings.

The new M2-Kodit property in Helsinki has an excellent location in the Pasila district. The affordable rental property in Helsinki drew a great deal of interest from applicants. In Tampere, construction was completed on Jallukka, a residential property developed in cooperation with the Elmu Foundation, where all the tenants are professionals working in the field of culture.

The development of housing for special groups is still necessary for eradicating homelessness. A house with 56 apartments for young people was completed for Y-Säätiön Palvelutalot in Espoo. The apartments are based on a concept of lightly assisted living. Tenant selection is made partly by the City of Espoo and partly by M2-Kodit.

The Y-Foundation Group's property development activity will remain high in the coming years. Seven ARA properties are expected to be completed in 2022, with construction set to begin on an estimated eight properties.

In 2021, the Board of Trustees of M2-Kodit decided on the future demolition of two residential properties that have reached the end of their life cycle. The properties to be demolished are located in Imatra and Iisalmi. In Kuopio, a terraced house property consisting of 12 apartments was demolished and a new property is under construction in its place.

Reputation as a trustworthy lessor

Our supply of rental housing is the highest in Southern and Western Finland, i.e. the Helsinki metropolitan area and the Tampere and Turku commuter areas.

Competition in the rental housing market intensified during the year, especially in the Helsinki metropolitan area. The COVID-19 pandemic eased slightly in the summer, which boosted activity in the housing market. M2-Kodit apartments are attractive to applicants thanks to their affordability. People have high expectations for apartments, hoping to have a home that is new or as good as new. People's expectations for the neighbourhood they live in are also high.

The tenant turnover rate of M2-Kodit is slightly lower than the average for ARA housing operators. Internal relocation opportunities have helped increase tenant satisfaction and retention by allowing tenants to move to an apartment that better suits their changed life circumstances, for example.

M2-Kodit continuously monitors tenant satisfaction. Surveys indicate that new tenants are very satisfied with the services related to renting an apartment and moving in. The Net Promoter Score (NPS) for tenants moving in is above 60. The average NPS for current tenants is approximately 40.





Housing counselling supports tenants

Our housing counselling is based on the principle of early intervention in all kinds of problems. This increases tenant well-being, creates a more pleasant housing experience, and helps prevent evictions.

In 2021, tenants contacted our housing counsellors a little more frequently than in the past. The contacts mainly related to payment difficulties or problems with neighbours, such as disputes. The most important achievement of the housing counselling team was to expand the use of the conciliatory approach to all Group's tenants. All housing counsellors and property managers who work for the Foundation have received training on the conciliatory method.

Affordable housing plays a significant role in helping people manage their personal finances. In 2021, the Y-Foundation's housing counsellors and negotiators developed a model for reducing tenants' housing costs. For many tenants who struggle with financial

difficulties, the problem is that their apartment is too large for their current life situation. The model makes it possible to offer a move to a more suitable apartment to all interested tenants.

The Y-Foundation has also recognised the importance of offering early support as a way to prevent financial difficulties. When applicants have rent arrears from their previous rental relationships, our practice is to assess their financial situation immediately in connection with their apartment search and moving in.

Improved usability of our services

The Y-Foundation's service promise "We are here for you" guides our work with customers and extends to our digital services.

The fully redesigned M2-Kodit website was published in the summer. User testing conducted in the autumn showed that the new website matches the needs of applicants and tenants to a very high degree. The test users also praised M2-Kodit's new, cheerful

visual identity. The use of the customer service support robot was increased during the year. The customer service team began using a digital service in which artificial intelligence makes it easier and faster to process e-mail messages as well as messages received through the website and chat function. We are now able to reply to messages faster even though the number of messages has grown due to the increased number of new residential properties, among other reasons. The robot also carries out pre-processing for M2-Kodit housing applications.

In ERP system development, we focused on the preparations to be made in 2022 towards migrating to the new Kenno system. The OmaM2 self-service channel was also developed to better serve tenant needs. The redesigned channel will be published in 2022. The channel is already used by nearly half of the tenants of M2-Kodit.

We became a significant provider of housing for young people

We also became a significant provider of housing for young people in 2021. This makes us even better prepared to respond to the various life circumstances of applicants.

We complemented our housing portfolio by acquiring 595 ARAVA-financed apartments from Nuorisosäätiö. The acquisition ensured that the apartments remain available for young people to rent in the future. The acquisition was a property transaction that did not involve the transfer of personnel, for example. The properties in question are mostly located in the Uusimaa region. The transaction also included residential properties in Lahti, Hollola, Orimattila, and Lappeenranta.

Communications related to the change and integrating the apartments into the

Y-Foundation's ERP system and other systems kept many of the Y-Foundation's teams busy. M2-Kodit is responsible for renting these apartments owned by the Y-Foundation.

We looked after our properties

High-quality properties and listening to the tenants' wishes are cornerstones of successful housing. This was underpinned during the year by the property manager and tenant representatives touring M2-Kodit properties. During these rounds, the participants discussed issues of property maintenance as well as future renovation needs. Nearly all tenants who responded to the feedback survey hoped that the rounds will continue in the future.

M2-Kodit's in-house property maintenance activities in the Helsinki metropolitan area were expanded last year. M2-Kodit is now responsible for property maintenance at 30 properties and cleaning at 41 properties. In-house property maintenance keeps quality high and makes it possible to offer employment opportunities to tenants. Many of the property maintenance workers are the Y-Foundation Group's tenants.

It is important for us to look after our properties throughout their life cycle. When we identify a need for renovation, we always assess whether it is more environmentally friendly and cost-effective to renovate the property or to build a new property under the demolition-and-redevelopment model.

An extensive renovation project was completed in Helsinki's Herttoniemi district during the year under review. The renovation project prioritised ecology and energy efficiency; for example, solar panels were installed at the property.

During the year, extensive Koti kuntoon renovation projects began at seven

properties comprising 303 apartments in total. Renovation work was completed at nine properties. After the renovation, the apartments are as good as new. More extensive changes are also made in connection with renovation projects where possible, if the property requires it. For example, in a Koti kuntoon renovation project completed during the year at a property in Helsinki's Malminkartano district, large two-room apartments were split into singles to better respond to the wishes of applicants.

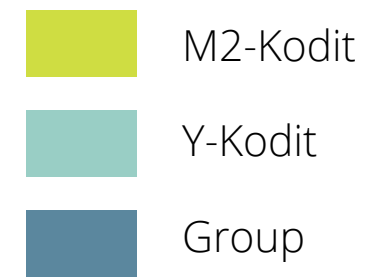
Tenant activities adversely affected by the pandemic

Tenant activities aimed at increasing social well-being are an integral aspect of the M2-Kodit housing concept. Unfortunately, as in the previous year, the COVID-19 pandemic had an adverse impact on tenant activities in 2021.

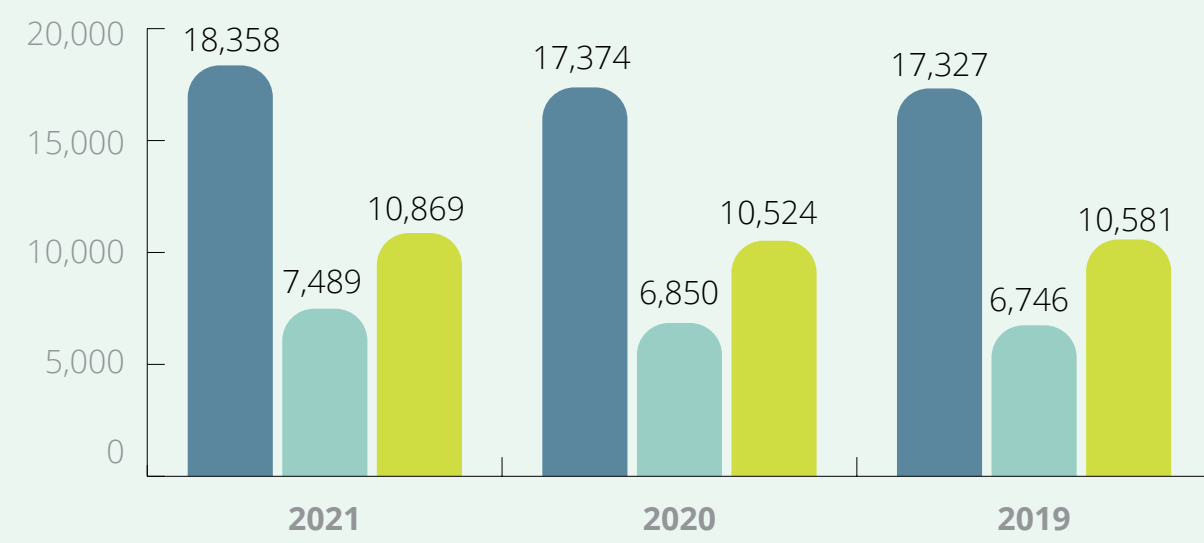
Nevertheless, it was possible to hold tenant meetings in the autumn at all M2-Kodit properties. Regional groups were also established, and a tenant council representing all M2-Kodit tenants was elected for a new two-year term. In addition, a national tenant event was held at Linnanmäki amusement park in August. The event attracted tenants and their families from all over Finland.

While COVID-19 hampered tenant activities to some extent, it also increased people's interest in taking positive action in their neighbourhood. Properties were offered the opportunity to have plant boxes put in the yard for small-scale urban farming. This opportunity was seized by tenants at about 30 properties. The cultivation activities helped promote cohesion and community spirit in daily life. The plant box activities will continue in 2022.

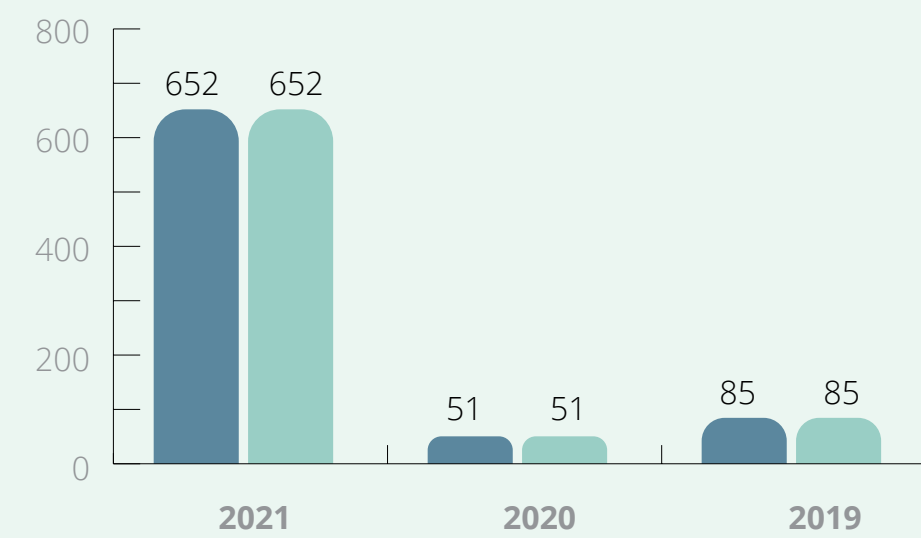
Housing in figures



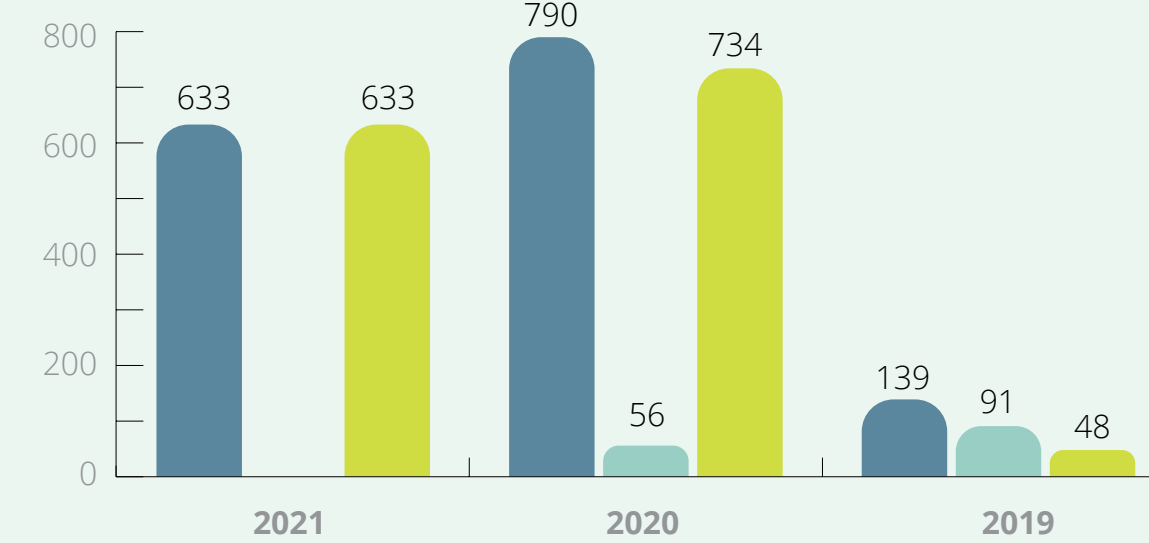
Number of apartments



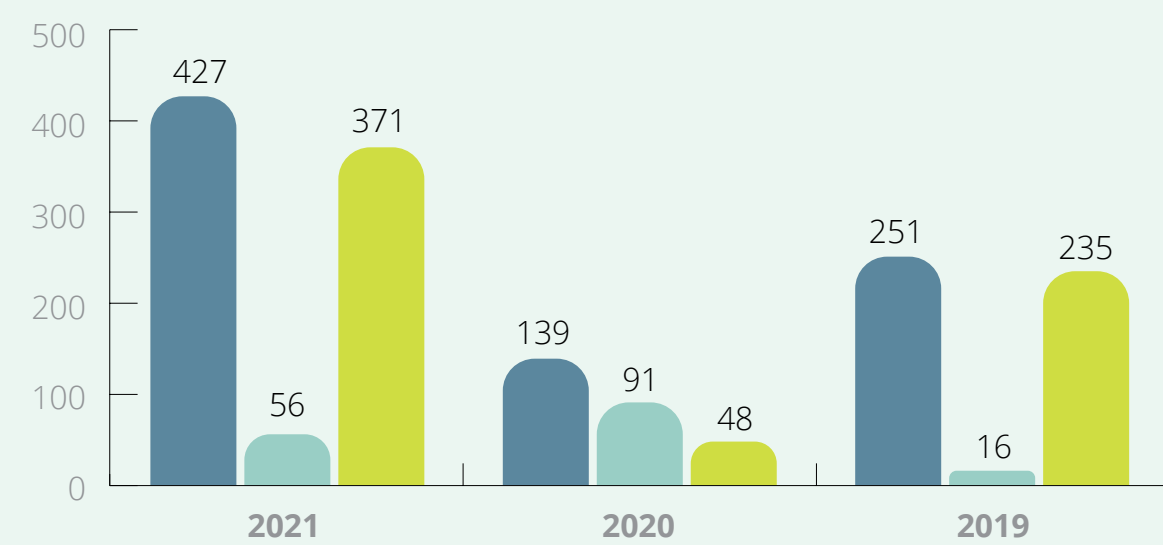
Apartments acquired



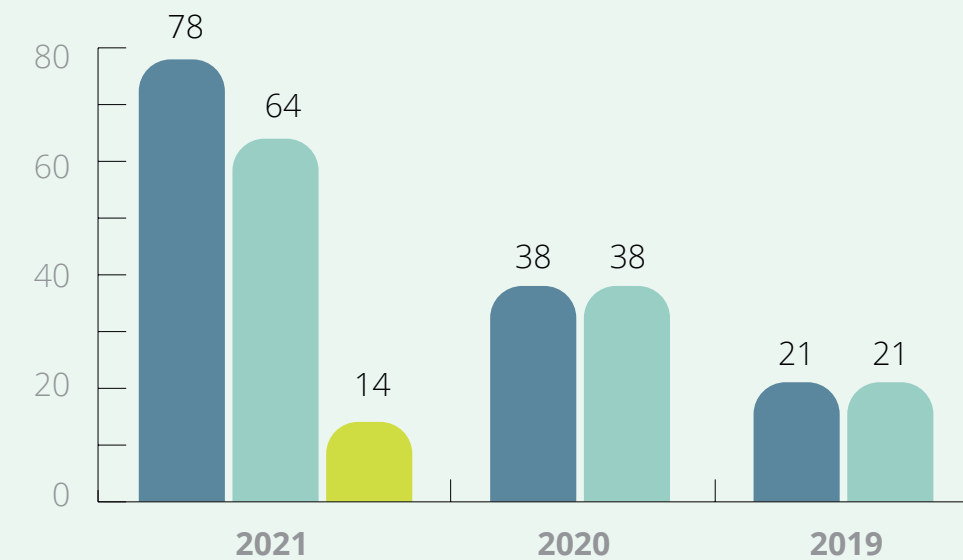
Apartments under construction



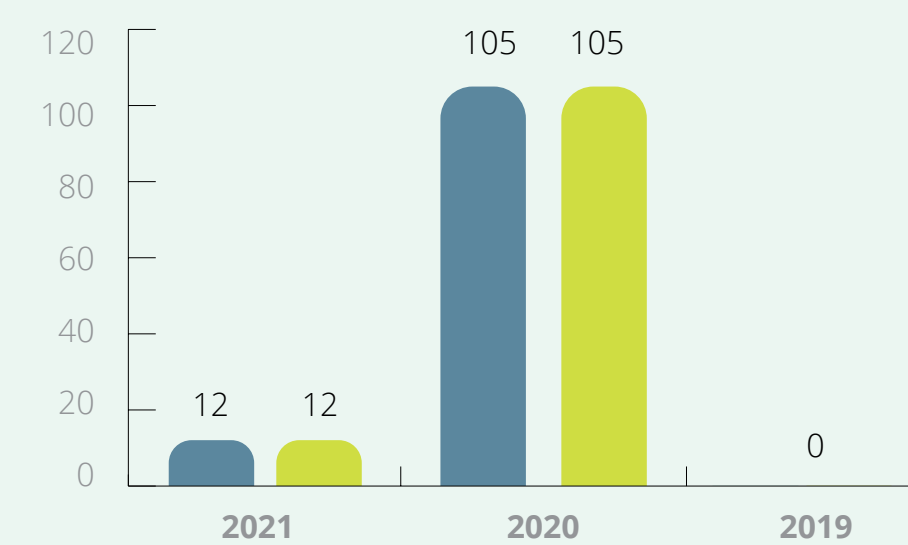
Apartments completed



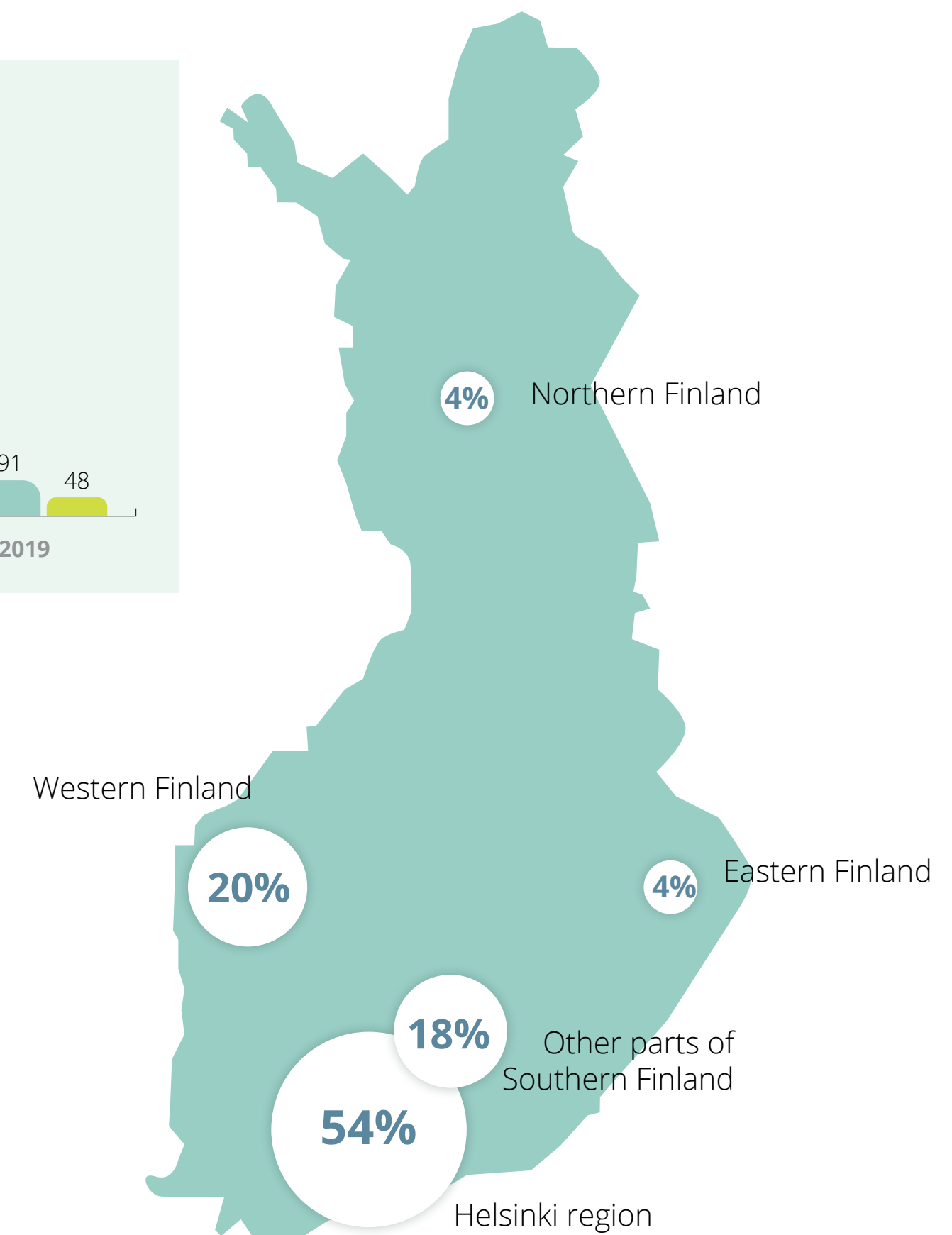
Apartments sold



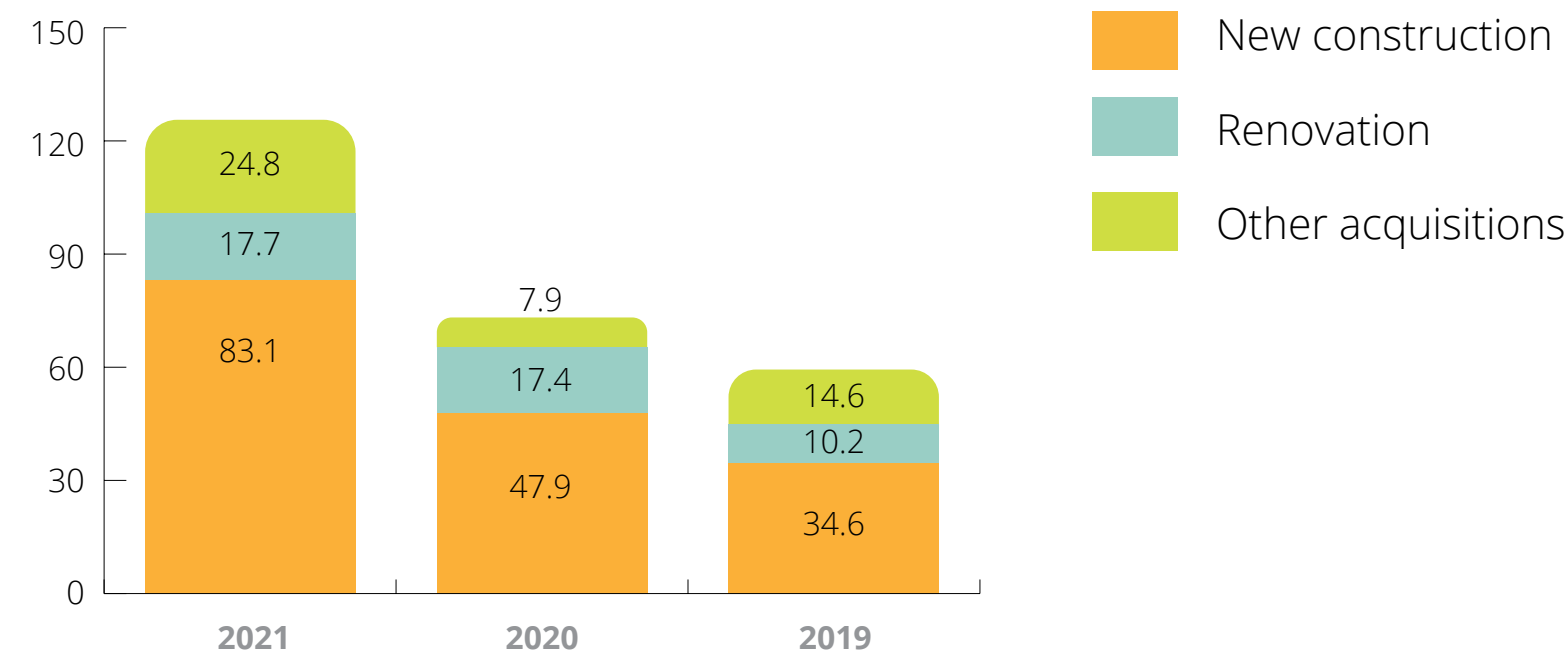
Apartments demolished



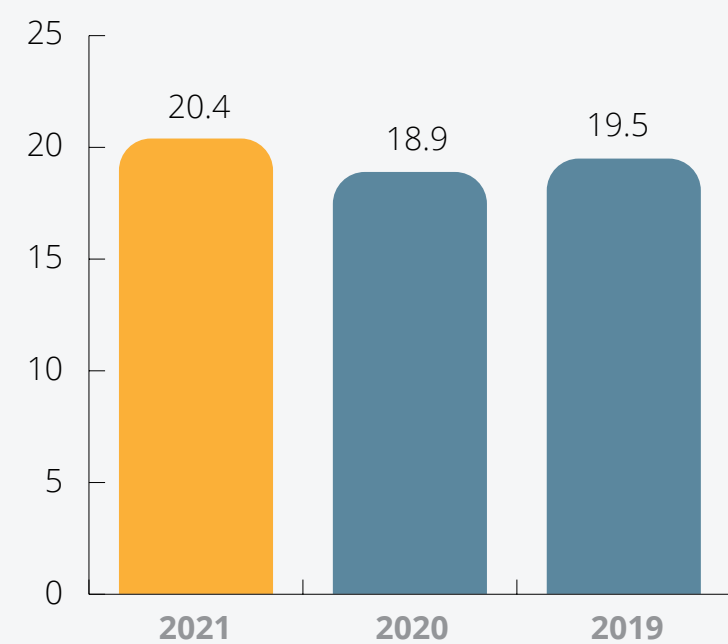
Location of the housing portfolio



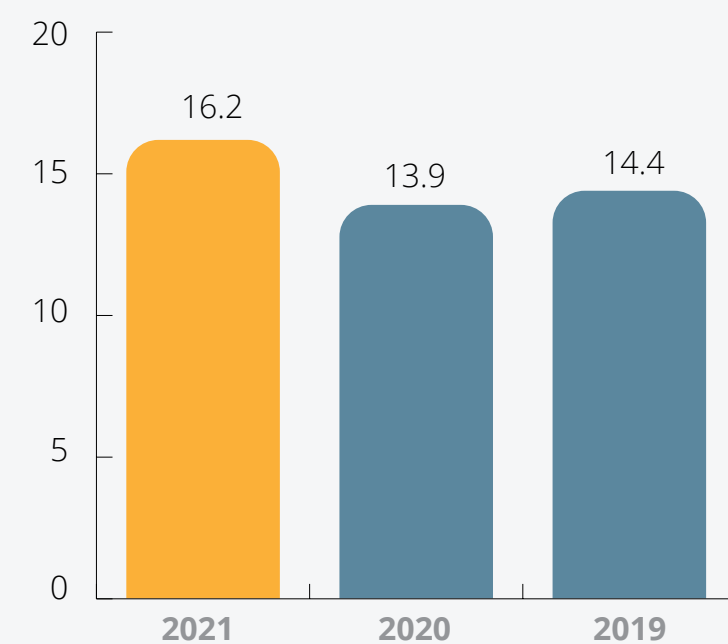
Gross investments EUR million



Restatements affecting profit/loss EUR million



Heating, water, electricity EUR million



The calculated impact of the Group's housing counselling was

EUR 810,099

during the period

87%

of M2-Kodit properties have a building committee or an elected representative

The housing counselling team's substance abuse and mental health expertise was strengthened

The housing counselling team has seen how mental health challenges can affect relationships with neighbours, for example.



Photo: Meeri Utti

The Y-Foundation's objective is the economic and social well-being of our tenants. We also want to inspire our tenants to care for themselves and their neighbours. One way to achieve this is housing counselling, which we offer to all our tenants.

Mental health issues and substance abuse often play a role in housing-related problems. We are sometimes contacted by tenants who are concerned about their own or a family member's or neighbour's ability to cope.

"The COVID-19 pandemic has resulted in unemployment, financial difficulties, anxiety and fear about the future. People have also been forced to spend a lot of time at home. While this has inspired some to help other people, it has also increased conflicts between neighbours," says Anu Rantanen, Housing Counselling Team Lead at the Y-Foundation.

Since the beginning of September, the Y-Foundation has employed a housing counsellor specialising in mental health and substance abuse. This improves our ability to provide

guidance and counselling to our tenants regarding problems related to these issues.

The housing counsellor specialising in mental health and substance abuse particularly tries to make sure that tenants requiring support will have access to health care services. This helps secure the tenant's housing situation and reduce the risk of homelessness.

"The housing counsellor specialising in mental health and substance abuse also collects information about relevant cooperation networks and services so we can help our tenants access them. At the same time, it is important to communicate information from the lessor to the relevant service providers, especially from the perspective of housing-related social work."

A photograph of a room with cardboard boxes, a dog on a sofa, and a wooden crate. The scene is set in a bright, minimalist room with light-colored walls and a wooden floor. On the left, several cardboard boxes are stacked, some open and some closed. In the center, a small wooden crate sits on the floor. To the right, a white dog is sitting on a white sofa. A wooden tripod stand is visible in the background. A large white circle is overlaid in the center of the image, containing the text "A pioneer in combating homelessness".

**A pioneer in
combating
homelessness**

A pioneer in combating homelessness

The Y-Foundation's goal is to eradicate homelessness in Finland and reduce homelessness internationally. Network activities and projects are important tools in achieving these goals. The Uuras employment programme increases tenant well-being and reduces the risk of homelessness.

Development and guidance through network activities

Extensive network activities with partners in Finland and internationally, coordinated by the Y-Foundation, continued to serve as a tool for the prevention of homelessness during the year under review.

The Housing First Development Network brings Finnish stakeholders together for development and training activities in the fight against homelessness. The network is a partnership funded by the Funding Centre for Social Welfare and Health Organisations (STEA). In 2021, over 1,000 people participated in training activities organised by the network. The training covers a wide range of topics related to human life with a very practical approach. The network also engages in communications on themes related to combating homelessness, with the asuntoensin.fi website being the most important platform.

The number of members of the Housing First Europe Hub, which is coordinated by the Y-Foundation together with FEANTSA, rose to a record-high level during the year.

In 2021, the Hub focused particularly on drafting its new strategy. The goal of

the strategy is to establish the Housing First model as the prevailing approach to combatting homelessness throughout Europe. The Housing First guide written by the Hub was also published in Finnish.

Projects implement the Foundation's mission

Projects led by the Y-Foundation are always focused on improving tenant well-being or the prevention or eradication of homelessness. The information and operating models developed in the projects can be used throughout the field of combating homelessness. The projects are often also directly linked to the Y-Foundation's research activities.

The ongoing One of Us project (2020–2022) is particularly aimed at eliminating loneliness among Y-Foundation tenants in Eastern Helsinki and Lahti. The project has developed tools to address loneliness, such as a discussion form for experts, and operating models that support social relationships, such as the Äijäolkkari men's living room concept. Monitoring indicates that loneliness has been reduced among the participants. The project

is funded by the Funding Centre for Social Welfare and Health Organisations STEA.

The well-being of young people is supported in the new project "Venda – finding a new direction at sea" (2021–2023), in which the Y-Foundation is a participant. The project gives young people the opportunity to go out on sailing trips with Sail Training Association Finland, which improves their readiness for independent life through adventure education. A total of four sailing trips were organised in summer 2021, with about twenty young people participating. The project is coordinated by Valo-Valmennusyhdistys and funded by the European Social Fund. The project's impact assessment will be carried out by a researcher from the Y-Foundation.

A training package on women's homelessness was published to mark the end of the NEA project. The materials help all interested parties gain insight into the special issues related to women's homelessness. The project was funded by STEA.

Uuras programme supports economic and social well-being

The Y-Foundation believes that the eradication and prevention of homelessness also depends on improving tenant well-being by offering employment opportunities, for example.

One response to this need is the Uuras employment programme, which offered a record-high number of short-term work assignments and other work opportunities for tenants in 2021. The COVID-19 pandemic has complicated the employment

situation for many people. Cooperation was started with other lessors, including the Helsinki City Housing Company (HEKA) and the Foundation for Student Housing in the Helsinki Region (HOAS).

The programme personnel also offered coaching to tenants on issues related to working life. Some of the tenants who took on work assignments also took the opportunity to have their earnings go directly towards their rent.

In addition to providing short-term work assignments, the Uuras programme works with partner companies that offer tenants employment opportunities in various industries. Indeed, dozens of tenants have entered the open job market through the programme.

The social significance of the Uuras programme has been widely recognised. In the autumn, the programme was one of the finalists in the Housing Action of the Year competition organised by the Finnish Real Estate Management Federation. The programme was also awarded an Arska statue by Suoja-Pirtti ry at the Night of the Homeless event in October.

Y-Foundation's expertise in high regard

The Y-Foundation's experts exercise influence in various ways. For example, they serve as keynote speakers in various seminars and participate in working groups related to homelessness. The respondents to the Y-Foundation's stakeholder survey in 2021 characterised our activities as very important.

The Y-Foundation is a member of the following networks and associations:

Arvoliitto Arvo ry
FEANTSA
FIBS ry
FIGBC
Helsinki Region Chamber of Commerce
Finnish Real Estate Management Federation
Real Estate Employers
Association for Advocating Affordable Rental Housing (Kova) ry
Finnish Foundation for Supporting Ex-offenders (founding member)
Rakli
Finnish Federation for Social Affairs and Health
Valo-Valmennusyhdistys

Awareness of our basic mission of combating homelessness is also high.

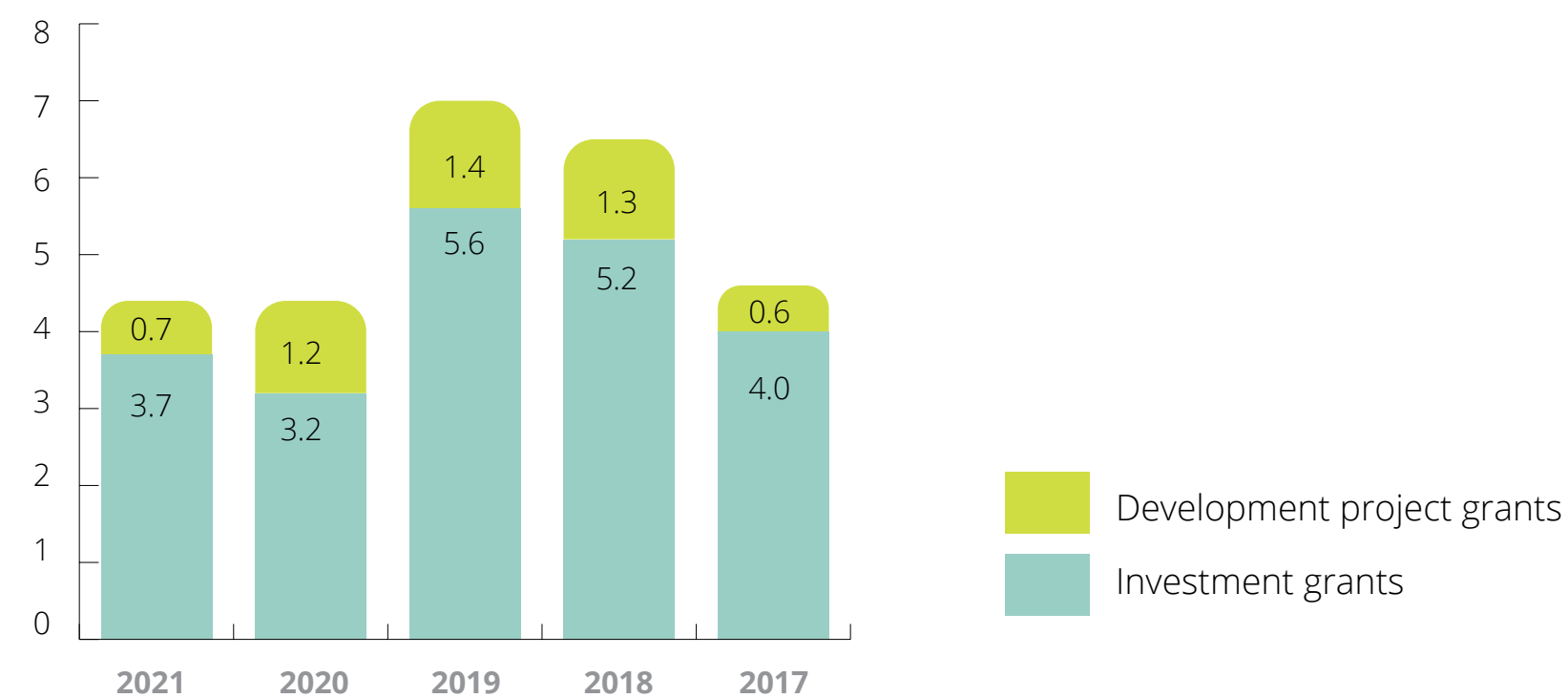
The Foundation's employees have participated in, for example, the management group of the Cooperation Programme to Halve Homelessness (2020–2023) coordinated by the Ministry of the Environment, the preparatory working group for making housing counselling a statutory obligation, and the background group for the Finnish Federation for Social Affairs and Health's representative on the committee drafting the reform of social security.

The Foundation's representatives have also served as members in various project steering groups related to the national homelessness programme.

CASE

Combating homelessness in figures

Grants received from the Funding Centre for Social Welfare and Health Organisations STEA EUR million



A total of **121** tenants took on work assignments under the Uuras programme in 2021.

The total number of work assignments was approximately **3,000**

Uuras helped **51** tenants enter the open job market in 2021.

14 tenants worked for the Y-Foundation in various types of employment relationships in 2021.

Over **1,000** people participated in training organised by the Housing First Development Network.

36 Housing First Europe Hub had members at the end of the year.

4 Vanda sailing trips with about **20** participants

Praise for the Uuras programme's Käsilumityö snow removal concept

One of the achievements of the Uuras employment programme is the concept we have developed to have snow removal at rental apartment buildings done by the tenants.

"Snow removal around the building is much faster when it is done by a tenant who is already there. It also significantly reduces the workload of property services," says Maria Honkanen from the Uuras programme.

The Käsilumityö snow removal concept developed by the Uuras programme is an example of social responsibility. It makes daily life easier for tenants and those responsible for property management and maintenance. The concept has been used at 30 properties in total, including M2-Kodit rental apartments and the Y-Foundation's assisted living facilities for special groups in the Helsinki metropolitan area. Snow removal at the participating properties has been done as paid work by tenants for four winters now.

Increasing the economic and social well-being of tenants is a goal set out in the Y-Foundation's strategy. The Uuras programme plays an important role in achieving that goal. In addition to improving the participating tenants' financial circumstances, the work helps increase participation and well-being.

Emmanuel Adjei, one of the tenants recruited for snow removal, likes the fact that the work is meaningful. "I like people. The most

rewarding aspect of this work is helping my neighbours move safely in the yard."

Through the Uuras programme, tenants of the Y-Foundation Group can earn additional income quickly and easily. The work is subject to the collective labour agreement of the real estate services industry, and the earnings can be credited directly to the rent payment account if the programme participant so wishes. The advantage of the Uuras programme is that it will provide all interested tenants at least one work assignment.

The COVID-19 pandemic has caused temporary layoffs that have affected many professionals in the restaurant and tourism industries in particular. The temporary layoffs were also reflected in the Uuras programme in the form of more contacts and a larger number of gig workers, with more and more people needing to earn additional income.

In addition to temporarily laid off employees, groups such as students and pensioners have also been interested in short-term work assignments.



Development coordinator Eero Untamala (left), Emmanuel Adjei, and foreman of the real estate services unit Riikka Väisänen



**Highly
competent
personnel**

Highly competent personnel

The Y-Foundation's strategy includes a commitment to increasing the competence of its personnel and maintaining moderate growth in the number of employees. We work in eight offices around Finland.

Our employees are committed to the Foundation

Our employees are our most important asset and looking after them is a high priority for us. Based on the results of a trust and reputation survey conducted among our personnel in the autumn, our employees are highly committed to the Foundation and its values.

The results of Ilmarinen's Työvire survey, which measures well-being at work, also showed that the Y-Foundation has a high level of employee satisfaction and well-being. The employee Net Promoter Score (eNPS) derived from the survey is exceptionally high. The response rates were very high in both surveys.

In 2021, the Y-Foundation was recognised for the second time in the Responsible Summer Job competition organised by Oikotie. The award was based on feedback from young people.

Due to the COVID-19 pandemic, the Y-Foundation personnel worked remotely for much of the year. In a survey conducted by the HR department, most of the respondents indicated that they were very satisfied with working remotely. Throughout the pandemic, the employees have also had the opportunity

to take equipment from the office to their homes to make work easier. The respondents felt that the measures taken by the Foundation in response to the pandemic had been timely and that internal communication had been effective.

Sickness-related absences decreased by nearly 40 per cent compared to 2020. A total of seven occupational accidents were reported, mostly involving slipping and falling.

Focus on mental well-being

2021 was a year of mental well-being, with the Finnish Association for Mental Health granting "Workplace with Good Mental Health" recognition to the Y-Foundation. This shows that we are committed to promoting mental health and that the mental well-being of our employees is high.

The Y-Foundation's occupational health care agreement covers a comprehensive range of services, and the employees make good use of them. Short-term psychotherapy was added to the agreement during the year under review. Supervisors at the Y-Foundation received training during the year to help them become keen observers of

psychological stress. Lectures were also offered to the personnel on how to look after their mental health.

Difficulties with recruitment at times

In our recruitment, we consider people from various backgrounds. We also encourage our tenants to apply for work at the Y-Foundation.

Recruitment was challenging for posts that are generally difficult to fill with qualified candidates in the real estate sector. These include technical property manager and building services engineer jobs, for example. In customer service positions, the requirement of good Finnish language proficiency also tends to limit the pool of qualified applicants.

Employer communication was developed in 2021, and these efforts will continue in the years to come.

New CEO recruited

In preparation for the impending retirement of CEO Juha Kaakinen, the Y-Foundation's Board of Trustees recruited a new CEO in autumn 2021.



The whole personnel were involved in the recruitment process; they were asked what characteristics they wished the new CEO had. More than 100 survey responses were received, which indicates that the employees wanted to participate in the process and share their views. The personnel's views were considered in the recruitment process by the Y-Foundation's Board of Trustees, in charge of the process, and the executive search company involved.

The recruitment process was completed in December, with Teija Ojankoski chosen as the new CEO. She moved to the

Y-Foundation from VAV Group and took up her post as CEO on 1 March 2022.

Y-Foundation applies the collective labour agreement

The Y-Foundation Group belongs to Real Estate Employers, which is part of the Confederation of Finnish Industries. The Group applies the collective labour agreements pertaining to salaried and non-salaried employees in the real estate sector. The Y-Foundation's HR specialist participates in the activities of the Finnish Real Estate Management Federation's HR network.

A second win in the Responsible Summer Job competition

The award is based on feedback from young people. Successful orientation training and fair treatment were singled out for praise. The Y-Foundation wants to ensure a positive first experience of working life for everyone.

For the second time, the Y-Foundation Group finished first in the SME category of the Responsible Summer Job competition organised by Oikotie. The Y-Foundation previously finished first in 2019 and was the runner-up in 2020. Over 500 companies participated in the Responsible Summer Job campaign in 2021.

“The key to our victory is simple. We treat summer workers just like we treat our other employees: with equality and respect. We want our summer workers to remember us fondly and compare all their future workplaces to us,” says Juha Kaakinen, CEO of the Y-Foundation.

The Y-Foundation’s HR professionals and supervisors are committed to teaching young people the basic skills of working life. For example, summer workers are provided clear information on working hours and the payment of wages. In addition, all young summer workers receive comprehensive job orientation.



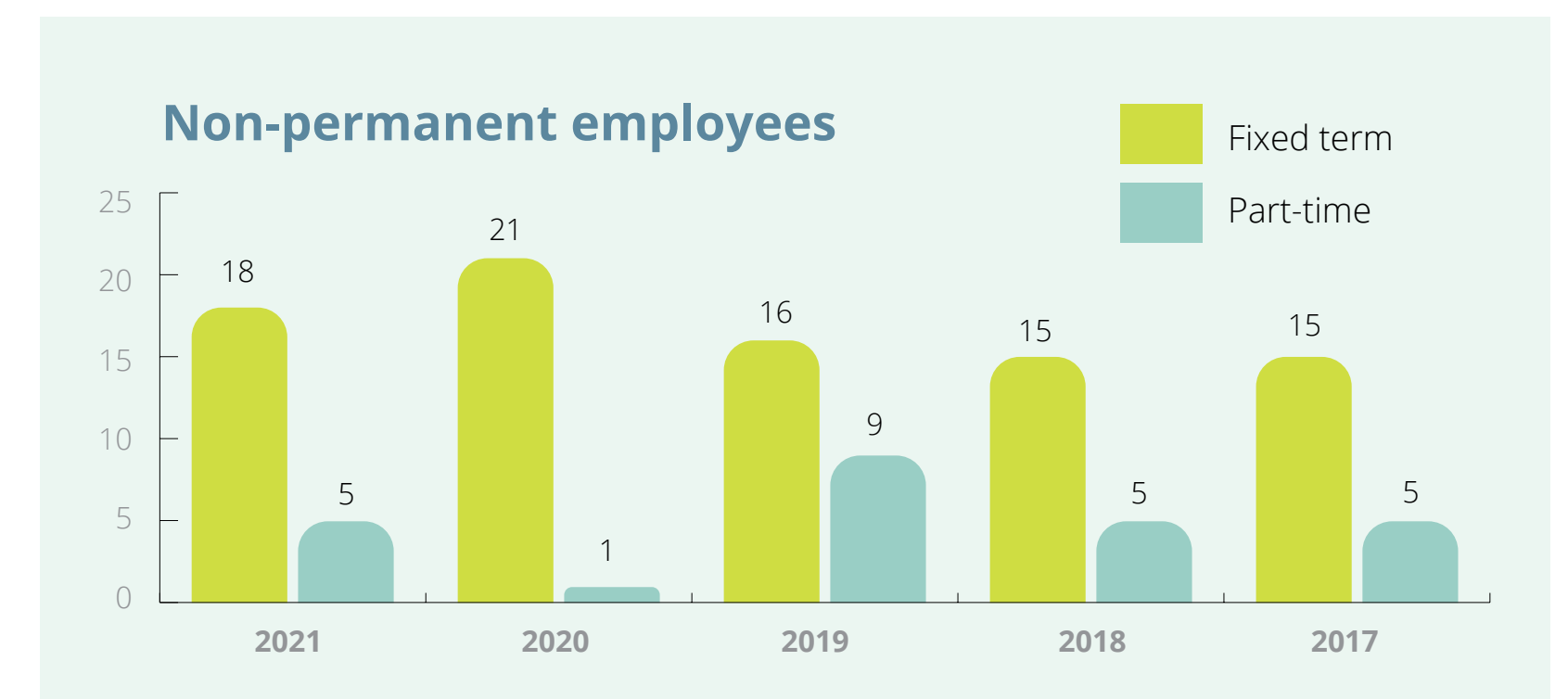
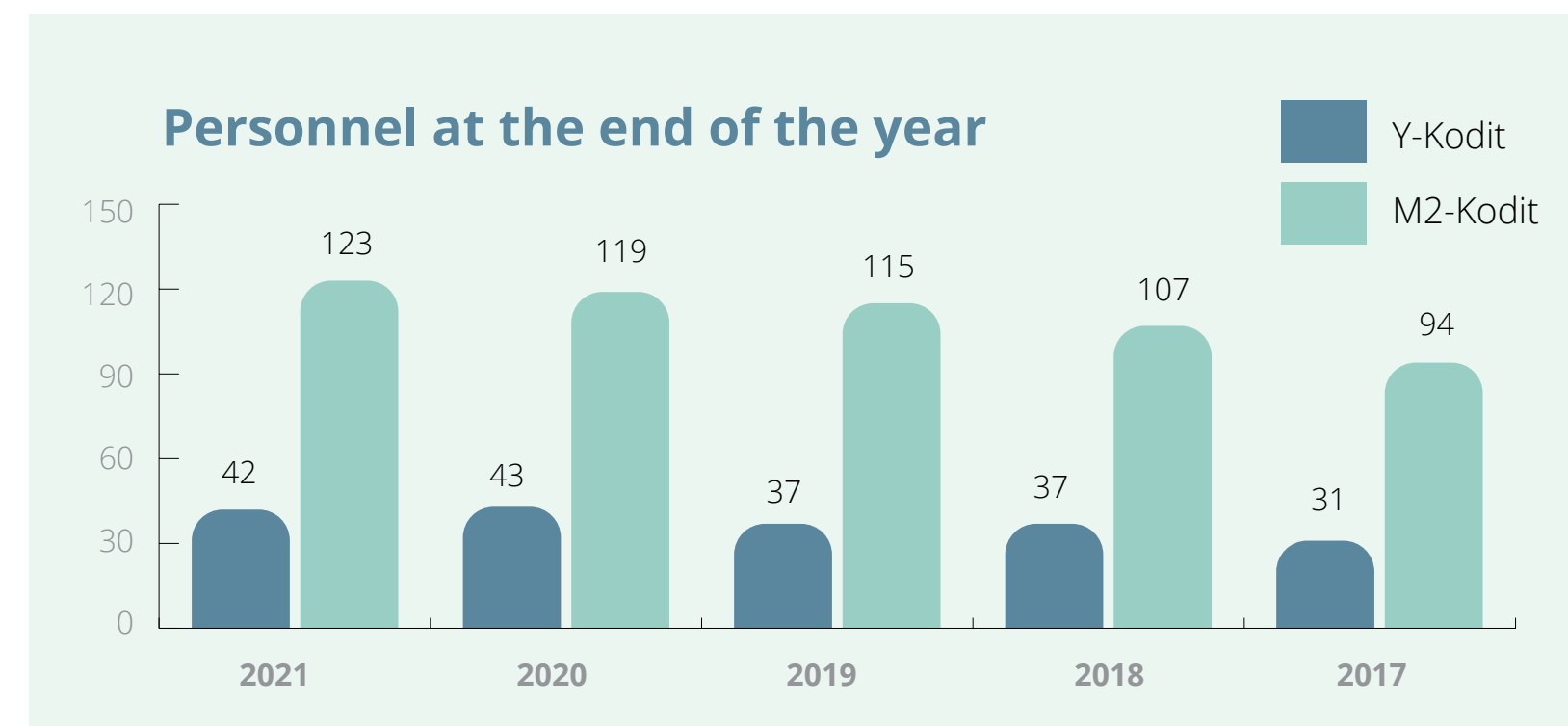
Each summer, young people work as substitutes for the Foundation’s housing professionals. “By spending a summer working for us, young people learn a real job in the real estate sector. Some even learn two jobs, as they work as a substitute both for a property manager and a lease negotiator in our smaller offices,” Kaakinen explains.

In Y-Foundation’s survey conducted at the end of the summer, all summer workers indicated they had received excellent support from their colleagues. Many of the young people also want to come back to work for the Y-Foundation later.

Photo: Salla Puhakka

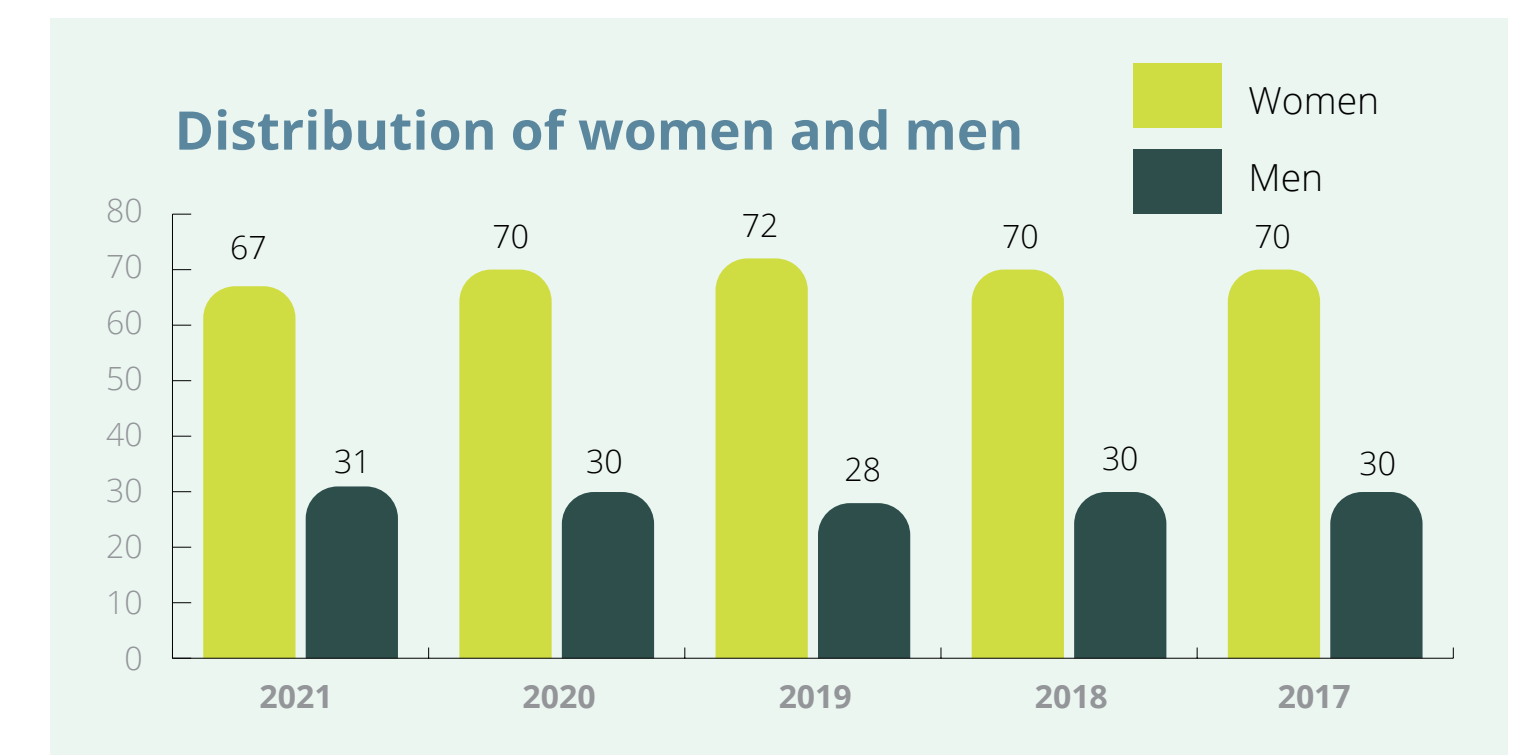
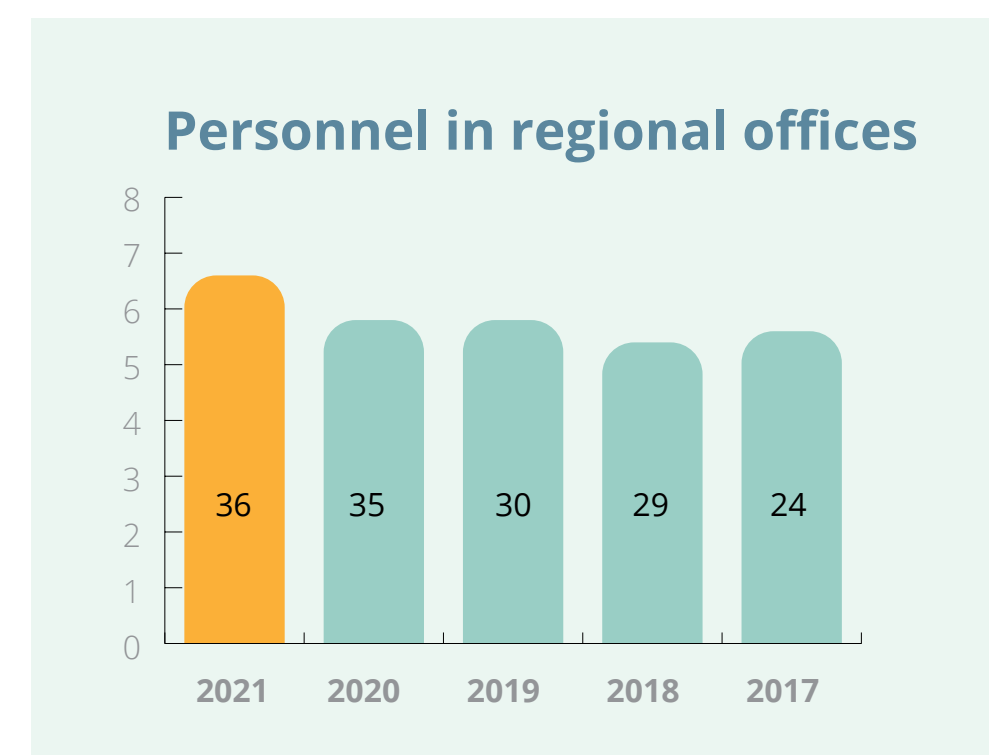


Personnel in figures



Overall grade in Ilmarinen's Työvire survey **4.5/5**

Employee Net Promoter Score **62**





Sustainability

Sustainability is encoded in the Foundation's mission



Kuvaaja: Lasse Lecklin

The Y-Foundation started to realise its social responsibility at the moment the Foundation was established over 35 years ago. The Foundation's mission has been to acquire and rent apartments to people for whom it is difficult to find an apartment.

In response to developments in society and the Foundation's evolution, we have expanded the Foundation's reporting on responsibility to verifying our sustainable development actions and governance. We produced a separate Sustainability Report for 2020. However, we feel that the implementation of our new strategy has made responsibility an integral part of all our operations. With that in mind, we decided to discuss our responsibility in 2021 as part of the Board of Trustees' report.

Defining our path of reducing emissions was selected as the largest development project in our strategy, which extends to 2030. We calculated our carbon footprint and our carbon handprint. We decided to use 2020 as the baseline, as it was the first year of our strategy period. With the help of our partners, we outlined a path to reducing emissions by 70 per cent by the end of the strategy period and submitted it to the Board of

Trustees for approval. Our target for carbon neutrality is still 2035.

As is typical in our sector, the most significant factors in reducing our emissions are the energy consumption of buildings and zero-emission energy sources. The most significant impacts are achieved through energy efficiency renovations and by switching to zero-emission electricity and district heating. In addition to taking measures ourselves, we need partners that are committed to sustainability.

As our property development activity remains high, the emissions arising from new construction are also an important issue. In that area, we rely on the support of partners that can offer materials and methods to minimise adverse environmental impact. We have already transitioned to developing more energy-efficient properties and have increased the use of wood in construction.

In addition to setting quantitative targets related to our properties, we have assessed the environmental impacts of our other operations. While they only represent a marginal share of our emission targets, we want to promote our personnel's competencies and interest in sustainability targets. We believe

We calculated our carbon footprint and our carbon handprint. We decided to use 2020 as the baseline, as it was the first year of our strategy period.



in the power of setting a positive example in our operations and in our tenant activities.

In our view, eradicating homelessness and providing affordable housing are the key expressions of our social responsibility. However, we want to go further than that. For six years now, we have offered work opportunities to our tenants to improve their financial situation and well-being.

Timo Mutalahti
Corporate Lawyer

The Foundation bears responsibility for the environment and for people

Through its actions, the Y-Foundation wants to create sustainable housing together with its partners. We recognise that the built environment plays a significant role in the mitigation of climate change.

The path to emission reductions was clarified

Our goal is to be carbon-neutral by 2035. It is especially important for us to achieve that goal by taking concrete actions that do not increase our tenants' housing costs or otherwise create a burden for them in their daily life.

In 2021, we calculated our carbon footprint and charted our path towards carbon neutrality. We divided our emissions into three categories: construction, renovation, and demolition, the energy consumption of properties and the Foundation's own operations.

We recognised that heating is one of the biggest sources of emissions in our properties. We began to assess the prices of zero-emission products offered by district heating companies and evaluate their carbon neutrality targets. The fact that we operate in about 30 municipalities makes this process more challenging and time-consuming.

In calculating the carbon footprint of our properties nearing completion, we also wanted to consider the impacts of the plot of land and car parking. Based on the results, we updated our design guidelines for new construction to increase sustainability. For example, we listed products that have a smaller carbon footprint. At the start of each new project, we assess suitable material alternatives.

New energy solutions and energy efficiency are also important focus areas in the planning and design of our new construction projects. At the same time, we need to consider that the rents of the Y-Foundation Group must be affordable so that people with low income and those who have experienced homelessness can afford them.

In 2021, we also evaluated our entire property portfolio to identify properties where we could potentially switch to geothermal heating in the future. Geothermal heating will be used at the properties currently under construction in Kuopio and Espoo's Nihtisilta district.

Our goal is to design all our new properties as Energy Class A buildings, which means they will also include solar power. The terms of the financing we receive from Municipality Finance also steer us in that direction. Improving energy efficiency also responds to the goals of our partner municipalities, as they naturally share our objective of mitigating climate change.

In property development, we also continuously seek a broader perspective on protecting biodiversity and carbon sequestration. Based on this principle, we came up with the idea for a unique wooden apartment building concept that we call the Biodiversity Building. We developed the concept during the year

with funding received under the Ministry of the Environment's "Growth and Development from Wood" programme. The three-year project will be completed in 2022.


During the year, we also reached interim targets on our path towards becoming a lower-emission Y-Foundation Group. The Rental Property Action Plan on Energy Efficiency (VAETS) stipulates a 7.5 per cent energy saving target to be achieved by 2025. We hit this target nearly five years ahead of schedule.

The overall saving target for the VAETS plan period is 9,137 MWh per year, but we have already achieved savings well over that figure at the Y-Foundation Group. Our most significant calculated savings are achieved through the smart heating control system that we deployed in most of our properties a few years ago.

In 2021, we began to reduce the carbon footprint of the contractors who visit our properties by starting to install key-tube locks that can be opened by telephone. The work will be completed in 2022. Eliminating the need to transport or pick up physical keys reduces the amount of driving required for repairs and maintenance.

We also want to help our tenants reduce their carbon footprint. Starting from autumn 2021, we piloted a waste sorting system as an optional benefit offered to all of the Group's new tenants.





We divided our emissions into three categories:

- construction, renovation, and demolition
- the energy consumption of properties
- the Foundation's own operations.

The M2-Kodit tenant council also chose waste management and recycling as its spearhead theme for the year. At the start of the year, a survey was sent out to the chairpersons of the building committees on the effectiveness of waste management and recycling in their building and apartment. A total of 129 active tenants responded to the survey.

A campaign on responsible water consumption was organised at our properties in the Järvenpää region (Järvenpää, Riihimäki, Tuusula, Kerava, Porvoo, and Hyvinkää). The campaign was part of the regional energy advisory services of the Energy Authority. The winning property reduced its water consumption by an impressive 21 per cent. As part of the campaign, tenants also reported issues such as leaking plumbing fixtures. The campaign will continue in a different region in 2022.

A growing number of apartment and storage unit emptying assignments was taken on by the Uuras employment programme. All furniture that is in good condition and other usable goods are taken to be reused. Materials that are deemed to be waste are recycled appropriately.

The emissions caused by our own operations may only be a small part of the Group's emissions, but they are not meaningless. Increased remote work reduced commuting during the year under review, and other travel was also largely replaced by remote meetings. Even after the COVID-19 pandemic has passed, we will continue to use remote work more extensively than before.

In 2021, we also decided to introduce a bicycle benefit for our employees in 2022.

Well-being is emphasised in social responsibility

Our tenants can trust in the affordability, continuity, and safety of their housing. Good housing starts with the fair selection of tenants using transparent and equal selection criteria. Providing good housing also includes designing the apartments in a tenant-oriented manner, looking after the condition of the apartments, and providing the tenants with opportunities for engagement. If a tenancy needs to be terminated on our initiative, the action is taken on legal and sustainable grounds that take the tenant's life situation into consideration.

Our personnel can trust that the work we provide is dignified and sustainable. We treat all employees equally, regardless of gender, ethnicity, religious beliefs, age, and other such factors. The high level of well-being among our employees is reflected in the excellent results of our personnel surveys. They are discussed in more detail in the section "Competent personnel."

Our social responsibility is also reflected in our Uuras programme focused on the social and economic well-being of our tenants. We want to provide our tenants with opportunities to develop and move forward in life. More information on the programme is provided under the section "An expert on homelessness."

We offer our employees the opportunity to engage in volunteer work in one of the Y-Foundation's partner organisations for five days per year. While the COVID-19 pandemic has slightly reduced the use of this

possibility, many of our employees have still taken the opportunity. In 2021, members of our personnel gave their time to organisations such as the Finnish Foundation for Supporting Ex-offenders, the Finnish Association for Mental Health, and the Nuoli meeting and support service for young people maintained by Sininauhasäätö.

We observe good governance practices

The Board of Trustees has a special duty to supervise the Foundation's governance. Our operations are also subject to oversight by the authorities, especially the Housing Finance and Development Centre of Finland ARA and the Finnish Patent and Registration Office. The municipalities in which we engage in tenant selection also oversee our activities.

We extensively monitor the lawfulness, ethics, responsibility, and compliance of our operations. We address any shortcomings without delay. We require our employees and partners to act responsibly. To promote this principle, we introduced a Whistleblowing channel in late 2021. The channel is available on the Foundation's website to our personnel and other stakeholders.

In our work, we observe the mandatory regulations concerning our industry as well as the instructions and recommendations issued by the authorities. We provide guidance and training to our personnel to ensure they are well versed in the relevant regulations and guidelines.

Our social responsibility is based on the principles laid out in the ISO 26000 standard.



In 2021, the occupational safety and health department of the Regional State Administrative Agency conducted an inspection of the Uuras employment programme. The inspection was part of the agency's inspection programme, in which the occupational safety and health authorities familiarised themselves with companies that use leased employees. We received good feedback on the regulatory compliance of our operations.

Our operations are led by the Board of Trustees and CEO

The Y-Foundation's operations are led by the Board of Trustees, which has seven members, and the CEO. In addition, the founding members convene yearly at the Annual Meeting, which elects the Foundation's Board of Trustees biannually for a two-year term.

Information on the founding members, the members of the Board of Trustees, and the company's management is provided in the notes to the financial statements. KPMG Oy Ab continued as the auditor in 2021, with Authorised Public Accountant Mauri

Eskelinen as the principal auditor.

The related parties of the Y-Foundation include the Foundation's founding members, Board of Trustees, management, and auditors, as well as their family members.

No grants or other partly or fully gratuitous benefits have been granted to closely related parties as referred to in the Foundations Act. The fees paid to the members and deputy members of the Board of Trustees and the salaries of the management do not deviate from the ordinary.

The Foundation has not engaged with the related parties in any other financial transactions deviating from the ordinary. The Foundation's properties or apartments are rented to the founding cities of the Foundation, which are related parties, and their residents under similar terms and conditions as to other parties.

Transactions between the Foundations' Group companies are measured at fair value and disclosed in the notes to the financial statements. Essential related party transactions are reported in the table on related parties in the notes to the financial statements.

CASE

Sustainable housing in wooden apartment buildings

M2-Kodit developed Kuopio's first wooden apartment buildings. The newly completed property was the second wooden apartment building project developed by M2-Kodit. The Y-Foundation Group wants to be a pioneer in property development by making material choices that have a lower impact on the climate.

Two M2-Kodit wooden apartment buildings were completed in Kuopio's Saaristokaupunki district in June. The buildings were built using wood elements. The construction method used in the M2-Kodit wooden apartment buildings is special: The buildings were assembled from elements produced at a factory. The industrial production of elements speeds up construction and improves quality.

"As a non-profit property developer, we want to be a pioneer and assess the climate impacts of different construction materials. The use of wood can reduce the carbon footprint of construction," says Development Director Pekka Kampman from the Y-Foundation Group.

The buildings in Saaristokaupunki are the Y-Foundation's second apartment building

constructed from wood. The first M2-Kodit wooden apartment buildings were completed in Jyväskylä in 2020. A survey of the tenants in Jyväskylä indicated that they are very satisfied with the building's architecture and the use of wood. However, wood as the construction material was not the most important factor influencing the respondents' choice of apartment. The apartment's location, rent, and layout were among the factors rated more important.

The production of cement and concrete accounts for most of the carbon dioxide emissions of construction. The production of wood elements involves lower carbon dioxide emissions because wood sequesters carbon during its life cycle and converts carbon dioxide to oxygen.



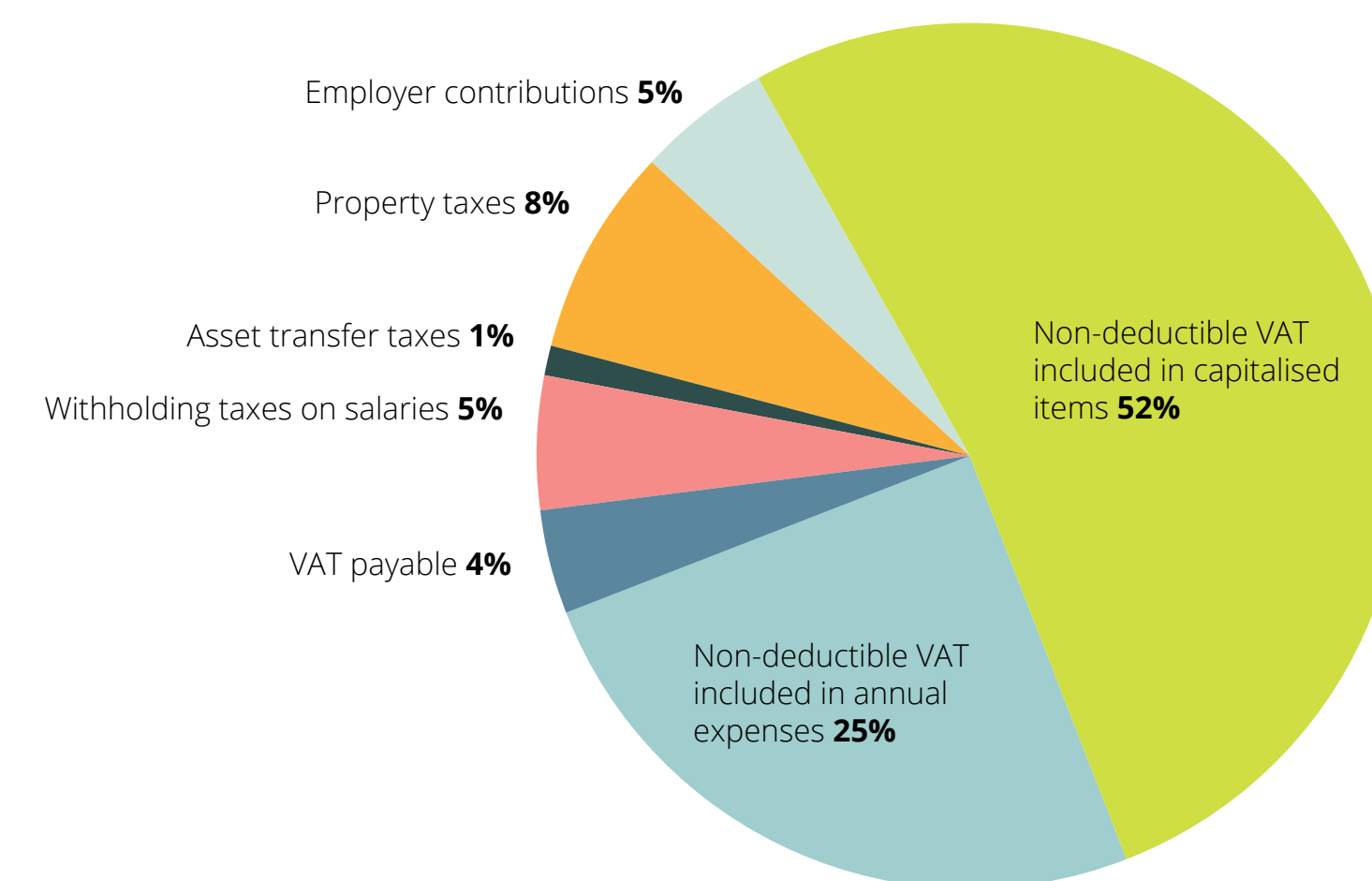
Sustainability in figures

Y-Foundation Group's carbon emissions in 2021	t CO ₂ eq	%
Construction, renovation and demolition	13,664	40
Construction, buildings	8,992	
Construction, construction site	1,299	
Construction, parking	634	
Renovation	2,385	
Small repairs	300	
Demolition	54	
Owned properties	13,889	40
Electricity consumption	0	
Heating	11,888	
Water and wastewater	699	
Waste	1,302	
Individual apartments	6,518	19
Electricity consumption	618.5	
Heating	5,255	
Water and wastewater	214.5	
Waste	430	
Offices	519	1
Total	34,590	

Climate benefit	-2,196	
Carbon storage construction	-1,773	
Renewable energy sold		
Increase in biomass	-2	

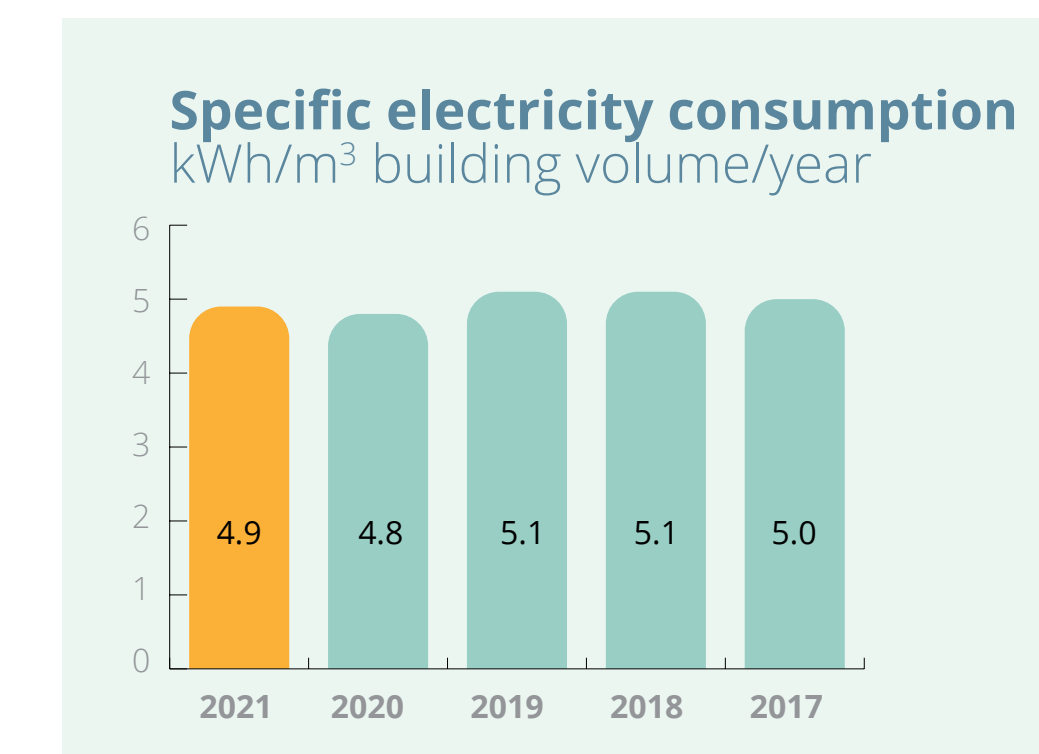
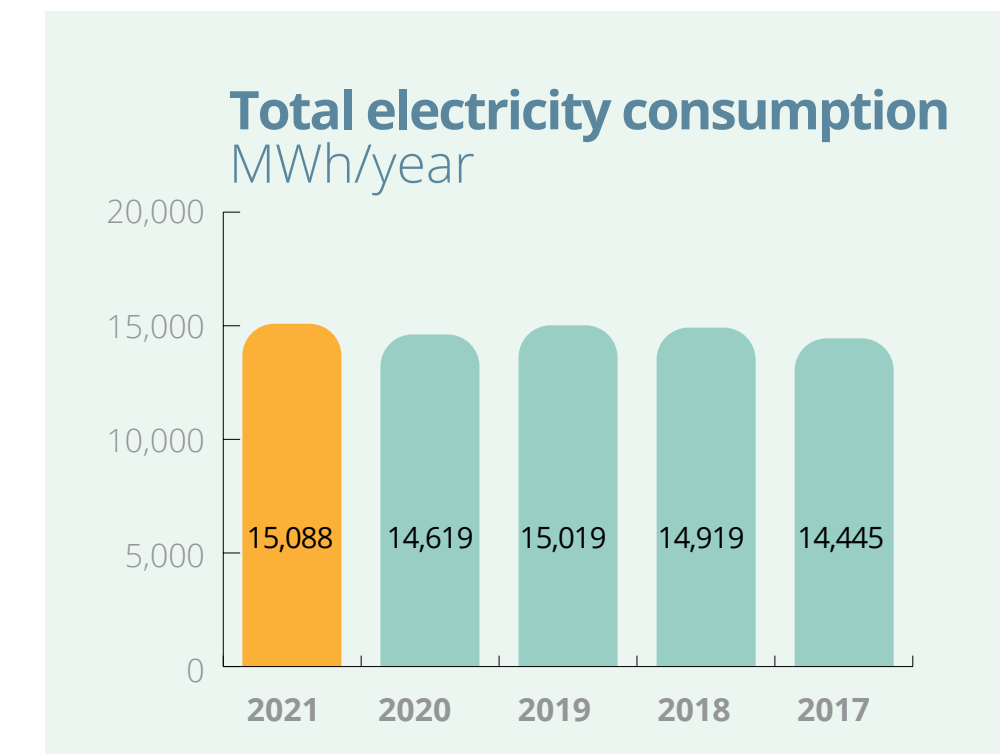
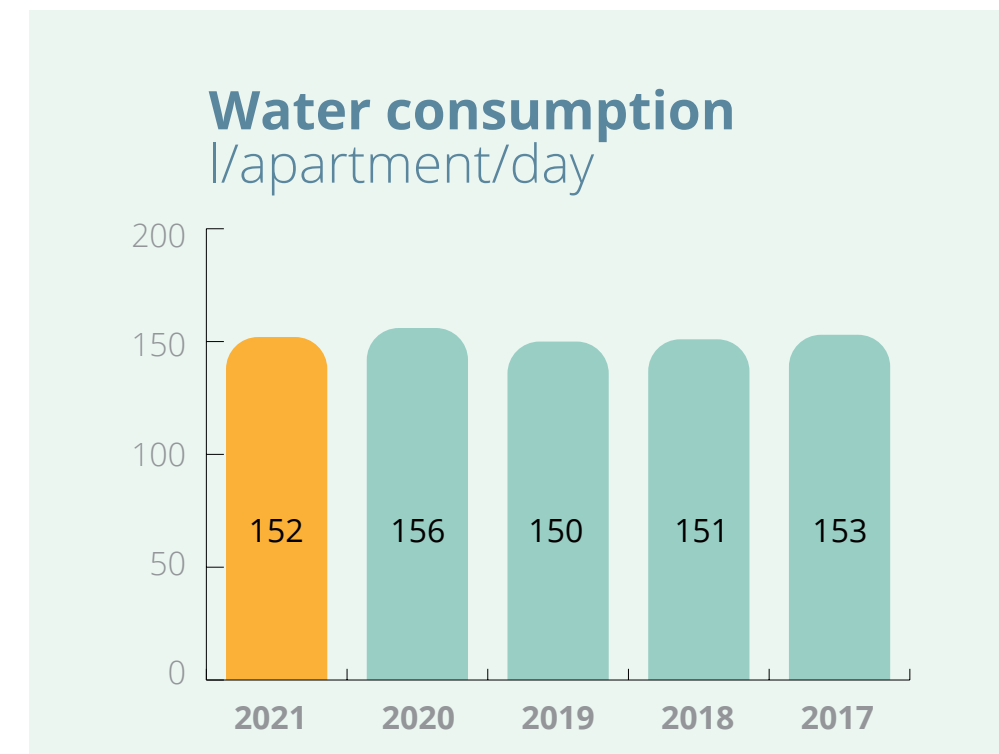
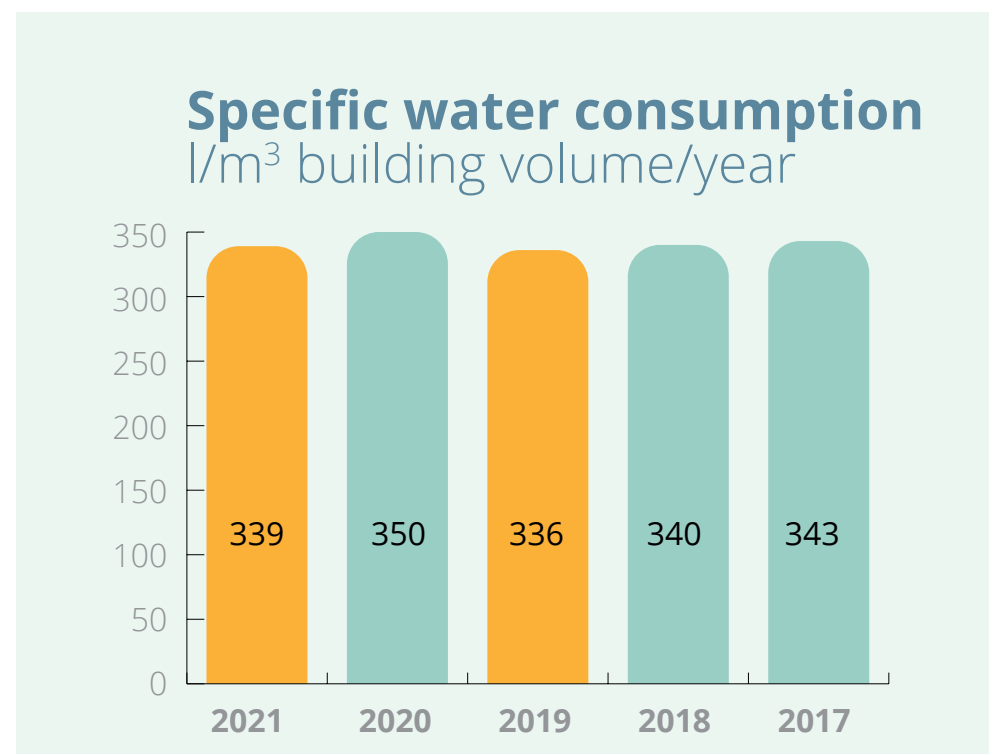
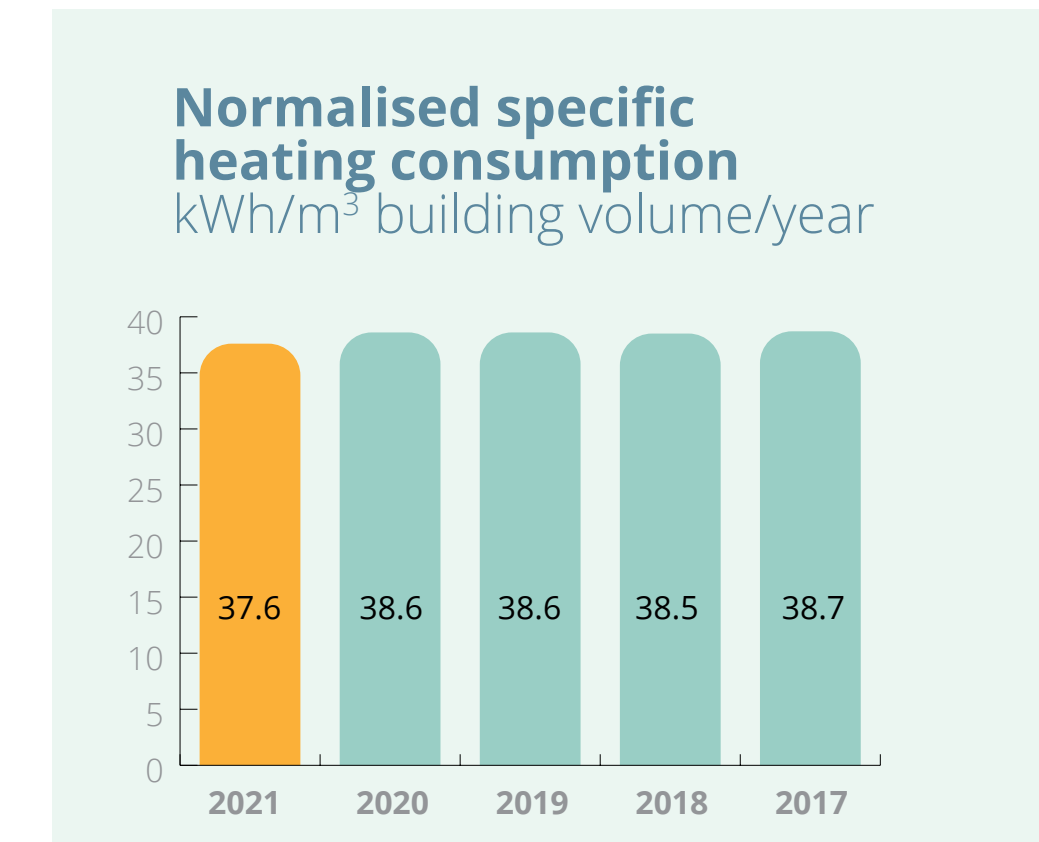
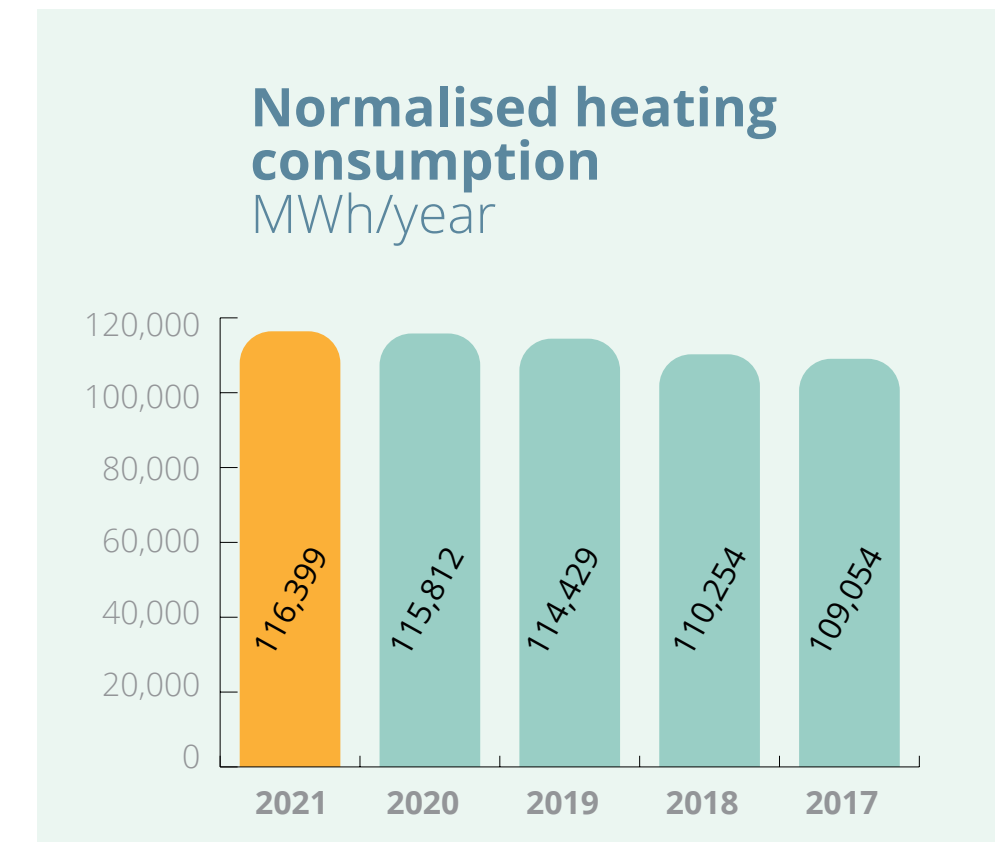
Y-Foundation Group's carbon emissions in 2021, categorised according to Scope under the GHG Protocol	t CO ₂ eq
Scope 1	27.5
Energy consumption of owned and leased vehicles	27.5
Scope 2	17,928
Electricity consumption	649.7
Heating and cooling	17,177.7
Cold water	100.7
Scope 3	16,635
Maintenance repairs and materials (cat 1)	229.3
Construction and demolition (cat 2)	13,667.9
Purchased logistics services (cat 4)	100
Waste and wastewater (cat 5)	2,548.9
Travel (cat 6-7)	88.6
Total	34,590

Our tax footprint EUR 38.6 million



In the calculation of carbon emissions, efforts have been made to take into account all the material functions of the Y-Foundation Group. Value chain emissions are also included (GHG standard Scope 3).

The total consumption of heating increased significantly in 2021 due to the cold winter and the growth of the housing portfolio. However, the comparable specific consumption of heating decreased, indicating that heating consumption is trending in the right direction. The total consumption of water increased only slightly and, best of all, the comparable specific consumption of water decreased and approached the pre-pandemic level. Electricity consumption did not change significantly from the previous figures.



A person is sitting at a desk, working on a laptop. The desk is cluttered with various items: a white mug of coffee, a small green succulent in a white and black polka-dot pot, several sheets of paper, a pen, and a black calculator. The person is wearing a light-colored, long-sleeved top and dark pants. The background is a blurred office setting.

Finances and financing

Finances and financing

Robust finances are vital for the Y-Foundation's operations. They enable the Foundation to carry out its mission of eradicating homelessness and build affordable housing.

Y-Foundation is a non-profit company

The purpose of the Y-Foundation, in accordance with its by-laws, is to support social and health services by providing decent housing to people capable of normal or nearly normal independent living who are facing difficulties in getting a home. The Group's parent company is the Y-Foundation, which owns 100 per cent of M2-Kodit. The Y-Foundation is a non-profit company. M2-Kodit also operates on a cost basis.

In 2021, the Y-Foundation received external funding for its operations in the form of financing loans, from the Housing Finance and Development Centre of Finland ARA, Municipality Finance, and the Funding Centre for Social Welfare and Health Organisations STEA. The Foundation's financing base was also expanded by the issuance of bonds in 2018 and 2021. The funds raised by issuing bonds were used to repay debts and finance new investments.

The Y-Foundation's revenue was on budget in 2021 in spite of a slight decrease in the occupancy rate of apartments. Any surplus is used to acquire or develop new apartments or for other purposes that support the Foundation's mission of eradicating homelessness.

Rents were increased moderately. For the Group as a whole, rents were increased by 0.6 per cent during the year under review.

Interest paid will decrease in 2022

The Y-Foundation managed to expand its financing base during the year under review by raising EUR 100 million through issuing the first sustainability notes in Finland issued by a community.

The interest paid by the Y-Foundation will decrease in the future, as Municipality Finance changed its practices. Going forward, negative market interest rates will also be taken into account in determining the interest rate. This means that the Foundation will benefit from a substantial reduction in interest expenses in the years to come.

In its investment activities, the Y-Foundation adheres to ARA's financing guidelines in all aspects of asset management. This means that the Foundation does not invest its funds in high-risk assets. The Foundation's assets have been invested in low-risk money market funds. The reason for this is to avoid having to pay fees to a bank for holding the Foundation's assets.

Equal rents through rent equalisation and allocation

In the autumn, M2-Kodit informed its tenants that it will introduce a rent equalisation model between properties and apartment-specific rent allocation effective from 1 March 2022. The development of the model kept the Y-Foundation Group's

various teams busy during the year under review.

Property-specific and apartment-specific rents increased, decreased, or remained unchanged as a result of the change. The average rent and the overall rent level of M2-Kodit apartments did not increase. ARA's rent calculation instructions were observed in all of these changes.

The reason for the change was that M2-Kodit had acquired properties from various previous owners that had used their own criteria for calculating rent. Consequently, some tenants may have paid higher rent than others. Going forward, all M2-Kodit tenants pay a fair rent for their apartment.

Outlook

Homelessness continues to decrease in Finland. According to the statistics on the number of homeless people in Finland in 2021 published by the Housing Finance and Development Centre of Finland (ARA), the number of people experiencing homelessness has fallen below 4,000 for the first time. This positive development is attributable to declining short-term homelessness, especially in large cities such as Helsinki, Turku, and Tampere. Nevertheless, homelessness has not declined quickly enough to meet the target of halving homelessness by 2023, as set out in the Government Programme of Prime Minister Sanna Marin's government. ARA's



statistics also indicate that the number of people who suffer from long-term homelessness has increased for two consecutive years now.

The goal of eradicating homelessness can only be achieved through purposeful action by the state, the local government sector, and non-governmental organisations. The Y-Foundation is closely involved in this effort. The Y-Foundation will increase its cooperation with the City of Helsinki, for example. The field of combating homelessness also faces a new situation with the arrival of the new well-being services counties. They may lead to future changes in the subletting of the Y-Foundation's scattered apartments, for example.

Over the past decade or so, the scale of the Y-Foundation's operations has grown significantly by every measure. However, growth has not been an end to itself. It has been based on the Y-Foundation's mission: "So that everyone can have a home." Growth has been enabled by the Y-Foundation's stable

finances and its extensive partner network, which consists of municipalities and NGOs. The Y-Foundation's highly committed and competent personnel have also been a key success factor.

The outlook for the sector focusing on state-subsidised ARA construction appears stable. Our construction projects have not been delayed by the spread of COVID-19. Our new construction activity remains strong, and we have new development projects in the pipeline with our partner network. Internally, the Y-Foundation will focus on the deployment of the new ERP system and our strategic projects, such as achieving our goal of carbon neutrality.

We identify risks typical to our sector

The Y-Foundation Group engages in risk management to ensure the smooth execution of its mission even in the case of

potential unfavourable changes in circumstances. Risks may be related to our own operations or the operating environment.

We recognise that our potential risks are typical of our sector and similar as in previous years and similar to our peers. The most significant risks we have identified include:

- changes in the financial markets,
- regional decreases in occupancy rates,
- information security and data protection risks, and
- risks to the Foundation's reputation.

Other key risks we have identified include the potential after-effects of the COVID-19 pandemic, regulatory risks related to the Group's non-profit status, and the financing and implementation of housing-related social work.

The purpose of our financing activities is, in particular, to ensure the acquisition and development of housing and the renovation of apartments. We manage financing-related risks through systematic diversification. Our financing consists of loans from financial institutions, bonds, interest subsidies from ARA, and grants from ARA and STEA. We actively monitor the development of interest rates, and we have prepared for potential unfavourable changes through interest rate hedging.

We aim to ensure the continuity of subsidies and grants from ARA and STEA through transparent compliance with regulations and the steering activities of the public authorities and by maintaining active communication. In particular, we aim to ensure that our equity ratio develops favourably.

The risk associated with occupancy rates is the most significant – in terms of both impact and probability – in regions with negative net migration. Due to the Foundation's historical development and social mission,

the Group also has apartments in small municipalities. We lower the risk associated with occupancy rates by maintaining affordable rents and utilising our regional subletting co-operation networks.

Our new construction projects are focused on growth centres, where the demand for affordable rental apartments is also the highest. We divest apartments in regions where demand has dwindled.

We use continuous development to prevent information security and personal data processing risks. The key methods include maintaining and auditing the technical security of information systems, targeted personnel training, and risk reporting practices.

The realisation of these risks can also lead to reputation risks. With this in mind, we have prepared for risks by creating contingency plans and procedures for problem situations.

Another reputation risk for the Group is related to occasionally realised prejudices pertaining to the housing of people who have previously experienced homelessness, and occasional related negative experiences.

This can, in certain situations, slow down the process of obtaining building permits, complicate the start of construction, and lead to higher costs. We manage this risk through open communication to highlight the benefits eradicating homelessness brings to society.

We engage in close cooperation with our subletting partners. We also use housing counselling to prevent housing-related problems and support our tenants in reaching the shared goal of successful housing.

CASE

The Y-Foundation's notes raised EUR 100 million

The notes attracted a wide range of Finnish and Nordic investors.

The Y-Foundation successfully issued EUR 100 million sustainability notes in October 2021. The Foundation made history by becoming the first Finnish community to issue sustainability notes. The maturity of the sustainability notes is five years.

The notes were subscribed by investors from the Nordic countries and Central Europe. The investors particularly valued the Y-Foundation's long track record of social housing production and development of sustainable construction.

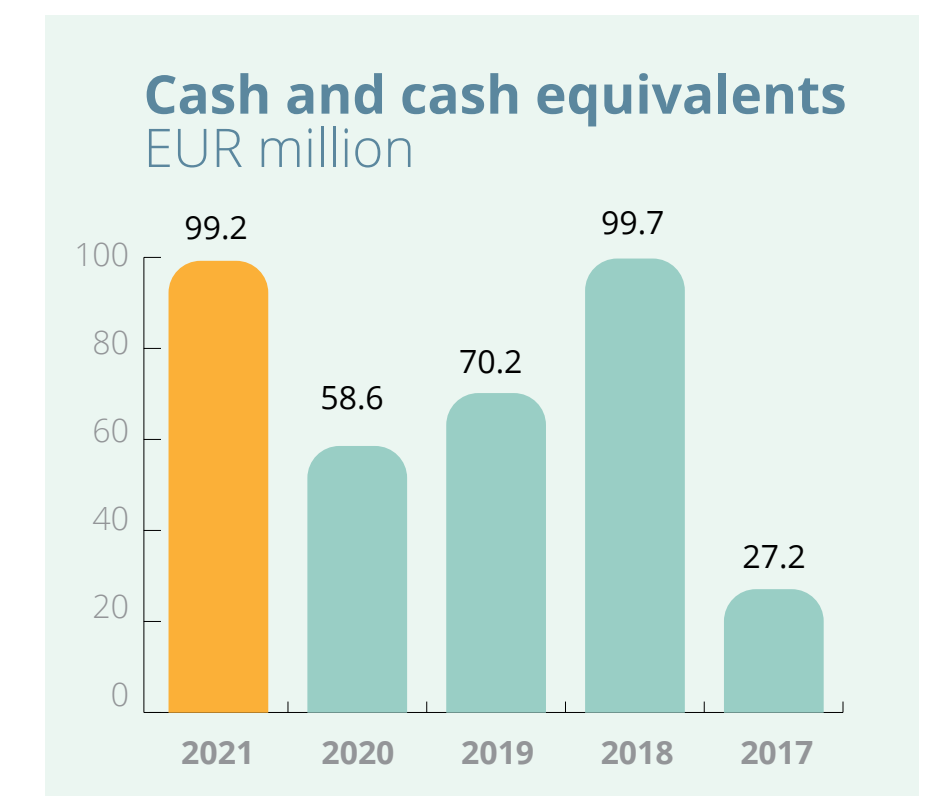
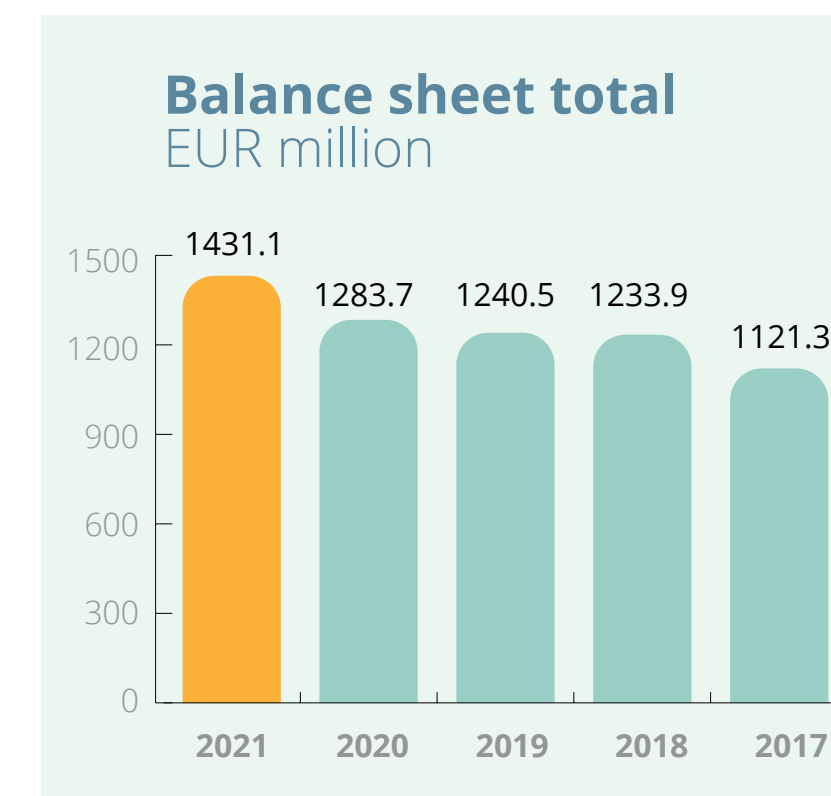
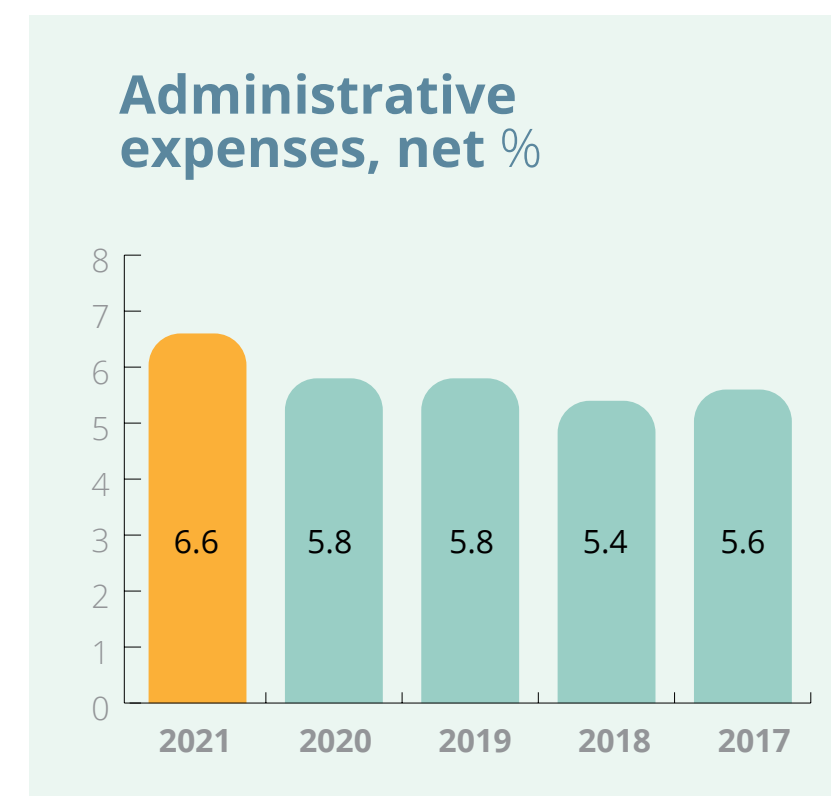
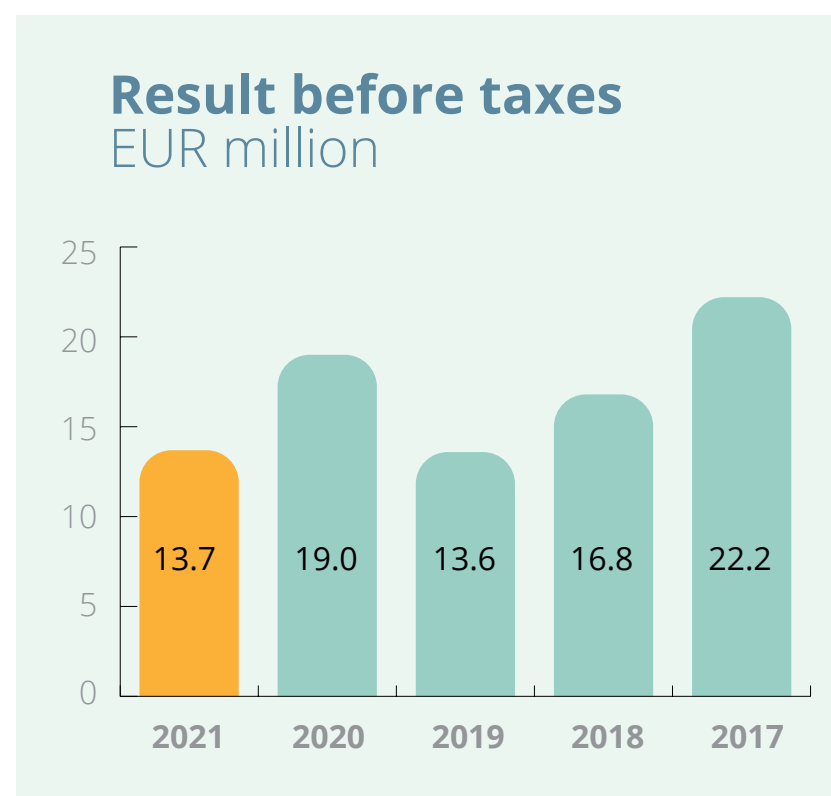
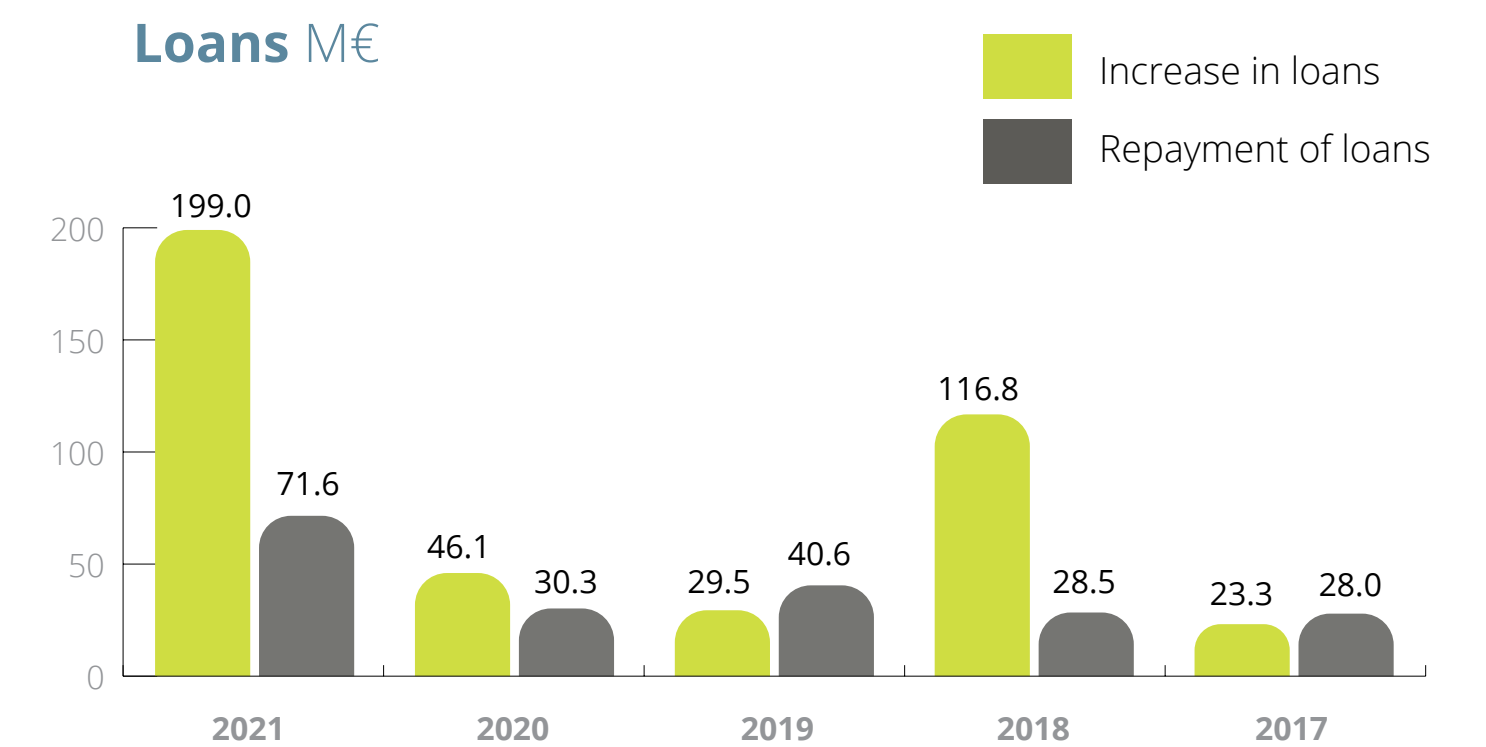
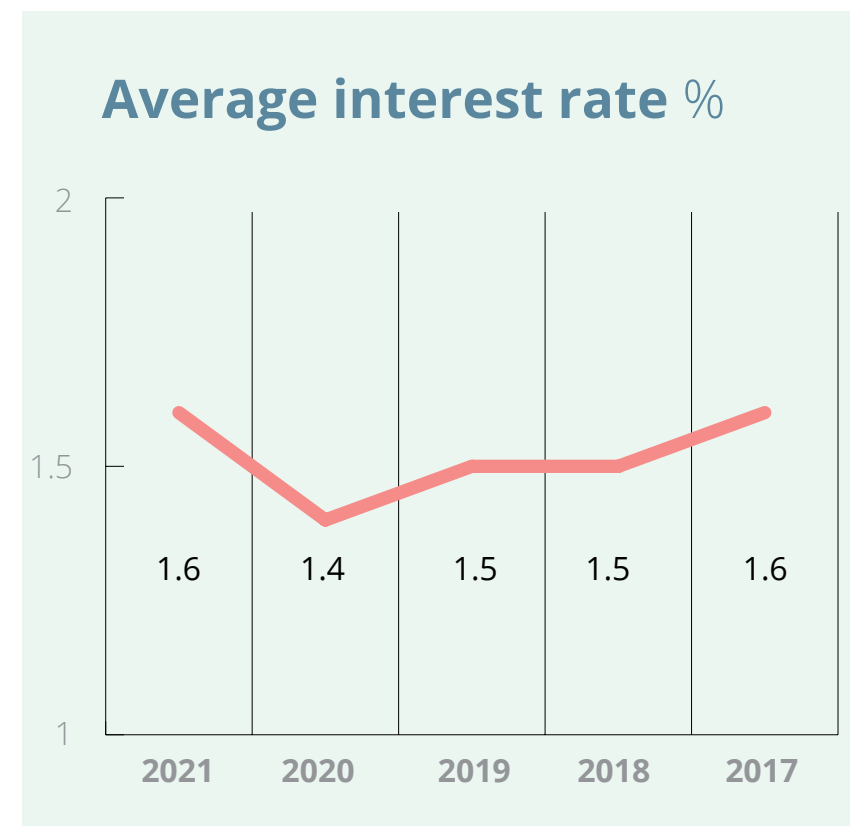
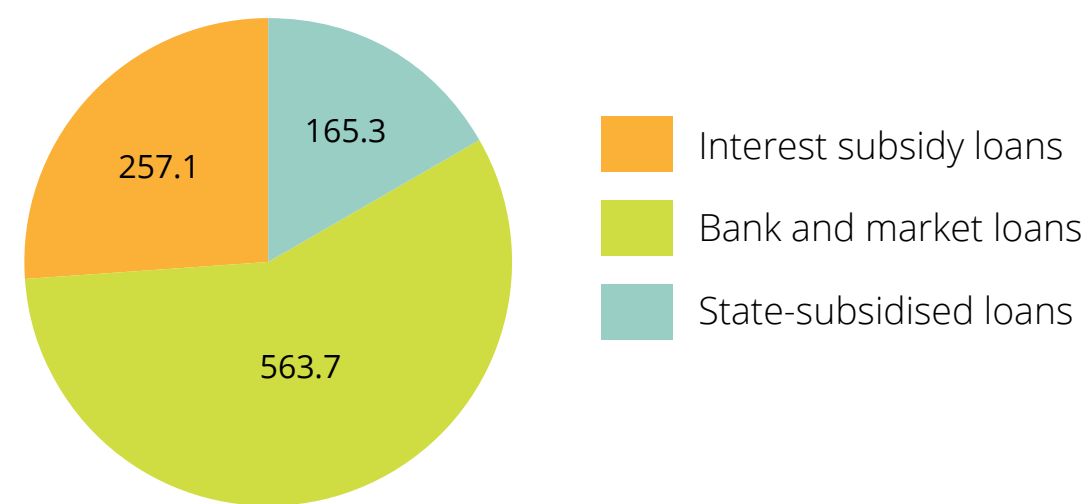
The Y-Foundation will use the proceeds from the newly issued sustainability notes to finance or refinance projects that meet the criteria set out in the Y-Foundation's Sustainability Bond Framework. Such projects can include energy-efficient residential buildings, assisted living facilities for special groups, improving the energy efficiency of the existing housing portfolio, and implementing projects that support the social well-being of tenants.

In connection with issuing the sustainability notes, the Foundation invited the holders of its outstanding EUR 75 million notes, due in 2023, to tender their notes for cash. This represented early redemption of the notes issued in 2018.



Finance in figures

Interest-bearing liabilities EUR million



Note 1: The Y-Foundation's governance

Pursuant to the by-laws of the Y-Foundation, the founding members that attend its annual meeting are:

1. City of Espoo
2. City of Helsinki
3. Church Council
4. Finnish Construction Trade Union
5. Confederation of Finnish Construction Industries RT
6. Association of Finnish Local and Regional Authorities
7. MIELI Mental Health Finland
8. Finnish Red Cross
9. City of Tampere
10. City of Turku
11. City of Vantaa

The term of office for the Foundation's Board of Trustees is two years. The Board of Trustees from 29 April 2020 onwards:

1. Harjuniemi Matti, Finnish Construction Trade Union, chair
2. Viljanen Maria, Finnish Red Cross, Head of the Health and Care Unit, vice chair
3. Ahlström Mari, City of Espoo, Director of Family and Social Services
4. Forss Teppo, City of Turku, CEO of TVT Asunnot Oy
5. Mäki Tiina, City of Helsinki, Administrative Director, Social and Health Care Services
6. Randell Alekski, The Confederation of Finnish Construction Industries RT, Director General
7. Tähtinen Tapio, MIELI Mental Health Finland, Administrative Director

The Foundation's Management Team consists of eight members:

1. Kaakinen Juha, CEO
2. Kampman Pekka, Development Director
3. Komu Kari, CFO
4. Mutalahti Timo, Corporate Lawyer
5. Niskanen Juha, Property Director
6. Penttilä Laura, Communications and Marketing Director
7. Tammissalo Eeva, Director of Rental Activities
8. Timonen Sari, Development Director



Note 2: Related party transactions at the Y-Foundation

In addition to the Foundations Act, the by-laws of the Y-Foundation, and the guidelines issued by the authorities, the Y-Foundation complies with the Good Governance of Foundations guideline published by the Council of Finnish Foundations in 2015. Based on it, the Foundation's Board of Trustees ratified the related party guidelines on 14 April 2016. The related parties of the Y-Foundation, as referred to in chapter 1, section 8 of the Foundations Act, include the Foundation's founding members, Board of Trustees, management, and auditors, as well as their family members. At the Y-Foundation, management refers to the CEO and the Management Team.

Related party transactions refer to legal transactions with related parties with or without consideration, regardless of their subjects or designations. These can include purchasing services from related parties, selling services to related parties, benefits and salaries received by related parties, providing a grant, or various contracts.

At the Y-Foundation, related parties are not given grants or other partly or fully gratuitous benefits unless they are given as part of the Foundation's activities pursuant to its purpose and unless the terms and conditions of giving them do not deviate from

the terms and conditions applied to outsiders. The Foundation also does not engage in any related party transactions deviating from the ordinary. The Foundation's properties or apartments are rented to the founding cities of the Foundation, which are related parties, and their residents under similar terms and conditions as to other parties at fair values. The fees paid to the members of the Board of Directors and the salaries of the management are reasonable and do not deviate from the ordinary.

Related party transactions with the Foundation's group companies are measured at fair value. The measurement of fair value is based on own expertise, auditors' views, investigating the market situation and, if necessary, external expert opinions. If related party transactions contrary to the Foundations Act, rules, regulations issued by the authorities, or the related party guidelines take place, they are cancelled. Related party transactions deviating from the guideline which are in the benefit of the Foundation are decided on by the Board of Trustees or the CEO within their mandate. In addition to the Board of Trustees and the CEO, the Foundation's management and financial administration monitor related party transactions.

Related party table	Nature of related-party relationship				
	1	2	3	4	5
Transactions or financial benefits (EUR)					
A. The management's salaries, fees and pension commitments	-	496,859	683,392	-	-
B. Contracts	see 1B below	-	-	-	-
C. Assistance granted	-	-	-	-	-
D. Loans, liabilities and contingent liabilities given	138,978 908	-	-	-	-

Explanations

1. The founding members of the Y-Foundation and their subsidiaries and subsidiary foundations, Y-Foundation Group companies
 2. A member or deputy member of the Board of Trustees or supervisory board, CEO and his deputy, general partner and auditor of the Y-Foundation or an organisation mentioned in item 1
 3. The Y-Foundation's Management Team
 4. Family member of a person referred to in items 1–3
 5. Entity or foundation controlled by persons referred to in items 1–4
- 1B. The Y-Foundation pays ordinary fees relating to the maintenance of properties to its founding members (Espoo, Helsinki, Tampere, Turku, Vantaa), such as property taxes, street fees, and building permits. The founding members pay a fair rent for the apartments owned by the Foundation that they rent.
 - 1D. The Y-Foundation has granted loans to its subsidiaries for the construction of residential buildings and acquisition of residential properties for use pursuant to the Foundation's purpose.
 - 2A. Salaries and fees paid to members of the Y-Foundation's Board of Trustees, the CEO and his deputy, and auditors.
 - 3A. Salaries of the Y-Foundation's Management Team.



Financial statements



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INCOME STATEMENT

1,000 €	1 Jan-31 Dec 2021 Group	1 Jan-31 Dec 2020 Group	1 Jan-31 Dec 2021 Parent	1 Jan-31 Dec 2020 Parent
Actual operations				
Lease operations				
Rent and maintenance charge income	137,017	133,924	41,891	39,333
Charges for consumption income	759	565	162	63
Other income	3	50		
Capital gains	3,199	1,133		
Total income from lease operations	140,978	135,671	42,054	39,396
Income from property management services	69	70		
Property maintenance expenses				
Personnel expenses	-7,150	-6,669		
Depreciation, amortisation, and impairment	-20,493	-18,553		
Rent and maintenance charge expenses	-22,077	-21,624	-24,433	-22,368
Other maintenance expenses	-52,959	-48,261	-3,257	-3,106
Total expenses of lease operations	-102,679	-95,107	-27,690	-25,474
Construction expenses	-1,192	-1,459	-67	-100
Lease operations, total	37,176	39,175	14,297	13,822
Central administration and other operations				
Income	1,245	1,660	964	1,407
Expenses				
Personnel expenses	-2,968	-2,886	-2,968	-2,886
Depreciation and amortisation	-465	-368	-465	-368
Other expenses	-7,123	-6,342	-2,591	-2,551
Central administration and other operations total	-9,310	-7,936	-5,059	-4,397
Share of profit from associated companies	748	578		
Operating surplus	28,613	31,817	9,238	9,424

1,000 €	1 Jan-31 Dec 2021 Group	1 Jan-31 Dec 2020 Group	1 Jan-31 Dec 2021 Parent	1 Jan-31 Dec 2020 Parent
Investment and financing activities				
Income				
Interest and dividend income	178	116	5,074	4,158
Other income	1,056	321	814	169
Total income	1,234	437	5 888	4 327
Impairment of investments in non-current assets	79	-29	79	-29
Expenses				
Interest expenses	-15,297	-12,175	-6,685	-4,303
Other expenses	-919	-1,080	-4,510	-3,452
Total expenses	-16,216	-13,255	-11,195	-7,755
Investment and financing activities	-14,903	-12,847	-5,228	-3,457
Surplus	13,710	18,971	4,010	5,967
General grants				
Investment grants STEA	3,727	3,156	3,727	3,156
Other investment grants	109	109	109	109
Other STEA grants	748	1,208	748	1,208
Transfers				
Transfer to cover expenses	-748	-1 208	-748	-1 208
Transfer to apartment acquisition reserve	-3,727	-3,156	-3,727	-3,156
Transfer to general-purpose reserve	-109	-109	-109	-109
General grants total	0	0	0	0
Direct taxes				
Income taxes	-11	-12		
Deferred taxes	-2,231	-2,782		
Minority interest	-712	-19		
Surplus/deficit for the financial year	10,755	16,157	4,010	5,967

BALANCE SHEET

1,000 €	31 Dec 2021 Group	31 Dec 2020 Group	31 Dec 2021 Parent	31 Dec 2020 Parent
Assets				
Non-current assets				
Intangible assets				
Intangible rights	2,010	2,245		
Goodwill		75		
Other capitalised long-term expenditure	3,450	3,174	2,681	2,274
Intangible assets total	5,460	5,494	2,681	2,274
Tangible assets				
Land and waters	81,742	77,113		
Connection fees	11,039	9,943		
Property leases	147	147		
Buildings and structures	784,956	716,888		
Machinery and equipment	1,454	1,138	1	2
Other tangible assets	1,969	1 882	152	170
Advance payments and construction in progress	71,761	46,969		
Tangible assets total	953,068	854,081	153	172
Investments				
Shares in housing companies	357,205	351,895	357,205	351,895
Subsidiaries			14 680	14,736
Shares in associated companies	5,910	5,648	3,579	3,579
Other shares	4,042	3,958	3	3
Investments total	367,157	361,502	375,467	370,213
Non-current assets	1,325,685	1,221,076	378,301	372,658

1,000 €	31 Dec 2021 Group	31 Dec 2020 Group	31 Dec 2021 Parent	31 Dec 2020 Parent
Current assets				
Receivables				
Long-term receivables				
Loan receivables	5	5	5	5
Receivables from group companies			132,882	112,332
Receivables from associated companies		20		
Other receivables	538	232	517	201
Long-term receivables total	543	257	133,404	112,538
Short-term receivables				
Rent receivables	1,799	1,510	218	142
Loan receivables	43			
Prepayments and accrued income	2,321	1,379	1,736	879
Receivables from group companies			6,301	7,005
Receivables from associated companies	151		3	
Other receivables	1,312	946	62	75
Short-term receivables total	5,626	3,835	8,319	8,102
Shares and holdings	24,923	6,953	25,162	7,192
Cash in hand and with banks	74,327	51,599	40,593	26,730
Current assets	105,418	62,644	207,479	154,562
Assets	1,431,104	1,283,720	585,780	527,221

BALANCE SHEET

1,000 €	31 Dec 2021 Group	31 Dec 2020 Group	31 Dec 2021 Parent	31 Dec 2020 Parent
Equity and liabilities				
Capital and reserves				
Initial capital	20	20	20	20
Apartment acquisition reserve	190,457	187,835	190,457	187,835
Other reserves	10,200	10,200	10,120	10,120
General-purpose reserve	36,716	35,547	36,716	35,547
Redemption reserve	79,799	73,118	79,079	73,112
Investment reserve	30,932	30,932	30,932	30,932
Surplus/deficit from previous financial years	47,588	37,398	257	257
Surplus/deficit for the financial year	10,755	16,157	4,010	5,967
Capital and reserves total	406,468	391,207	351,591	343,790
Minority interest	3,639	2,123		
Liabilities				
Long-term liabilities				
Subordinated loans	147	147		
Loans from financial institutions	955,211	824,201	222,765	170,627
Advances received	1,828	1,644	482	344
Liabilities to associated companies	124			
Other liabilities	62	769		
Accrued expenses and deferred income		167		167
Deferred tax liabilities	16,144	14,158		
Long-term liabilities total	973,516	841,085	223,247	171,138

1,000 €	31 Dec 2021 Group	31 Dec 2020 Group	31 Dec 2021 Parent	31 Dec 2020 Parent
Short-term liabilities				
Loans from financial institutions	30,555	31,037	7,816	9,491
Advances received	2,093	2,243	325	491
Accounts payable	8,772	10,094	597	339
Other liabilities to group companies			224	53
Other liabilities	200	187	74	74
Accrued expenses and deferred income	5,860	5,745	1,906	1,844
Short-term liabilities total	47,481	49,306	10,942	12,293
Liabilities total	1,020,997	890,391	234,189	183,431
Equity and liabilities	1,431,104	1,283,720	585,780	527,221

CASH FLOW STATEMENT

1,000 €	31 Dec 2021 Group	31 Dec 2020 Group	31 Dec 2021 Parent	31 Dec 2020 Parent
Cash flow from operating activities				
Profit/loss for the financial year	10,755	16,157	4,010	5,967
Adjustments:				
Depreciation, amortisation and impairment	20,958	18,921	465	368
Capital gains/losses on non-current assets	-3,384	-624	-185	508
Share of profit from associated companies	-748	-578		
Financial income and expenses	15,088	12,339	5,413	2,949
Income taxes	2,243	2,794		
Minority interest	712	19		
Cash flow before change in working capital	45,624	49,028	9,702	9,792
Change in working capital				
Changes in receivables	-2,026	-675	-1,259	-478
Changes in liabilities	-1,743	5,951	275	352
Cash flow before financial items and taxes	41,855	54,304		9,667
Interest paid	-15,297	-12,378	-6,719	-4,427
Dividends received	4	3	4	3
Interest received	174	114	5,075	4,169
Other financial items	-48	-250	-3,881	-2,775
Taxes paid	-3	145	11	
Net cash flow from operating activities	26,684	41 938	3,207	6,638

1,000 €	31 Dec 2021 Group	31 Dec 2020 Group	31 Dec 2021 Parent	31 Dec 2020 Parent
Cash flow from investing activities				
Investments in non-current assets	-116,104	-67,166	-853	-619
Proceeds from sale of non-current assets	3,378	1,140		
Shares in housing and real estate companies	-7,585	-6,048	-7,585	-6,048
Sale of shares in housing companies	2,374	1,315	2,374	1,315
Shares in subsidiaries bought	-844	-1,933	-265	-179
Shares in subsidiaries sold	482		485	
Shares in associated companies bought	-2			
Shares in associated companies sold	550			
Other investments	-83	-15		
STEAs investment grants	3,727	3,156	3,727	3,156
Other investment grants	109	109	109	109
Loans granted	-43			
Loans to own real estate companies			-41,746	-41,975
Instalments of own companies	20		21,918	21,433
Net cash flow from investing activities	-114,022	-69,443	-21,836	-22,809
Cash flow from financial activities				
Shares and holdings	-17,970	-2,071	-17,970	-2,071
Minority venture capital	715			
Increase in short-term loans	10,000		10,000	
Repayment of short-term loans	-10,000		-10,000	
Increase in long-term loans	198,952	46,119	100,000	10,000
Repayment of long-term loans	-71,631	-30,303	-49 538	-8,138
Net cash flow from financial activities	110,066	13,746	32,492	-208
Change in cash and cash equivalents	22,728	-13,759	13,863	-16,379
Cash and cash equivalents at the beginning of the period	51,599	65,358	26,730	43,109
Cash and cash equivalents at the end of the period	74,327	51,599	40,593	26,730

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's parent foundation, the Y-Foundation, is a non-profit entity whose domicile is Helsinki and registered address is Pitkäsillanranta 3 A, 00530 Helsinki. Copies of the consolidated financial statements are available at the parent foundation's head office.

Consolidation principles of the consolidated financial statements

General

The Group's accounting principles have been applied uniformly to the separate financial statements of the group companies. The consolidated financial statements have been prepared by consolidating the financial statements of the separate companies, and they include housing companies, real estate companies, and limited liability companies in which the holding is over 50 per cent.

Internal shareholding has been eliminated in accordance with the acquisition cost method. The difference in capital and reserves corresponding to the acquisition cost of subsidiaries and acquired share and the resulting deferred tax liabilities have been allocated to buildings. Companies acquired during the financial year are included in the consolidated financial statements as of the date of acquisition or as of the Group obtaining control and divested subsidiaries up to when control is lost.

Intra-group business transactions, receivables and liabilities, and essential internal margins have been eliminated in the consolidated financial statements. The allocation of profit for the financial year to equity holders of the parent company and minority interests is disclosed in the income statement, and the capital and reserves attributable to minority interest is disclosed as a separate item on

the balance sheet. Partly owned companies belonging to the Group in which the parent foundation has a holding of more than 50 per cent but less than 100 per cent have been consolidated by disclosing the profit deviating from the holding as a separate item. Correspondingly, the capital and reserves attributable to the companies in question are disclosed as a separate item. The minority interest included in the loans in the consolidated financial statements has been taken into consideration in calculating the indicators.

Associated companies are companies which do not belong to the Group and over which the parent foundation has direct or indirect considerable influence. Considerable influence exists when the Group holds a minimum of 20 per cent of the votes conferred by shares in the company or the Group otherwise exerts considerable influence but does not have control. Associated companies are consolidated using the equity method. The share of associated companies' profit for the financial year pursuant to the Group's holding is disclosed as a separate item in the income statement.

Associated companies in which capital and reserves based on shareholding exceeded the acquisition cost were acquired in

2016. The resulting unrecognised Group reserve of these companies will be recognised as income over ten years.

The Group's associated companies include parking companies. The costs resulting from the construction are recognised in the parent company's construction in progress on the balance sheet. Once the property is completed, these construction-time costs will be recognised as associated company procurements.

Consolidated income statement

The income statement of the consolidated financial statements has been prepared based on the income statement formula of the parent, a charitable foundation. All of the Group's subsidiaries and joint ventures which are real estate and limited liability housing companies are consolidated in the financial statements.

The income from properties and their maintenance expenses have been considered to be closely associated with the parent foundation's actual operations, letting. Therefore, all income and expenses of the subsidiaries and joint ventures have been consolidated into the income and expenses of lease operations. By their nature, financial income and expenses are disclosed as part of financial and investing activities.

Consolidated balance sheet

The consolidated balance sheet has been prepared using the balance sheet formula of chapter 1, section 6 of the Accounting Decree, which is the same for all parties with an accounting obligation. The Foundation's

initial capital and other capital and reserves items, subsidiaries' and joint ventures' share capital, reserves, surplus/deficit from previous years, and surplus/deficit for the financial year have been consolidated under capital and reserves. The capital and reserves remaining after group eliminations comprises the Foundation's initial capital and reserves. Received grants that are subject to a condition of return are recognised in the apartment acquisition reserve.

Consolidated cash flow statement

The consolidated cash flow statement has been prepared on the basis of the consolidated income statement and balance sheet, supplemented with additional information.

Accumulated appropriations

Accumulated appropriations comprise residential building provisions and accumulated depreciation difference. In the separate financial statements of the subsidiaries, the difference between depreciation according to plan and taxational depreciation is disclosed as an appropriation on the income statement and accumulated appropriations on the balance sheet. In the consolidated balance sheet, accumulated appropriations are divided between capital and reserves, minority interest, and deferred tax liabilities. The change in residential building provisions and depreciation difference during the financial year is divided in the income statement between change in deferred tax liabilities, minority interest, and profit for the financial year.

Measurement of non-current assets

Intangible and tangible assets are recognised on the balance sheet at original cost less planned depreciation and impairment. Grants associated with the acquisition of property, plant, and equipment are deducted from the acquisition cost of the asset, and grants are recognised as income in the form of smaller depreciation over the useful life of the asset.

In addition to acquisition costs and the asset transfer tax, the value of shares in housing companies held by the parent foundation includes the repair, share of loans, and other acquisition expenses specified in the acquisition cost concerned by the grant issued by STEA. As of the beginning of 2015, acquisition repairs have been measured in long-term expenses on the balance sheet, and they are depreciated over ten years.

The consolidated goodwill and group reserve allocated to buildings is depreciated over 67 years in the case of new properties and for subsidiaries acquired prior to 1 January 2015 over the estimated remaining useful life, which in this case is 40 years. Minor asset purchases whose costs are below EUR 1,000 are recognised as expenses for the year. Subsequently arising expenses are included in the book value of a tangible asset only if it is likely that the future economic benefit relating to the asset will be to the benefit of the Group. Other repair and maintenance expenses are recognised through profit or loss as they materialise.

Account of grounds of planned depreciation and changes in them

Asset	Years/per cent	Depreciation method
Intangible assets	4–10 years	straight-line depreciation
Buildings	67 years	straight-line depreciation
Civil defence shelters	4 years	straight-line depreciation
Structures	25–40 years	straight-line depreciation
Machinery and equipment in buildings	20–50 years	straight-line depreciation
Machinery and equipment	25%	reducing method of depreciation
Machinery and equipment	4 years	straight-line depreciation
Other tangible assets	10–30 years	straight-line depreciation

Accounting for general grants in the parent foundation:

- Project grants have been transferred to income for the project concerned.
- Grants for the acquisition of apartments granted by STEA are recognised in the apartment acquisition reserve. Grants for apartments subject to terms of return sold are transferred to accrued expenses and deferred income, and reused grants are returned to the reserve.
- The construction reserve includes STEA's and the Housing Finance and Development Centre of Finland's investment grants for equity investments of real estate companies.
- Grants from municipalities and parishes are recognised in the general-purpose reserve. Grants received for apartments released from right of use restrictions are transferred to the general-purpose reserve.
- The amount of loans repaid during the previous financial year is transferred as internal transfers to the redemption reserve from the surplus for the previous financial year.
- The proportion of internal financing of investments during the previous year is transferred to the investment reserve from the surplus for the previous year, if possible.

Deferred tax assets and liabilities

Deferred tax liabilities and assets are recognised as temporary differences between taxation and financial statements using the tax rate for the following years confirmed on the closing date. As of acquisitions made in 2015, deferred tax liabilities have also been calculated for allocated consolidation assets, no liabilities have been recognised for acquisitions made prior to this. No deferred tax assets have been accounted for confirmed losses of subsidiaries in line with the prudence principle.

The effects of the COVID-19 pandemic on the Y-Foundation's operations

The prolonged COVID-19 pandemic was again a significant factor during the year under review. The extensive impacts of the pandemic and the prevention of its spread have led to increased costs. The health and well-being of our tenants and employees always come first, but we are also prepared for rent arrears, payment plans, and even credit losses.



Notes to the income statement

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Rent and maintenance charge income	137,017	133,924	41,891	39,333
Charges for consumption income	759	565	162	63
Other income	3	50		
Capital gains	3,199	1,133		
Income from property management services	69	70		
Notes concerning the personnel and members of the administrative organs				
Personnel expenses				
Performance-based pay with fringe benefits	8,076	7,709	2,274	2,227
Monetary value of fringe benefit	170	171	89	90
Pension expenses	1,486	1,321	471	433
Statutory social security expenses	288	256	68	58
Total	10,020	9,457	2,901	2,807
Average number of personnel	173	170	40	40
Fees paid to auditors				
Statutory audit	83	115	37	58
Other statutory assignments	10	11	3	8
Tax counselling	13	5	9	5
Other services	26	15	18	6
Total	132	146	67	77
Fees paid to members of the Board of Trustees and Delegation	76	77	65	71

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Depreciation, amortisation, and impairment				
Depreciation, amortisation, and impairment for the financial year	20,958	18,921	465	368
The group has recognised planned depreciation concerning buildings not recorded by the separate companies	1,523	1,496		
The lease periods for the plots are 0–60 years; leases	3,168	3,069		
Financial income				
Interest and dividend income from others	178	116	93	80
Interest income from group companies			4,981	4,078
Other financial income	1,056	321	814	169
Financial income total	1,234	437	5,888	4,327
Impairment of investments in non-current assets	79	-29	79	-29
Financial expenses				
Interest expenses to others	-15,297	-12,175	-6,685	-4,303
Other financial expenses	-919	-1,080	-4,510	-3,452
Financial expenses total	-16,216	-13,255	-11,195	-7,755
Financial income and expenses total	-14,903	-12,847	-5,228	-3,457
Direct taxes				
Income taxes on ordinary activities	-11	-12		
Change in deferred taxes	-2,231	-2,782		
Minority interest	-712	-19		

Notes concerning the assets on the balance sheet

Interest capitalised during the financial year and information about undepreciated capitalised interest expense. Construction-time interest has been included in the cost of a residential building. The undepreciated part of capitalised interest expenses in the balance sheet items "Buildings and structures" comprises the following:

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Capitalised during the financial year	456	60		
Capitalised during previous financial years	850	790		
Depreciated	-75	-59		
Undepreciated item 31 December	1,231	791		
Intangible rights				
Balance 1 January	3,493	3,493		
Balance 31 December	3,493	3,493		
Depreciation for the financial year	-235	-352		
Accumulated depreciation and amortisation 1 January	-1,247	-896		
Accumulated 31 December	-1,482	-1,247		
Net expenditure 31 December	2,010	2,245		
Goodwill				
Balance 1 January	377	377		
Balance 31 December	377	377		
Depreciation for the financial year	-75	-75		
Accumulated depreciation and amortisation 1 January	-301	-226		
Accumulated 31 December	-377	-301		
Net expenditure 31 December		75		
Other capitalised long-term expenditure				
Balance 1 January	4,750	3,414	3,641	3,206
Increase	853	1,336	853	435
Balance 31 December	5,604	4,750	4,495	3,641
Depreciation for the financial year	-577	-516	-445	-348
Accumulated depreciation and amortisation 1 January	-1,577	-1,061	-1,368	-1,020
Accumulated 31 December	-2,154	-1,577	-1,813	-1,368
Net expenditure 31 December	3,450	3,174	2,681	2,274
Intangible assets total	5,460	5,494	2,681	2,274

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Land and waters				
Balance 1 January	77,113	71,708		
New sites	6,559	3,245		
Increase		2,673		
Properties sold	-1,425	-512		
Impairment for the period	-505			
Balance 31 December	81,742	77,113		
Connection fees				
Balance 1 January	9,943	9,769		
New sites	458			
Increase	649	174		
Properties sold	-10			
Balance 31 December	11,039	9,943		
Property leases				
Balance 1 January	147	147		
Balance 31 December	147	147		
Buildings and structures				
Balance 1 January	799,210	765,588		
Grants	-789	-574		
New sites	14,754			
Increase	73,748	34,965		
Properties sold	-288			
Transfers between items		-768		
Balance 31 December	886,635	799,210		
Depreciation for the financial year	-18,379	-17,052		
Accumulated depreciation and amortisation 1 January	-82,322	-65,269		
Properties sold	40			
Impairments	-1,019			
Accumulated 31 December	-101,679	-82,322		
Net expenditure 31 December	784,956	716,888		

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Machinery and equipment				
Balance 1 January	3,034	2,847	259	259
New sites	4			
Increase	726	187		
Properties sold	-1			
Balance 31 December	3,763	3,034	259	259
Depreciation for the financial year	-413	-376	-1	-1
Accumulated depreciation and amortisation 1 January	-1,896	-1,520	-257	-256
Properties sold	1			
Impairments	-1			
Accumulated 31 December	-2,309	-1,896	-258	-257
Net expenditure 31 December	1,454	1,138	1	2
Other tangible assets				
Balance 1 January	3,758	2,092	188	5
Increase	346	1,666		184
Balance 31 December	4,104	3,758	188	188
Depreciation for the financial year	-259	-550	-18	-18
Accumulated depreciation and amortisation 1 January	-1,876	-1,326	-18	
Accumulated 31 December	-2,135	-1,876	-37	-18
Net expenditure 31 December	1,969	1,882	152	170
Advance payments and construction in progress				
Balance 1 January	46,969	21,765		
Grants	-6,544	-1,455		
Increase	31,640	26,667		
Decrease	-304	-7		
Balance 31 December	71,761	46,969		
Tangible assets total	953,068	854,081	153	172

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Shares in housing companies				
Balance 1 January	351,895	347,699	351,895	347,699
Increase	7,767	6,272	7,767	6,272
Properties sold	-2,354	-1,823	-2,354	-1,823
Decrease	-103	-253	-103	-253
Balance 31 December	357,205	351,895	357,205	351,895
Shares in subsidiaries				
Balance 1 January			14,736	14,557
New sites			255	
Increase			10	179
Properties sold			-320	
Balance 31 December			14,680	14,736
Shares in associated companies				
Balance 1 January	5,648	5,070	3,579	3,579
New sites	2			
Properties sold	-488			
Share of profit from associated companies	748	578		
Balance 31 December	5,910	5,648	3,579	3,579
Other shares and participations				
Balance 1 January	3,958	3,175	3	3
New sites	83			
Increase		15		
Transfers between items		768		
Balance 31 December	4,042	3,958	3	3
Investments	367,157	361,502	375,467	370,213

Shares and participations held by the Y-Foundation

Shares in group companies	Domicile	Group's holding, %	Parent company's holding, %
Subsidiaries			
Kiinteistö Oy Keiteleentie 3	Helsinki	100.00	100.00
Kiinteistö Oy Yypari	Kouvola	100.00	100.00
Kiinteistö Oy Y-Kara	Kouvola	100.00	100.00
Kiinteistö Oy Y-Säätiön Pienasunnot	Tampere	100.00	100.00
Asunto Oy Enon Havupuisto	Joensuu	100.00	100.00
Kiinteistö Oy Ylöjärven Kuusistontie 9	Ylöjärvi	100.00	100.00
Kiinteistö Oy Keuruun Juurikkaniemi	Keuruu	100.00	100.00
Kiinteistö Oy Hiittenhovi	Harjavalta	100.00	100.00
Kiinteistö Oy Y-Säätiön Palvelutalot	Helsinki	100.00	100.00
Kiinteistö Oy Joensuun Senioriparkki	Joensuu	51.60	51.60
Kiinteistö Oy Kotkan Tietotalo	Kotka	100.00	100.00
Asunto Oy Fleminginkatu 9 a	Helsinki	100.00	100.00
Y-Säätiön Palvelut Oy	Helsinki	100.00	100.00
Asunto Oy Tuusulan Korkintie 1	Tuusula	83.57	83.57
Kiinteistö Oy Martinuskodit	Tampere	100.00	100.00
Kiinteistö Oy Uudenkaupungin Lukkosepätkäkatu 1	Helsinki	51.00	51.00
Y-Säätiön Uuras Oy	Helsinki	100.00	100.00
Kiinteistö Oy Y-Säätiön Nuorisoasunnot	Helsinki	100.00	100.00
Kiinteistö Oy Nurmijärven Myllärintie 2	Nurmijärvi	64.73	64.73
Associated companies			
Kiinteistö Oy Haagan Kumppanit	Helsinki	39.10	39.10
Kiinteistö Oy Rukki	Turku	48.01	48.01
Kiinteistö Oy Petäjaveden Ankkuri	Petäjävesi	33.04	33.04
Asunto Oy Kolmas linja 25 Bostads Ab	Helsinki	49.23	49.23

Shares in group companies	Domicile	Group's holding, %	Parent company's holding, %
Subgroup, the Y-Foundation's holding 100%			
Kiinteistö Oy M2-Kodit	Helsinki	100.00	100.00
Kiinteistö Oy Helsingin Muurahaisenpolku 6	Helsinki	64.36	64.36
Kiinteistö Oy Helsingin Jallukka	Helsinki	64.40	64.40
Asunto Oy Päivöläntie 25	Helsinki	93.86	93.86
Asunto Oy Espoon Klariksentie 2	Espoo	92.75	92.75
Kiinteistö Oy M2-Vuokratodit	Vantaa	100.00	100.00
Kiinteistö Oy Lappeenrannan Koulukatu 1	Lappeenranta	75.55	75.55
Asunto Oy Nokian Rantahelmi 1	Nokia	100.00	100.00
Koy Tampereen Jallukka	Helsinki	55.00	55.00
Kiinteistö Oy Espoon Runoratsunkatu 9	Espoo	100.00	100.00
Kiinteistö Oy Nokian Säästökeskus	Nokia	100.00	100.00
Asunto Oy Kouvolan Viirikaari	Kouvola	100.00	100.00
KOY Tuusulan Kauppaholvi	Tuusula	100.00	100.00
Asunto Oy Jyväskylän Kangasrinteen Karpalo	Jyväskylä	100.00	100.00
Kiinteistö Oy Pirkkalan Metsätähti	Pirkkala	100.00	100.00
Associated companies			
Asunto Oy Satotaival	Kerava	34.65	34.65
As. Oy Järvenpään Jampanpaju	Järvenpää	41.35	41.35
Hatanpäänhovin Pysäköinti Oy	Tampere	20.63	20.63
Kiinteistö Oy Tampereen Taijan Parkki	Tampere	49.17	49.17
Kiinteistö Oy Vantaan Puunhaltijankujan Parkki	Vantaa	44.62	44.62
Mummunkujan pysäköinti Oy	Tampere	26.51	26.51
Tamppi Pysäköinti Oy	Tampere	23.21	23.21
Veturitallin Parkki Oy	Jyväskylä	37.50	37.50
Kiinteistö Oy Jyrkkälänpolku	Turku	28.85	28.85
Kiinteistö Oy Ahdinluoto	Espoo	34.50	34.50
Kiinteistö Oy Espoon Pegasos Pysäköinti	Espoo	24.08	24.08
Kiinteistö Oy Helsingin Jokiniementien Pysäköinti	Helsinki	21.90	21.90

Notes concerning the equity and liabilities on the balance sheet

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Capital and reserves				
Initial capital 1 January	20	20	20	20
Initial capital 31 December	20	20	20	20
Apartment acquisition reserve 1 January	187,835	185,520	187,835	185,520
Transfer of grants	3,727	3,156	3,727	3,156
Decrease	-1,105	-840	-1,105	-840
Apartment acquisition reserve 31 December	190,457	187,835	190,457	187,835
Construction reserve 1 January	8,603	8,603	8,524	8,524
Construction reserve 31 December	8,603	8,603	8,524	8,524
Grant reserve 1 January	1,593	1,593	1,593	1,593
Grant reserve 31 December	1,593	1,593	1,593	1,593
Homelessness and marginalisation research reserve 1 January	3	3	3	3
Homelessness and marginalisation research reserve 31 December	3	3	3	3
General-purpose reserve 1 January	35,547	34,600	35,547	34,600
Transfer from acquisition reserve	1,060	743	1,060	743
Transfers of other investment grants	109	204	109	204
General-purpose reserve 31 December	36,716	35,547	36,716	35,547
Redemption reserve 1 January	73,118	67,914	73,112	67,908
Accumulated	6,682	5,204	5,967	5,204
Redemption reserve 31 December	79,799	73,118	79,079	73,112
Investment reserve 1 January	30,932	30,932	30,932	30,932
Investment reserve 31 December	30,932	30,932	30,932	30,932
Surplus/deficit from previous financial years	47,588	37,398	257	257
Profit for the financial year	10,755	16,157	4,010	5,967
Capital and reserves total	406,468	391,207	351,591	343,790

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Minority interest 1 January	2,123	2,179		
Change in holdings in subsidiaries	1,519	-76		
Profit/loss for the financial year	-3	19		
Minority interest 31 December	3,639	2,123		
Deferred tax liabilities 1 January	14,158	11,348		
Changes	1,986	2,810		
Deferred tax liabilities 31 December	16,144	14,158		
Financing loans				
Subordinated loans	147	147		
State Treasury loans	159,499	172,028	14,095	16,212
Municipality Finance loans	428,353	383,561		
Financial institutions	262,872	224,648	81,445	88,907
Bonds	135,041	75,000	135,041	75,000
Total	985,913	855,384	230,581	180,119
Minority interest included in the Group's loans	11,309	10,248		
Financing loans maturing in more than five years				
State Treasury	94,120	104,796	6,946	8,263
Municipality Finance Plc	419,906	391,618		
Financial institutions	185,912	128,199	24,513	32,611
Total	699,938	624,613	31,459	40,873

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Grants granted but not withdrawn				
STEA	1,100	3,727	1,100	3,727
Liabilities for which assets have been pledged as collateral				
Loans	730,705	648,675	230,581	180,119
Mortgages given	1,302,980	1,180,468		
Shares in limited liability housing companies	221,976	224,509	221,976	224,509
Other assets pledged, secondary pledges	28,677	14,957		
Mortgages have been pledged as collateral for property leases				
total	30,953	30,873		
Commitments				
Y-Foundation's absolute guarantees				
obligations	3,200	3,200	3,200	3,200

Lease liabilities 1,000 €	In 2021	In 2022	Years 2023-2027	Total
Lease liabilities, parent foundation	1,036	528	985	1,513
Lease liabilities, group	2,656	1,282	2,117	3,399

Derivative instruments, group	2021			2020		
Fair values of derivative instruments	positive	negative	net	positive	negative	net
Long-term						
Interest rate swaps, cash flow hedging	735	-10,339	-9,604		-19,758	-19,758
Short-term						
Interest rate swaps, cash flow hedging		-919	-919		-148	-148
Total	735	-11,258	-10,523		-19,906	-19,906
Nominal values of derivative instruments						
Interest rate swaps, cash flow hedging			405,747			351,400

Recognised through profit or loss at the negative market value

1,000 €	2021	2020	
	Nominal capital	Market value/negative	Market value/negative
Interest rate swaps, cash flow hedging	9,750	5,250	-167

During the financial year, EUR 419 (166,602.00) was recognised through profit or loss for interest-rate derivatives used in hedging cash flows. Interest rate swaps are used for hedging loan portfolio interest flows against changes in market interest rates. The Y-Foundation Group creates hedging against interest rate risk also with interest rate swaps that start only in the future (so-called forward start). On the reporting date, the nominal value of such derivatives was EUR 133.1 (72.2) million. Interest rate hedging arrangements will mature in 1-11 years, with the average duration being 4.1 years.

Financial risk management

The aim of the Y-Foundation Group's financial risk management is to protect the company against unfavourable changes in the financial markets. The main principles of the management of financing and financial risks are defined in the financing policy approved by the Y-Foundation's Board of Trustees. The Group Financing function reports to the CFO, who is responsible for organising and leading duties related to the management of financing and financial risks and for ensuring that the principles defined in the financing policy are adhered to. When it comes to interest rate risks, the key market risk which the Y-Foundation's financing is exposed to is the impact of market interest rate changes on future interest flows. Interest rate risk is managed by balancing the ratio of loans with a fixed interest rate and loans with a variable interest rate so that the risk related to the increase of interest expenses is at an acceptable level and liquidity can be ensured. The most significant interest rate risk is related to loans on market terms but the interest rate risk related to other financial items is also monitored.

Interest subsidy loans and loans on market terms are mainly drawn with variable interest rates. The company hedges against the interest rate risk of these loans in line with its financing policy using derivative instruments, such as interest rate swaps and interest rate options, so that the share of fixed interest rate loans after hedging measures is kept at approx. 70 per cent of the entire loan portfolio. On the closing date, the share of financial interest rate debt, taking hedging into account, is 65 (63) per cent. The average maturity of the debt portfolio is 21.0 (21.4) years. In accounting, interest-rate derivatives are handled as cash flow hedging. There is no ineffectiveness associated with hedging as interest rate swaps have the same interest periods as the hedged items. Changes in market interest rates also influence the interest expenses of interest subsidy loans. However, in interest subsidy loans, interest subsidy is received for the portion that exceeds the own-risk portion of interest and, as a result, cost-related risk when interest rates rise is significantly lower.

In state-subsidised (Arava) properties, rent setting on a cost basis is used, with potential interest rate risk transferred to rents. The interest rate of state-subsidised loans is tied to the change of consumer prices in Finland. The interest rate for a financial year is defined during the preceding financial year and, as a result, there is no uncertainty regarding the coming financial year's interest expenses. Some state-subsidised loans have an interest rate cap based on the interest rate of the state's 10-year bond. The risk in state-subsidised loans is a sudden major rise in interest rates that would be difficult to transfer to rents in full without delay.

1,000 €	Group 2021	Group 2020	Parent 2021	Parent 2020
Revolving credit facility				
The Foundation has a revolving credit facility of EUR 2 million from Danske Bank,				
of which undrawn on the closing date	2,000	2,000	2,000	2,000
The Foundation has a revolving credit facility of EUR 5 million from Handelsbanken,				
of which undrawn on the closing date	5,000	5,000	5,000	5,000
Assets subject to condition of return				
Balance sheet value				
Shares in housing companies	195,132	191,827	195,132	191,827
Shares in real estate companies	6,199	6,199	6,199	6,199
Total	201,331	198,026	201,331	198,026
of which covered by grants	112,715	112,060	112,715	112,060
Other operations supported by STEA				
Housing counsellors, Housing First Development Network, One of Us, Sea-Tribe, Women's homelessness				
STEA's grants	748	1,206	748	1,206
operating expenses	-748	-1,214	-748	-1,214
The expenses of STEA-supported activities are included in the expenses of central administration.				
Shares pledged as collateral for loans				
State Treasury	46,671	47,435	46,671	47,435
financial instruments book value	141,774	143,176	141,774	143,176
pledged at fair value	221,976	224,509	221,976	224,509

A close-up photograph of a person's hands holding a blue, fuzzy, stuffed animal toy on a light-colored wooden table. The background is softly blurred, showing a person's legs and feet in a light-colored dress. A white circular graphic is overlaid on the center of the image, containing contact information for Y-Foundation.

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