

# 1 Ylva's Ownership Strategy 2022–2026

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## 16 Usage and function of the Ownership Strategy

17 This document determines the owner's will regarding the direction of Ylva's business operations. The  
18 policies of the Ownership Strategy create a framework within which the business strategies of Ylva must be  
19 drafted. The Ownership Strategy defines the indicators that show the owner's will to advance the positive  
20 development of these areas of business. This document is public and meant for all members of the Student  
21 Union. Based on a statement drafted by the Supervisory Board, the Representative Council assesses the  
22 implementation of the Ownership Strategy annually in connection with discussing the financial statement.

## 23 1. Basis for business operations

### 24 1.1. Vision

25 The financial independence Ylva produces by 2025 ensures that HYY's members can be happy and active  
26 during their studies.

### 27 1.2. Mission

28 Ylva conducts responsible business operations by building a vibrant and sustainable city and producing  
29 services for the University community.

### 30 1.3. General operating principles

31 Ylva's business operations are guided by the values of the Student Union of the University of Helsinki as  
32 well as the Ownership Strategy and its general operating principles.

33 As a pioneer of responsibility, Ylva is building a more just and sustainable society. All areas of business in  
34 Ylva are managed and developed in an ecologically, socially and financially sustainable manner. Ylva  
35 recognises its role as a changemaker in Finnish society, and in this role, actively promotes the development  
36 of responsible business operations in Finland. Ylva is also committed to the 1.5-degree goal set in the Paris  
37 Climate Agreement.

- 38 Ylva conducts renewing, profitable business operations that benefit students.  
39 - Ylva ensures the sustainable, long-term appreciation of the Student Union's assets.  
40 - The competitiveness of Ylva's business operations is based on its ability to renew itself and  
41 act as a pioneer in its line of business, especially in issues related to responsibility.  
42 - Ylva understands the Student Union's long history as well as Ylva's role in financing the  
43 operations.
- 44 Environmental wellbeing is not just a by-product – Ylva's operations aim at improving the state of  
45 the environment.  
46 - Taking sustainable development goals and biodiversity into account is central to all Ylva's  
47 operations and acquisitions.  
48 - Ylva strives to move to completely carbon-neutral energy usage.  
49 - Ylva looks after the Student Union's buildings and works of art with cultural-historical value.  
50 - Ylva carries out its construction and renovation projects with high architectural quality and  
51 special attention to the cityscape.  
52 - In all its projects, Ylva takes the relevant sustainability effects of the project's life cycle into  
53 account and strives to minimise them.  
54 - Ylva calculates the carbon footprint of its activities and strives to minimise it.
- 55 Ylva's operations help build an equal and inclusive society.  
56 - Ylva is a responsible employer and promotes equality and inclusivity in its work community  
57 and all its activities.  
58 - Ylva cooperates with responsibly operating partners, takes the responsibility of its  
59 subcontractor chains into account and strives to actively develop the responsibility of the  
60 value chains in their entirety.  
61 - Ylva is a proud and responsible taxpayer and does not conduct aggressive tax planning.
- 62 Ylva sees transparency as active interaction with a broad range of different interest groups.  
63 - As a societally significant operator, Ylva conducts transparent communication about its  
64 business operations and their goals to its owners, customers and the interest groups of its  
65 business operations.  
66 - Customers and employees are listened to.  
67 - Services and communication to the Student Union's members are provided trilingually.

#### 68 1.4. Ownership administration

69 In ownership administration and decision-making processes, the goal is to ensure that the owner's voice is  
70 heard while still retaining the ability for sufficiently quick and flexible decision-making that is required in  
71 business. HYY's Administrative Regulation, Part V, has stipulations on the bodies of ownership  
72 administration, their tasks and their interrelations. Special consideration is given to ensuring that student  
73 decision-makers receive information trilingually and are committed to the decision-making processes.

74 The Ownership Strategy is the supreme document determining the owner's will. Each Representative  
75 Council approves the document once during its term. The Ownership Strategy stipulates matters such as  
76 Ylva's main financial and other long-term goals for business operations, investments and risk-taking as well  
77 as the fundamental acceptability, basic duties and values of business operations. The Supervisory Board  
78 prepares the Ownership Strategy for the Representative Council's approval in cooperation with HYY's Board

79 after consulting Ylva's management. In addition to this, the Supervisory Board interprets the document in  
80 relation to current issues if necessary. The Supervisory Board has an important role in ensuring that  
81 information flows between Ylva's management and the Representative Council.

## 82 Special issues concerning operating finances

83 Ylva discusses potential changes to premises used by operating finances well in advance with the Financial  
84 Committee. The Financial Committee is informed of the up-to-date situation with premises that are in use  
85 and that may come into use. The Medium-term Financial Plan features more detailed policies on processes  
86 related to the premises of operating finances.

## 87 2. Goals and indicators of Ylva's group

88 Areas of business are managed and developed as financially independent units to allow them to increase  
89 the value of their business. The objectives of different areas of business are defined, based on their basic  
90 function, in Ylva's business strategy and, if necessary, in separate business plans made specifically for  
91 certain areas of business.

## 92 Special principles concerning real estate business and investment activities

93 Ylva commits itself to comply with the UN's Global Compact principles when making rental agreements.  
94 New rental agreements and agreements that are extended through contract and require an assessment of  
95 their responsibility are brought to the Supervisory Board for processing.

96 When choosing investment targets and new tenants, lines of business to be avoided are the weapons and  
97 tobacco industries, gambling and companies that produce and refine fossil fuels. A maximum of 5% of our  
98 portfolio may be invested in companies whose portfolios may include activities in the aforementioned lines  
99 of business. However, no investment target's main line of business may be on any of the aforementioned  
100 branches. In securities investment activities, we require stockbrokers to adhere to the UN's Principles for  
101 Responsible Investment (PRI).

### 102 2.1. Real estate business

#### 103 Basis

104 The stability, long-term nature and predictability of real estate business make it possible to develop the entire  
105 business on a long-term basis. Real estate business produces Ylva with its main cash flow and secures  
106 sufficient distribution of profits to the owner in the long term. To achieve the goal of securing financial  
107 independence by 2025, the major projects of Grand Hansa and Lyyra have been launched and will be taken  
108 forward during the strategy period.

#### 109 Objective

110 The objective is to maintain and increase commercial properties' operational profitability and property  
111 profits during the strategy period. The aim during the strategy period is to complete the projects that have  
112 already been started in an appropriate manner. Plans for the potential expansion of real estate business in  
113 the long term are made during the strategy period.

#### 114 Measures

115 New property investments may be diversified into different forms of investment. HYY's property finances  
116 may invest in new properties if their location enables a long-term increase in value and their profit levels and  
117 synergy benefits increase the profitability of real estate business. While the major projects of Grand Hansa  
118 and Lyyra are under way, it is crucial to pay attention to the total risk level of real estate business. In potential  
119 new projects as well as projects that are currently under way, entering various partnerships and parting with  
120 certain assets may be considered if this would help advance the projects and either increase total assets or  
121 control risks. Besides financial investments, the profitability of properties is developed with the active  
122 selection of tenants. If possible, environmental certificates are sought for properties HYY owns either entirely  
123 or jointly. As a property owner, Ylva commits to carbon-neutral energy use by 2025 in accordance with its

124 Net Zero Carbon commitment. Economic responsibility is enforced in real estate business by ensuring  
125 sufficient renovation and maintenance investments in properties and taking their wear into account. The  
126 responsibility of real estate business is promoted by favouring environmentally friendly solutions, such as  
127 ecological construction, and by investing in energy efficiency in construction and renovations. The possibility  
128 of acquiring or constructing a new student house in Viikki in the long term is charted during the strategy  
129 period.

#### 130 Indicators

131 The development of market values and profits in relation to general market development as well as  
132 occupancy rate. The realisation of the responsibility principles of real estate business, the Net Zero Carbon  
133 goal, the operative carbon emissions of properties in relation to gross area, emission reductions in  
134 accordance with the carbon budget, renovation backlog in properties.

### 135 2.2. Investment activities

#### 136 Basis

137 The aim of Ylva's investment activities is to balance the risk of property investments and act as a bumper for  
138 other assets. Funds are invested in a responsible, productive and secure long-term manner that takes the  
139 group's total risk level at a given time into account. When determining the risk and profit levels of investment  
140 activities, special consideration is given on managing the risks of Ylva as a whole.

#### 141 Objective

142 The objective of investment activities is to retain and diversify the Student Union's assets. Especially when  
143 the risk level is otherwise higher, liquid investment options in the stock portfolio are emphasised. While  
144 major property investment projects are still under way, taking significant risks in other investment activities  
145 is avoided. After the major property projects have been completed, the goal is to turn investment activities  
146 back into an independent source of income for the Student Union. In the long term, we will move from  
147 using investments as a bumper towards generating income with them.

#### 148 Measures

149 Investment activities may be expanded outside the stock portfolio, into various private equity funds, venture  
150 capital investments or plots, for instance. The starting point for increasing investment activities is that Ylva  
151 may make additional investments if other business operations produce excess cash flow that can be invested.  
152 During this strategy period, the investment strategy approved by Ylva's Board of Directors acts as the basis  
153 for investment activities. Operative management may execute the investment strategy within the risk and  
154 investment framework approved by the Representative Council. The profit target for investment activities is  
155 set in proportion with the investment strategy and allocation set by Ylva's Board of Directors that is in effect  
156 at a given time. Individual non-liquid investments are assessed in terms of risk diversification and profit in  
157 comparison to the entire asset portfolio. Within the limits set by the Ownership Strategy and the risk and  
158 investment framework, Ylva makes allocation decisions on the stock portfolio that help increase the value of  
159 assets and to preserve assets in all market conditions.

#### 160 Indicators

161 For activities with either higher risks or less liquidity, a higher level of profits is required. The main indicator  
162 to follow is the profit of investments in relation to the benchmark index. Market conditions are also taken  
163 into account when assessing profits. Ylva reports the profits of investment activities annually in its result. In  
164 addition to this, the implementation of the responsibility principles of investment activities is monitored.

### 165 2.3. Restaurant activities

#### 166 Basis

167 The primary task of student restaurants is to ensure the availability of student lunches and the best possible  
168 price-quality ratio in a profitable, long-term manner. Another key task for the restaurant business is to also  
169 serve the rest of the University community by offering staff lunches with a competitive price-quality ratio.

170 By offering responsible and ethical choices, we help change Finnish food norms and promote both the  
171 mitigation of climate change and public health. Student restaurant activities are important to the Student  
172 Union for several reasons, such as reaching the membership and balanced, responsibly produced student  
173 meals. To keep hold of students' decision-making power and opportunities to influence matters, it is  
174 important to retain the student restaurant activities as part of Ylva's business operations and under student  
175 control even if they do not always reach their profit targets. However, the restaurant business cannot cause  
176 a loss in the long term, causing excessive risks for the objectives and possibilities of Ylva's distribution of  
177 profits as a whole. The long-term operating conditions of the campus restaurants are largely dependent on  
178 decisions made in the University, which makes it crucial to ensure that the UniCafe chain enjoys broad  
179 support and trust among the entire University community. Student restaurants offer high-quality, affordable  
180 and responsible meals and cafeteria products while taking special diets into consideration. The principles of  
181 quality, Finnishness and responsibility are important not only in student restaurants but also for this line of  
182 business in general and its brand in particular. UniCafe develops its catering business in order to complement  
183 student meals with sales that have a higher profit margin. UniCafe may also look into other new services with  
184 which to improve its result.

#### 185 Objective

186 The objective of student meals is to offer competitively priced food with better quality and customer  
187 satisfaction than those of competitors. The objective of student restaurants is a level of financial profitability  
188 that allows development investments to be covered by their own profits. During the strategy period, the  
189 profitability of the business operations must be developed and the entire line of business spurred on in  
190 responsibility issues. The company's student ownership and responsible acquisition policies must be visible  
191 to customers.

#### 192 Measures

193 Customer satisfaction and feedback form the cornerstone of developing the business operations, and both  
194 are monitored closely. Finnish ingredients and ingredients with responsibility certification are favoured in  
195 student restaurants. It is also crucial to ensure the availability of meals that follow the recommended  
196 principles of student meal programmes in higher education as well as promote vegetarian and vegan meals.  
197 Ylva looks into opening an entirely plant-based UniCafe restaurant during the strategy period. As part of this  
198 inquiry, an entirely plant-based trial period is conducted at one UniCafe restaurant. Vegetarian and vegan  
199 meals are promoted because of their generally smaller carbon and water footprint. The visibility of student  
200 ownership and the company's responsible acquisition policies to customers must be promoted with goal-  
201 oriented customer communication and responsibility certificates. Favourable development in the  
202 profitability of lunch restaurants is maintained by developing UniCafe's image as a credible restaurant  
203 business outside the University community as well as in it. By the end of the strategy period, UniCafe must  
204 aim at being able to maintain the availability of student and staff lunches on all campuses throughout the  
205 year. When developing restaurant activities, jointly owned restaurants and companies as well as corporate  
206 transactions may be considered, but the Student Union must retain a controlling position in all significant  
207 arrangements.

#### 208 Indicators

209 Customer satisfaction among students, staff and other customers, feedback received and collected from  
210 local student organisations, share of certified and Finnish ingredients, share of vegetarian and vegan meals  
211 among purchased meals, yearly emission reductions in line with the carbon budget, profits of restaurant  
212 activities.

### 213 3. Housing

#### 214 Basis

215 Ylva has its own apartments that it rents out in Leppäsuo. New apartments that will be rented out by Ylva  
216 are being constructed in Hakaniemi in connection to the Lyyra city block. These apartments have been

217 produced with private funding and will be rented out at market prices with the exception that HYY's  
218 members will receive a member discount on the rents of the Leppäsuu apartments.

#### 219 Objective

220 The aim of the housing business is to produce profits for the Ylva group and to balance the risks of real  
221 estate business with housing business that operates counter-cyclically. We also aim to be a pioneer of  
222 responsibility in the industry. In the long term, the housing business may be expanded by acquiring or  
223 constructing more apartments. In this case, the primary objective must be to rent out the apartments, not  
224 sell them. In addition to this, the possibility of constructing student apartments in the long term with  
225 funding from the Housing Finance and Development Centre of Finland (ARA) is explored along with any  
226 arrangements HYY or Ylva would need to make to facilitate this.

#### 227 Measures

228 Student housing activities are continued at Domus Academica. Our own concept of housing business is  
229 developed in the existing apartments. Opportunities to acquire or construct more apartments to expand  
230 the business are charted under the condition that the expansion would be financially profitable. Various  
231 partnerships may be considered in new housing projects. The operations are developed based on feedback  
232 from tenants. Tenants are engaged in the development of operations.

#### 233 Indicators

234 Tenant satisfaction, profits from the housing business in relation to general market development.

### 235 4. Profit targets and distribution of profits

236 The profit target for Ylva's business activities is a total return on capital that is better than the average  
237 return on the market, taking into account both the operative cash flow and the change in net assets. Ylva's  
238 long-term goal is to improve its profit level so that its distribution of profits could ensure the independence  
239 of the Student Union's operations from other funding sources. The goal is that the distribution of profits  
240 could be raised to a level of at least 4 million euros during the strategy period, in 2025. If the Student  
241 Union's financial situation were to change drastically and the profit distribution could not be raised to the  
242 level required by the goal of having no membership fees in 2025, a gradual progression towards the goal or  
243 postponing it by a couple of years may be considered. In terms of ownership steering, this deliberation is  
244 done in connection with the 2024 Ownership Strategy process. In addition to this, a preliminary  
245 deliberation is done in autumn 2023, as the membership fee for the 2024–2025 academic year is decided in  
246 December 2023. During the strategy period, the goal is to keep the distribution of profits steady or increase  
247 it moderately every year. However, any increases must be made in a way that does not endanger Ylva's  
248 ability to take care of its liquidity, manage its loans or invest in retaining its future competitiveness.

#### 249 Basis for the distribution of profits

250 Operative cash flow is used as the basis for the distribution of profits. Operative cash flow shows the cash  
251 flow of business operations after the direct expenses and financing costs of the business operations.  
252 Operative cash flow must also cover expenses such as loan instalments and necessary maintenance  
253 investments. During the strategy period, the basic goal for the distribution of profits is a range of 20–50% of  
254 operative cash flow. On the other hand, there are major investment projects under way during the strategy  
255 period, and these may cause greater than normal fluctuation in the annual business result. The distribution  
256 of profits should thus be assessed over a time frame of several years, and deviations from the basis for the  
257 distribution of profits may occur despite the poor result of a single financial period if Ylva's net assets or the  
258 bumpers it has accumulated during previous years make this possible. When assessing the decision on the  
259 distribution of profits, care must always be taken to ensure that the distribution of profits does not  
260 endanger or violate Ylva's financing agreements or endanger Ylva's liquidity or its chances of otherwise

261 taking care of its liabilities and obligations.

#### 262 Equity ratio

263 During the strategy period, Ylva's equity ratio must remain over 50%, calculated in market values. The  
264 equity ratio is reviewed annually, and the equity ratio calculated in market values is reported at least once  
265 a year in connection with the confirmed financial statement, based on the situation at the end of each  
266 financial period. If the equity ratio calculated in market values decreases or is in immediate danger of  
267 decreasing under the 50% goal, the Student Union's finance director has the duty to make the  
268 Representative Council aware of the matter and propose a plan to fix the situation within 60 days.  
269 Information on the equity ratio decreasing or being in immediate danger of decreasing under 50% must be  
270 immediately reported to the Board of the Student Union. However, with major investments occurring  
271 during the strategy period, Ylva must ensure its liquidity in such a way that it is able to cover its liabilities  
272 and obligations in all situations. With this in mind, securing liquidity may conflict with the 50% goal for  
273 equity ratio in the short term after HYY's Board makes a decision on the matter.

#### 274 Contingency fund of operating finances

275 The purpose of the contingency fund of the Student Union's operating finances is to secure the Student  
276 Union's operational funding for the following year. The contingency fund is accumulated with the owner's  
277 annual decision on the distribution of profits, made in connection with processing Ylva's financial statement  
278 and based on the confirmed financial statement and profits. More detailed stipulations on the contingency  
279 fund and related objectives are set out in the Medium-term Financial Plan.