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YLVA'S OWNERSHIP STRATEGY 2025– 2029

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1 YLVA'S OWNERSHIP STRATEGY 2025— 2 2029

3 USAGE AND FUNCTION OF THE OWNERSHIP STRATEGY

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

11 1. BASIS FOR BUSINESS OPERATIONS

12 1.1. Vision

13 Ylva ensures that members of the Student Union of the University of Helsinki can be happy and active
14 during their studies. Ylva's operations fully finance HYY's operating finances.

15 1.2. Mission

16 Ylva's ultimate purpose is to ensure the Student Union of the University of Helsinki's financial
17 independence. Ylva conducts responsible business operations by building a vibrant and sustainable city and
18 producing services for the University community.

19 1.3. General operating principles

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

22 As a pioneer of responsibility, Ylva is building a more just and sustainable society. All areas of business in
23 Ylva are managed and developed in an ecologically, socially and financially sustainable manner. Ylva
24 recognises its role as a changemaker in Finnish society, and in this role, actively promotes the development
25 of responsible business operations in Finland. Ylva is committed to the 1.5-degree goal set in the Paris
26 Climate Agreement. Ylva takes the Student Union's decisions related to political policies into account to the
27 extent that they relate to Ylva's operations.

28 Ylva conducts renewing, profitable business operations that benefit students

- 29 – Ylva ensures the sustainable, long-term appreciation of the Student Union's assets.
- 30 – The competitiveness of Ylva's business operations is based on its ability to renew itself and act as a
31 pioneer in its line of business, especially in issues related to responsibility.

- 32 – Ylva takes the group's general financial risk level into account in its operations and strives to diversify
33 its risks. Ylva must avoid making any major investments and starting any major projects that require
34 taking out a loan while its equity ratio is close to or under 50%.
35 – Ylva understands the Student Union's long history as well as Ylva's role in financing the operations.

36 **Environmental wellbeing is not just a by-product – Ylva's operations aim at improving the**
37 **state of the environment**

- 38 – Taking sustainable development goals and biodiversity into account is central to all Ylva's operations
39 and acquisitions.
40 – Ylva strives to stick to fully emission-free energy use.
41 – Ylva looks after the Student Union's buildings and works of art with cultural-historical value.
42 – Ylva carries out its construction and renovation projects with high architectural quality and special
43 attention to the cityscape.
44 – In all its projects, Ylva takes the relevant sustainability effects of the project's life cycle into account
45 and strives to minimise them.
46 – Ylva sets itself objectives related to nature and strives to minimise negative effects on nature.

47 **Ylva's operations help build an equal and inclusive society**

- 48 – Ylva is a responsible employer and promotes equality and inclusivity in its work community and all its
49 activities.
50 – Ylva cooperates with responsibly operating partners, takes the responsibility of its subcontractor chains
51 into account and strives to actively develop the responsibility of the value chains in their entirety.
52 – Ylva commits to taking the realisation of human rights and the UN's Guiding Principles on Business and
53 Human Rights into account in its business operations and supply chains. Parties related to the states of
54 Russia and Israel in particular should be avoided in supply chains.
55 – Ylva is a proud and responsible taxpayer and does not conduct aggressive tax planning.

56 **Ylva sees transparency as active interaction with a broad range of different interest groups**

- 57 – As a societally significant operator, Ylva conducts transparent communication about its business
58 operations and their goals to its owner and about their effects to customers and the interest groups of
59 its business operations.
60 – Customers and employees are listened to and services and communication to the Student Union's
61 members are provided trilingually – in Finnish, Swedish and English – to the extent resources allow.

62 **1.4. Ownership administration**

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

68 The Ownership Strategy is the supreme document determining the owner's will. Each Representative
69 Council approves the document once during its term. The Ownership Strategy sets out provisions on

70 matters such as Ylva's main financial and other long-term goals for business operations, investments and
71 risk-taking as well as the fundamental acceptability, basic duties and values of business operations. The
72 Supervisory Board prepares the Ownership Strategy for the Representative Council's approval in
73 cooperation with HYY's Board after consulting Ylva's management. In addition to this, the Supervisory
74 Board interprets the document in relation to current issues. The Supervisory Board has an important role in
75 ensuring that information flows between Ylva's management and the Representative Council.

76 **Special issues concerning operating finances**

77 Ylva discusses potential changes to premises used by operating finances well in advance with the Financial
78 Committee. The Financial Committee is informed of the up-to-date situation with premises that are in use
79 and that may come into use. For a compelling reason, Ylva may discuss matters with the Working
80 Committee of HYY's Board instead of the Financial Committee. The Medium-term Financial Plan features
81 more detailed policies on processes related to the premises of operating finances.

82 **2. GOALS AND INDICATORS OF YLVA'S GROUP**

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

87 **Special principles concerning real estate business and investment activities**

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

91 When choosing investment targets and new tenants, lines of business to be avoided are foreign weapons
92 industry, tobacco industry, fur industry, gambling and companies that produce and refine fossil fuels. A
93 maximum of 5% of our portfolio may be invested in companies whose portfolios may include activities in
94 the aforementioned lines of business. However, no investment target's main line of business may be on any
95 of the aforementioned lines of business. However, if a company is state-owned or listed on the stock
96 exchange or if the benefit from the investment would better serve Ylva's ultimate purpose, the Supervisory
97 Board may grant an exception.

98 In securities investment activities, we require our stockbroker to adhere to the UN's Principles for
99 Responsible Investment (PRI).

100 **2.1. Real estate business**

101 **Basis**

102 The stability, long-term nature and predictability of real estate business make it possible to develop the
103 entire business on a long-term basis. Real estate business produces Ylva with its main cash flow and secures
104 sufficient distribution of profits to the owner in the long term.

105 Ylva has its own apartments that it rents out in Leppäsuo and Hakaniemi. The apartments are rented out at
106 market prices with the exception of HYY's members getting member benefits in the rent of the Leppäsuo
107 apartments.

108 **Objective**

109 The objective for the commercial properties is to maintain and increase their operational profitability and
110 property profits during the strategy period. The expansion of real estate business may be planned in the
111 long term.

112 The aim of the real estate business is to produce profits for the Ylva group. The risks of the real estate
113 business are balanced by constructing and managing various real estate units. We also aim to be a pioneer of
114 responsibility in the industry.

115 **Measures**

116 New property investments may be diversified into different forms of investment. When the financial
117 situation allows, HYY's property finances may invest in new properties if the investments enable a long-
118 term increase in value and their profit levels improve the profitability of the real estate business. In
119 potential new projects, entering various partnerships and parting with certain assets may be considered if
120 this would help advance the projects and either increase total assets or control risks. Besides financial
121 investments, the profitability of properties is developed with the active selection of tenants. If possible,
122 environmental certificates are sought for properties HYY owns either entirely or jointly. As a property
123 owner, Ylva commits to emission-free energy use based on the Net Zero Carbon commitment. Economic
124 responsibility is enforced in real estate business by ensuring sufficient renovation and maintenance
125 investments in properties and taking their wear into account. The responsibility of real estate business is
126 promoted by favouring environmentally friendly solutions and by investing in energy efficiency in
127 construction and renovations.

128 Student housing activities are continued at Domus Academica. The concept of housing business is
129 developed in the existing apartments. Opportunities to acquire or construct more apartments to expand the
130 business are charted under the condition that the expansion would be financially profitable. Various
131 partnerships may be considered in new housing projects.

132 The operations are developed based on feedback from tenants. Tenants are engaged in the development of
133 operations.

134 **Indicators**

135 The CARG of the return on capital over 5- and 10-year analysis periods (in market values), the development
136 of market values and profits in relation to general market development as well as occupancy rate. The
137 realisation of the responsibility principles of real estate activities, the Net Zero Carbon goal, the carbon
138 emissions of properties in relation to gross area, carbon intensity, emission–turnover ratio, emission
139 reductions in accordance with the carbon budget, renovation backlog and utilisation rate of properties.
140 Tenant satisfaction, profits from the housing business in relation to general market development.

141 **2.2. Investment activities**

142 **Basis**

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

147 **Objective**

148 The objective of investment activities is to retain and diversify the Student Union's assets. Especially when
149 the risk level is otherwise higher, liquid investment options in the stock portfolio are emphasised. The goal
150 is to turn investment activities back into an independent source of income for the Student Union. In the
151 long term, we will move from using investments as a bumper towards generating income with them.

152 **Measures**

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

163 **Indicators**

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

169 **2.3. Restaurant activities**

170 **Basis**

171 The primary task of student restaurants is to ensure the availability of student lunches and the best possible
172 price–quality ratio in a profitable, long-term manner. Another key task for the restaurant business is to also
173 serve the rest of the University community by offering staff lunches with a competitive price–quality ratio.
174 By offering responsible and ethical choices, we help change Finnish food norms and promote both the
175 mitigation of climate change and public health.

176 Student restaurant activities are important to the Student Union for several reasons, such as reaching the
177 membership and balanced, responsibly produced student meals. To keep hold of students' decision-making
178 power and opportunities to influence matters, it is important to retain the student restaurant activities as
179 part of Ylva's business operations and under student control even if they do not always reach their profit
180 targets. However, the restaurant business cannot cause a loss in the long term, causing excessive risks for
181 the objectives and possibilities of Ylva's distribution of profits as a whole. The long-term operating
182 conditions of the campus restaurants are largely dependent on decisions made in the University, which
183 makes it crucial to ensure that the UniCafe chain enjoys broad support and trust among the entire
184 University community.

185 The principles of quality, Finnishness and responsibility are important not only in student restaurants but
186 also for this line of business in general and its brand in particular. UniCafe develops other services in order
187 to have sales with a higher profit margin to supplement the sales of student meals. UniCafe may also chart
188 other ways to develop its operations.

189 **Objective**

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

196 **Measures**

197 Customer satisfaction and feedback form the cornerstone of developing the business operations, and both
198 are monitored closely. Finnish ingredients and ingredients with responsibility certification are favoured in
199 student restaurants. It is also crucial to ensure the availability of meals that follow the recommended
200 principles of student meal programmes in higher education as well as promote vegetarian and vegan meals.
201 Vegetarian and vegan meals are promoted because of their generally smaller carbon and water footprint.
202 UniCafe must focus product development on plant-based food, especially in a way that accounts for people

203 who follow special diets. The supply of vegan food is increased, and the aim is to also increase the sales of
204 vegan meals. The long-term goal is to increase the number of fully vegan restaurants.

205 The visibility of student ownership and the company's responsible acquisition policies to customers must be
206 promoted with goal-oriented customer communication and responsibility certificates. Favourable
207 development in the profitability of lunch restaurants is maintained by developing UniCafe's image as a
208 credible restaurant business outside the University community as well as in it. The profitability of small
209 locations is also assessed. UniCafe must strive to retain the availability of student and staff meals on all
210 campuses throughout the year. When developing restaurant activities, jointly owned restaurants and
211 companies as well as corporate transactions may be considered, but the Student Union must retain a
212 controlling position in all significant arrangements.

213 **Indicators**

214 Customer satisfaction among students, staff and other customers, share of certified and Finnish ingredients,
215 share of vegan meals among purchased meals, yearly emission reductions in line with the carbon budget,
216 monitoring of climate meals and profits of restaurant activities.

217 **3. PROFIT TARGETS AND DISTRIBUTION OF PROFITS**

218 The starting point for the strategy period is that operating finances has to be independent of Ylva due to the
219 poor financial situation. The profit target for Ylva's business activities is a total return on capital that is
220 better than the average return on markets corresponding to the lines of business in our portfolio, taking into
221 account both the operative cash flow and the change in net assets. Ylva's long-term goal is to improve its
222 profit level so that its distribution of profits could ensure the independence of the Student Union's
223 operations from other funding sources. The aim is to distribute profits during the strategy period whenever
224 it is possible. The potential distribution of profits must be done in a way that does not endanger Ylva's
225 ability to retain its liquidity, manage its loans and invest in the retention of future competitiveness and that
226 does not weaken Ylva's future competitiveness.

227 **Basis for the distribution of profits**

228 Operative cash flow is used as the basis for the distribution of profits. Operative cash flow shows the cash
229 flow of business operations after the direct expenses and financing costs of the business operations.
230 Operative cash flow must also cover expenses such as loan instalments and necessary maintenance
231 investments. The basic goal for the distribution of profits is a range of 20–50% of operative cash flow. The
232 distribution of profits is assessed over a time frame of several years, and deviations from the basis for the
233 distribution of profits may occur despite the poor result of a single financial period if Ylva's net assets or the
234 bumpers it has accumulated during previous years make this possible. When assessing the decision on the
235 distribution of profits, care must always be taken to ensure that the distribution of profits does not
236 endanger or violate Ylva's financing agreements or endanger Ylva's liquidity or its chances of otherwise
237 taking care of its liabilities and obligations.

238 **Equity ratio**

239 At the beginning of the strategy period, Ylva's equity ratio calculated in market values is significantly under
240 50%. The goal is to raise the equity ratio to at least the 50% level in the long term. The equity ratio is
241 reviewed annually, and the equity ratio calculated in market values is reported at least once a year in
242 connection with the confirmed financial statements, based on the situation at the end of each financial
243 period. Due to the financial situation, the equity ratio may fluctuate from year to year during the strategy
244 period. If the equity ratio calculated in market values decreases significantly or is in immediate danger of
245 doing so, the Student Union's finance director has the duty to make the Representative Council aware of the
246 matter and propose a plan to fix the situation within 60 days. Information on the equity ratio decreasing or
247 being in immediate danger of decreasing must be immediately reported to the Board of the Student Union.
248 However, Ylva must ensure its liquidity in such a way that it is able to cover its liabilities and obligations in
249 all situations. With this in mind, securing liquidity may conflict with the goal for the equity ratio in the
250 short term once HYY's Board has made a decision on the matter.

251 **Contingency fund of operating finances**

252 The purpose of the contingency fund of the Student Union's operating finances is to secure the Student
253 Union's operational funding. The contingency fund is accumulated with the owner's annual decision on the
254 distribution of profits, made in connection with processing Ylva's financial statements and based on the
255 confirmed financial statements and profits. More detailed provisions on the contingency fund and related
256 objectives are set out in the Medium-term Financial Plan.