



VILJAVA'S  
ANNUAL REPORT

2019

The Viljava logo, featuring the word "Viljava" in a stylized, orange, cursive font, positioned in the bottom right corner of the image.

*Viljava*

## “GREEN DEAL” – VILJAVA OPERATES FOR A BETTER FUTURE

The European Union has set out ambitious objectives for the reduction of carbon dioxide emissions. In practice, the objectives and measures apply to everyone, both companies and private individuals. Companies' measures to reduce the environmental effects of their own operations are essential, but the entire business chain's collaboration to reduce emissions to the atmosphere, waterways and soil is increasingly more important.

In recent years, Viljava has invested significantly in reducing its own carbon footprint. Our heating plant in Korja uses grain dust as fuel and delivers heat to its own grain dryer and to the district heating grid of a local energy company. One hundred percent of Viljava's grain dust and other grain by-products are utilised as energy. We use electricity that has been produced with renewable energy, and in the summer we invested in our first solar plant. Other significant investments to reduce environmental effects have also been made. For example, the next-generation shiploader at Rauma reduces the amount of free grain dust to just a fraction compared to traditional shiploaders.

Viljava is a part of - a type of hub - the logistics chain. Customers' grains and other products are brought for storage by truck, train and ship, and the same modes of transport are used to forward them. More and more ports have set out their objectives to significantly reduce their environmental effects in the next two decades. Companies operating at the ports, such as Viljava, play an important role in achieving these objectives. No individual operator is able to reduce emissions more than their own share, and therefore environmental work is a common matter for all operators.

Viljava wishes to be actively involved in the reduction of the environmental footprint of the entire food chain - from field to fork. Let's make a better future together.



**LET'S MAKE  
A BETTER  
FUTURE  
TOGETHER.**

# VILJAVA BRIEFLY

**Suomen Viljava Oy was established in 2002 and it is Finland's largest service company that specialises in the processing and storage of grains and agribulk raw materials. We offer storage and processing services both in the Finnish market and for companies that operate in export, import and transito trade. The company is owned by the Finnish government.**

Viljava has 19 locations in 16 municipalities that are comprehensively spread around Finland. Almost half of the grains reaching Finland's trade operations are transported via our storage facilities. Most of Finland's import and export grains are transported via our port storage facilities, which are located in Naantali, Rauma, Helsinki, Loviisa and Kotka. Half of Viljava's total volumes at our port storage facilities are stored and two thirds are processed.

On the other hand, Viljava's inland storage facilities serve the domestic industries and primarily operate as storage facilities for the security of grain supply. We have powerful grain dryers in use in connection with our storage facilities in Korja, Kouvola, Kokemäki and Perniö. Our platform and silo storage facilities are also suitable for the storage of many piece goods and bulk goods.

Viljava has a national obligation and special task, on its behalf, to safeguard the food supply chain's operations in exceptional conditions.



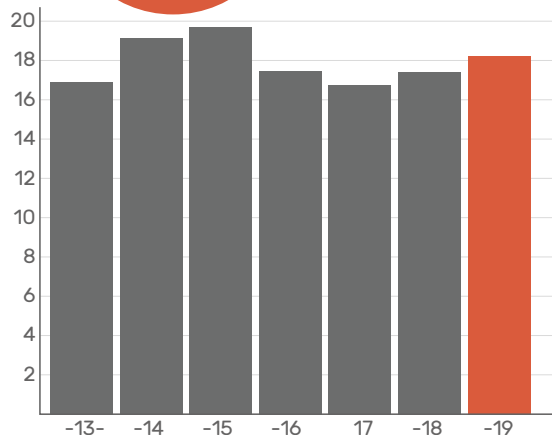
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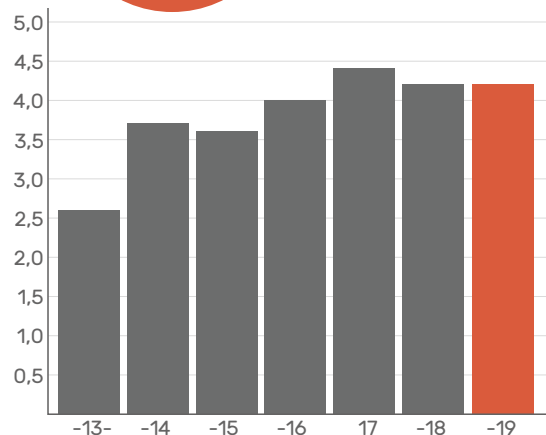
KEY FIGURES 2019

Turnover  
**18.2**  
million €



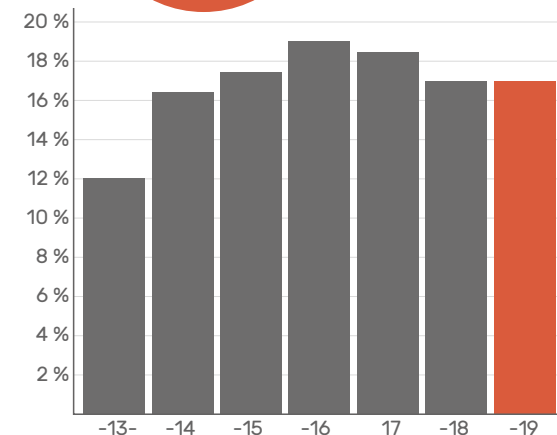
Development of turnover 2013-2019, million €

Operating profit  
**4.2**  
million €



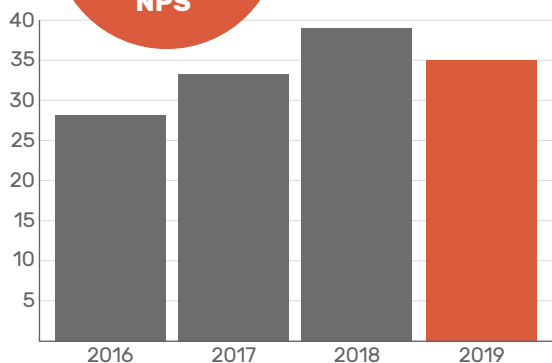
Development of operating profit 2013-2019, million €

ROI  
**16.7**  
%



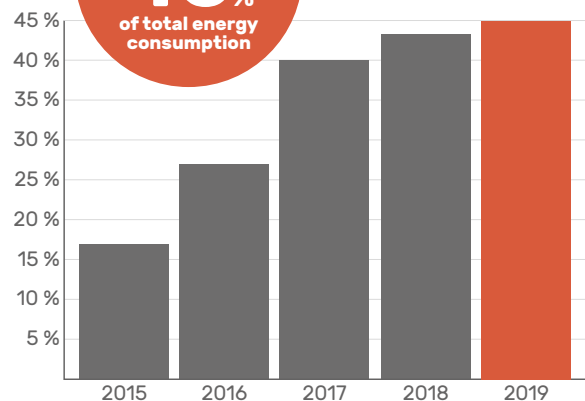
Return on investment % 2013-2019

Customer satisfaction  
**35**  
NPS

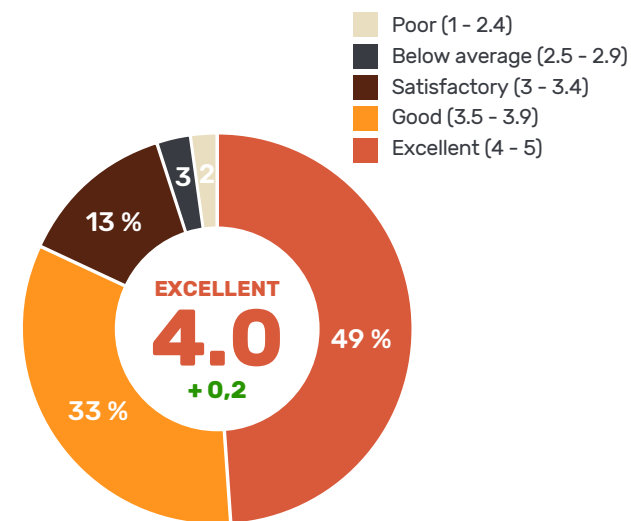


Customer satisfaction 2016-2019, NPS

Own bioenergy  
**45%**  
of total energy consumption



Own energy production 2015-2019



Staff satisfaction 2019



## OVERVIEW OF THE CEO



An increasing number of our customers consider that Viljava's operations have improved during 2019 and they assess collaboration to increase during 2020. Customers consider Viljava to be a cooperation partner that actively develops its operations and introduces innovative solutions. Particular praise is given to our staff's service attitude, expertise and solution-orientedness. Flexible cooperation is key to a good end result in the world of logistics, which is always on the move and subject to changing situations.

Viljava has invested, and shall continue to invest, in issues that develop the operations of the entire chain in terms of customers. Our aim is that the basic daily operations, i.e. efficient reception, sufficient storage capacities for different qualities of products as well as fast around-the-clock loading, would operate even more efficiently.

### Utilisation of digitalisation as an area of development

Half of Viljava's storage facilities have implemented the opportunity for self-loading trucks around the clock 24/7. At the truck loading of wood pellets in Turenki, 24/7 self-loading as well as reception have been in use since the start of operations. A loading silo was built in Seinäjoki in place of the grain dryer that was moved to Kokemäki, and it is automatically filled at the rate that goods are loaded to trucks. However, Viljava's 24/7 self-loading operations continue to be developed. The identification of the load-collecting transport company or driver for access to the storage area as well as for starting the loading requires the versatile utilisation of digitalisation. The digital technology exists - it just needs to be introduced. Safety issues are of paramount importance, so technology must be easy to use and reliable. On the basis of Viljava's experiences, the orientation of drivers plays a key role in the success of operations. The technology exists - it just needs to be comprehensively introduced.

### Investments make reception operations more efficient

In recent years, we have invested greatly in the reception of truck and train loads. For example, the efficiency of truck reception lines in Naantali has doubled in the past four years. Efforts shall also continue next year. The efficiency of reception lines in Koria will be increased by 50 percent, which will also allow the efficient reception of dry grains during the drying season. A separate reception conveyor connection shall be built in Seinäjoki directly to the main silo. As the truck size increases, the reception capacity must develop at least at the same rate in order for the service capacity to be sufficient, particularly during the rush of the harvesting season.

Train traffic from Russia to Viljava's storage facilities in Kouvola and Loviisa was busy. Grains and animal feed raw materials came from Russia to Kouvola's storage facility for the Finnish market. Transito grains were unloaded from trains in Loviisa for the international markets. We invested significantly in the marketing of transito traffic, and Viljava was visibly involved in the congresses of the grain industry in different parts of Russia. The efforts made in recent years to develop our port terminals provide Viljava good prerequisites to manage wide-scale transito grain traffic.

## Good results in reducing environmental effects

Persistent work is carried out at Viljava to reduce the environmental effects of its own operations. Our CO2 emissions have dropped to almost zero in a few years, and the percentage of our own bioenergy production is already 45 percent of our overall energy consumption. Natural gas has been replaced with grain dust, and we have moved over to use electricity that is produced with renewable energy. In 2019, we introduced our first solar plant at our storage facility in Helsinki, and its 50 kWp solar panels produce a significant percentage of the basic electricity needs of the facilities.

The management of grain dust is one of Viljava's main areas of investment. In 2019, we replaced e.g. Loimaa's dust management system. The capacity of Korja's heating plant is almost fully in use. During the harvesting season, heating is used for drying grains and at other times, heating is delivered to the local district heating grid.

## Usage of the storage capacity at a good level

Due to an excellent harvest in Finland, the storage volume of grains increased to a good level at the end of the year after an exceptionally low level at the beginning of the year. The diverse utilisation of storage capacity to the storage of various bioeconomy products progressed according to plans. The storage volumes of wood pellets and animal feed raw materials increased significantly, and the storage of new bioeconomy products was introduced.

## Development of skills on a daily basis

The development of staff skills is a continuous area of emphasis at Viljava, and work is carried out in a determined manner one step at a time. Deeplead training has been carried out for four years. Initially focus was the development of leadership skills and the training of the entire staff was initiated a couple of years ago. In 2018, a competence survey was carried out for the entire staff in order to support the development of skills. The results of annually completed staff surveys indicate that progress has been made in all sub-areas concerning work.

Viljava's staff operates in the work community according to mutually agreed values - develop, focus, encourage, as a partner. The focus in work is on the customer - partner. Since our staff handles products that belong to the customer, focusing on each work stage is particularly important. The development of operations, in terms of both operating methods and the utilisation of technology, is part of the daily work carried out by Viljava's staff.

## Sustainable growth as a business objective

The core of Viljava's operations is based on business continuity on a sustainable basis. Our aim is to increase turnover and maintain strong results was adapting operating costs with changes occurring in turnover. We work by carefully listening to our customers and working in close cooperation with them.

We would like to warmly thank our customers, other partners and each and every member of staff for the excellent collaboration in 2019. Together let's make this year even better than last year.

**Pasi Lähdetie**  
CEO





# **SIGNIFICANT ACHIEVEMENTS IN 2019**



- **Customers are particularly satisfied in the service attitude of Viljava's staff**

- **Record grain reception volumes during the harvesting season**

**The growth of turnover**

- **continued for the third consecutive year**

- **The volume of Russian grain transit transports increased**

- **Viljava's carbon dioxide emissions almost at zero**



## **CASE:** **FIRST PANAMAX CLASS SHIPLOADING IN RAUMA**

The deepening of Rauma fairway a couple of years ago from nine to twelve metres allows larger vessels to access the Port of Rauma. In order to make the loading of larger Panamax, Handy Max and Handy class ships to be loaded in a quicker manner, Viljava invested in a next-generation powerful shiploader in connection with the deepening works.

After a couple of poorer grain years, one Handy Max class ship collected oat from Rauma in November, and in December the first Panamax class vessel to have ever visited Rauma loaded barley. Finnish grain is particularly shipped to places where the population grows and living standards increase the quickest, i.e. the Far East and the southern and eastern side of the Mediterranean. Exporting grain on large vessels to faraway countries is cost-effective and efficient shiploading produces significant savings for customers. Viljava's new shiploader is used to load more than ten thousand tons, e.g. approximately 2,000 hectares of grain, in 24 hours. Quick loading reduces the time vessels spend at the ports, where time is money.







# OVERVIEW OF BUSINESS OPERATIONS

KEY FIGURES OF OPERATIONS	2017	2018	2019
Locations	19	19	19
Storage capacity (tons)	1410	1420	1420
Lowest storage (tons)	471	536	483
Average storage (tons)	623	649	678
Highest storage (tons)	698	754	823
Handling total (tons)	1610	1561	1716
Investments, millions €	7.1	3.2	3.1
Customer satisfaction (NPS)	33	39	35

Viljava's aim is the profitable growth of turnover. In 2019, Viljava's turnover increased from 17.4 million euros to 18.2 million euros. The EBITDA was at a similar level as the previous year at 7.1 million euros. Operating profits remained at 4.2 million euros despite the increase in depreciations. The increase in depreciations is due to the wide-scale investment programme of previous years. We respond to changes in the markets with investments. In addition, significant one-off costs for the development of operations were entered for 2019. The development of staff skills was continued persistently and the organisation structure is kept agile.

## The excellent domestic harvest overcame the challenges of the beginning of the year

The starting points for 2019 were extremely challenging. The year 2018 was the third consecutive poor grain year in Finland, when the domestic grain harvest remained at a record low

due to dry weather conditions. For this reason, the handling and storage volumes of domestic grains were exceptionally low at the beginning of 2019. At the beginning of August, just before the start of the harvesting season, the storage level dropped to its lowest point during the current millennium.

In the autumn of 2019, an extremely good grain harvest was achieved in Finland, which was equivalent to the record harvests of 2013 and 2014. In August-October, Viljava's storage facilities received more domestic grains than during any other autumn at the same period during this decade. The storage volumes increased from an exceptionally low level to a level that was significantly higher than in previous years. November and December were busy shiploading months. Several large ships visited Viljava's port terminals to collect grain to be transported to third countries. It is also worth noting that the first Panamax class vessel arrived at Rauma in December. Despite the difficult beginning of the year, the storage and processing volumes of domestic grain increased to higher levels than in previous years.

## Positive development in all business operations

Turnover developed in a positive manner in Viljava's other business operations. The import volume of Russian animal feed raw material by train increased significantly. The deliveries of district heating increased from the heating plant in Korja that uses grain dust. Larger amounts of wood pellets were stored than during previous years, and the storage of new bioeconomy products was introduced. Subcontracted production at Kokemäki was very active.

Russian grain transito operations started well via Loviisa, but the volumes decreased after a good start. We invested a lot in marketing in Russia during 2019 and we were visible in Russia's most important grain industry events. Therefore, it can be said that Viljava and the Finnish transito route is well known among the Russian grain operators.



## FINANCIAL AND OPERATIONAL OBJECTIVES WERE ACHIEVED

FINANCIAL KEY FIGURES	2017	2018	2019
Turnover, millions €	16.7	17.4	18.2
EBITDA, millions €	6.9	7.0	7.1
Operating profit, millions €	4.4	4.2	4.2
Operating profit %	26 %	24 %	23 %
Return on equity %	19.2 %	17.4 %	16.7 %
Return on investment %	18.3 %	16.7 %	16.7 %
Equity ratio %	74.2 %	74.8 %	71.9 %

Most of the objectives set out for 2019 were achieved. Turnover increased. The EBITDA remained strong despite significant operational costs incurred by the development of future operations. Productivity developed in a positive manner according to objectives.

Viljava's long-term objectives are to grow sustainably and maintain good profitability. We seek growth by increasing our market share in grain handling and storage as well as by investing in Russian grain transito operations. Our aim is to also increase the storage and handling of various bioeconomy products by utilising the existing infrastructure. At the moment, the storage volume percentage of other products than grains is almost ten percent of the total amount of storage. In addition to this, we strongly invest in the subcontracted production of oat and plant protein products.

In the customer satisfaction survey in 2019, the Net Promoter Score (NPS) was 35, while the target score was 40. However, according to the survey customers considered Viljava staff's service attitude, expertise and solution-orientedness to be excellent. The most development needs were observed in communications.

Customer service was improved by investing in staff skills, flexible service hours, the development of services and to support development with investments. Every other storage facility has the capacity for all-day 24/7 vehicle loading, and if necessary ships are loaded day and night. The implemented measures increase the flexibility of our customer service and allow costs to be reduced in the logistics chain.

Viljava's challenges include the seasonal nature of the work. The harvesting season in the autumn of 2019 was very busy, but due to the staff's flexibility the customers' grains were taken in efficiently in silos. The loading of large ships was also managed in an excellent manner under challenging weather conditions. The staff flexibly moved between the storage facilities according to the work situation, which improved productivity.

Viljava's CO2 emissions reduced by 90 percent compared to the year 2018. During the past five years, Viljava's carbon footprint has reduced by 4,342 CO2 tonnes, and our company is practically an almost carbon-neutral operator. Our own bioenergy production increased by 17 percent and its share in our total energy consumption is 45 percent.





## POSITIVE FORECASTS FOR 2020

In the autumn of 2019, Ukraine was the price leader in the international grain market due to an excellent harvest, its export volumes were significantly bigger than other significant players in the international grain market. Russia was not satisfied with the existing price level and its new harvest export amounts remained lower than during the autumns of previous years. During the winter and spring of 2020, Russian grain is expected to come to international markets in large volumes, because space is needed in storage facilities before the next harvest. The global grain stocks are still strong although the consumption of grains is bigger than production for the third consecutive year. At the stage of the year, the new harvest 2020/21 is expected to be good and the prices of grain in accordance with this.

Viljava's turnover and results in 2020 are expected to be similar to those in 2019. Following a good harvest in 2019, farms in Finland have a lot of grain in storages. On the basis of the grain balance

sheet, export amounts before the new harvest will be significantly bigger than during the same period last year. Viljava's domestic grain handling and storage amounts in 2020 are expected to reach the level achieved in 2019.

The use of bioenergy in the production of electricity and heat will increase the intermediate storage need of wood pellets. The handling and storage volume of new bioeconomy products that was started in 2019 will increase. The subcontracted production of fava bean and pea protein product sales is expected to increase. The growth forecasts of Russian grain transito operations are positive after a good start.

The main risk of business operations is the effect of weather conditions during the growing season on the quantity and quality of grains. On the other hand, the consumption of biofuels is dependent on the temperature of the heating season and the prices of fossil fuels. Political risks are associated

with the EU's agricultural policy and the political situation of the Baltic Sea area.

The company has an extremely wide-scale ageing property mass, which despite regular, continuous maintenance may cause significant and unpredictable repair costs.

### Significant events after the end of the financial year

At the beginning of 2020, a significant subcontracting client informed that it would transfer a significant percentage of its lease production away from Viljava. This will have effects on staff.

## TOWARDS 2022:

1. Make port operations more efficient in accordance with customer expectations
2. Utilise the existing capacity in the storage for bioeconomy products
3. Develop the subcontracted production of plant protein and oat products
4. Maintain the readiness to ensure the security of food supply in exceptional conditions
5. Invest in the further development of staff competences



## VILJAVA'S TAX FOOTPRINT

Tax footprint refers to the tax income and tax-related payments accumulated for the society by the company's operations. In addition to direct and indirect taxes, Viljava's 2019 tax footprint has specified tax-related costs related to staff and the withholding taxes paid from the employees' salaries.

Viljava considers tax effects in its business, but it does not carry out aggressive tax planning. Tax solutions are implemented on the basis of purpose, not with the objective to minimise taxes. Viljava pays its taxes in Finland.

Excise duties and other taxes are not included in the calculation

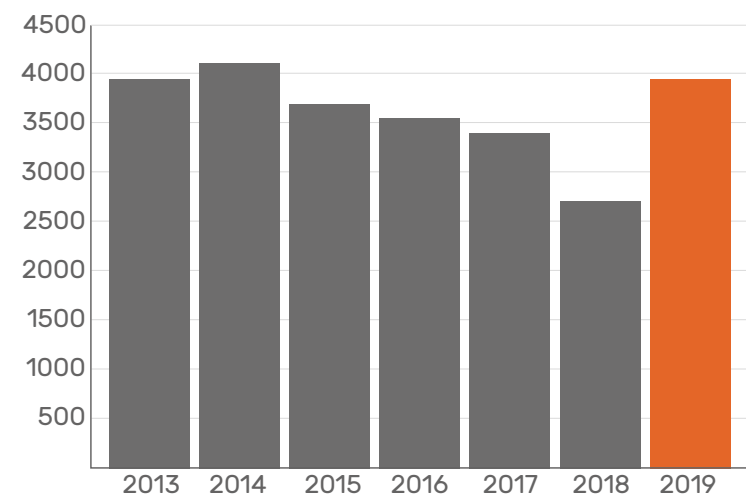
SUOMEN VILJAVA OY TAX FOOTPRINT 1000 €	2017	2018	2019
<b>Direct taxes paid during the financial year, k€</b>	2,133	2,135	2351
income taxes	695	671	843
employer expenses	962	967	996
property taxes	476	497	512
<b>Taxes accounted from the financial year, k€</b>	2,304	2,635	3307
wage liabilities	1,043	1,007	1069
energy taxes	367	0	368
value-added tax, sales	3,538	3,641	3974
value-added tax, procurements	-2,644	-2,013	-2104
<b>Turnover</b>	16,685	17,396	18,341
<b>Result before taxes</b>	4,321	4,189	4,217
<b>Number of employees (average)</b>	62	60	61



## DIVIDEND PROPOSAL

The company's distributable capital and reserves are 9,048,789.92 euros, of which profit for the financial period is 3,374,324.77 euros. After the end of the financial year, no significant changes have occurred in the company's financial situation, and the solvency test referred to in Chapter 13, Section 2 of the Limited Liability Companies Act does not affect the amount of distributable assets.

The Board of Directors proposes to the General Meeting that the distributable capital and reserves are used as follows: a dividend of 2.00 euros per share is paid to a total of 4,000,000 euros and 5,048,789.92 € shall remain in non-restricted equity capital. All of the company's two (2) million shares, which have a nominal value of one (1) euro have the same right to dividends and the company's assets.



**Finnish grain harvest 2013-2019**  
(tonnes)

## ADMINISTRATION AND MANAGEMENT

The number of members in the Board of Directors was five.

Chairman Petri Alava

Deputy Chairman and member Esko Pyykkönen

Member Tanja Viljanen

Member Anne Ilola

Member Tomi Tanninen from 25/3/2019

CEO Pasi Lähdetie

Auditor APA firm Tuokko Oy Ltd.

Main responsible auditor Janne Elo

A total of 63,000.00 euros was paid in remunerations to the members of the Board of Directors. The remuneration for the chairman of the Board was 19,800.00 euros, to the deputy chairman 11,500.00 euros and to the other members of the Board a total of 31,700.00 euros.



# STAFF AND REMUNERATION

During the financial year, the company employed approximately 61 people and at the end of the financial year approximately 60 people. During the financial year, three people retired and four new employees joined Viljava.

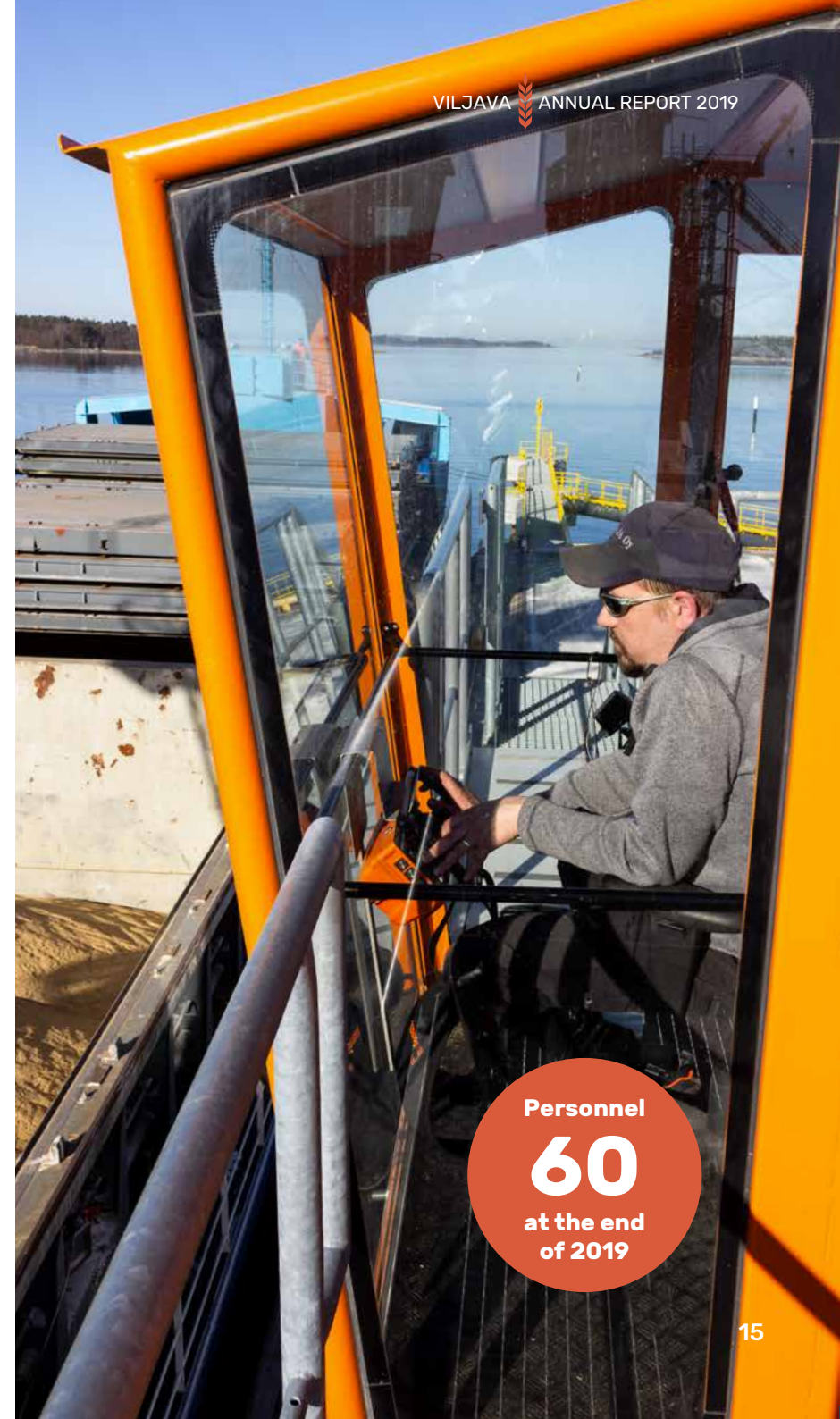
## INCENTIVE SYSTEM

Viljava's Board of Directors has developed the company's incentive system in a determined manner. The Board considers it to be important that the company's employee remuneration system encourages the achievement of the objectives in accordance with the strategy. In addition to the company and location-specific objectives, each employee also has personal objectives. Acquiring the remuneration in accordance with the incentive system, the staff is required good performance according to the objectives.

When specifying the incentive remunerations, the requirements set out by the company's corporate responsibility are considered. Remuneration applies to all of the company's staff. In 2019, the incentive remuneration was no more than 10 percent of the amount corresponding to the employee's annual salary, in case of members of the management team 20 percent and for the CEO 30 percent.

In March 2019, the staff was paid bonuses in total of 178,111.34 euros (in 2018 144,908.12€), of which 45,089.10 euros (24,754.80) to the CEO and 11,306.50 euros (8,160.00) to the management team. The CEO's total salary in 2019 was 230,324.10 euros (209,821.00) and for the management team 157,623.39 euros (95,124.48). The management team does not have any separate pension benefits.

STAFF KEY FIGURES	2017	2018	2019
Average number of employees	62	60	61
Wages and salaries k€	3122	3094	3406
Median age of personnel	48.7	48.9	48.5
Average employment duration in years	18.7	17.3	16.3



Personnel  
**60**  
at the end  
of 2019

# RESPONSIBLE OPERATIONS EVERY DAY

At Viljava, responsible operations are part of everyday work. Responsibility is our operating method and a fixed component of the company's management system. We consider its effects in various stages of our operations, in terms of our staff's well-being, customer satisfaction and environmental effects as well as profitability of our operations.

The foundations of our social responsibility include our strategic duty to ensure the functionality of grain storage and handling markets as well as the security of the food supply chain and fluency with tasks concerning EU intervention operations.

We respond to food safety with a comprehensive quality assurance programme and modern analysis methods for the products to be stored. These allow us to ensure that the technical and hygienic quality of customer products are maintained during storage. In accordance with the self-supervision programme, the analysis results of salmonella samples taken at our storage facilities have been negative.

Viljava's operations are guided by the Code of Conduct and the Corporate Governance guidelines. In the autumn of 2019, Viljava's management and operations were reviewed in accordance with the mentioned guidelines. The review paid particular attention to how key sub-areas concerning good management practices and responsible operations have been organised and instructed in the company and how their implementation is monitored.

## OBJECTIVES OF VILJAVA'S SOCIAL RESPONSIBILITY:

1. MOTIVATED STAFF
2. SATISFIED CUSTOMERS
3. REDUCTION OF ENVIRONMENTAL EFFECTS
4. FINANCIAL RESULT CONFIRMING CONTINUITY







# THE RESULTS OF THE STAKEHOLDER GROUP SURVEY INDICATE DEVELOPMENT

**At the beginning of December 2019, Viljava carried out a social responsibility survey for its stakeholder groups. Respondents were asked to assess the significance of each sub-area concerning social responsibility, and how Viljava has succeeded in each area. The questions were mainly the same ones as in the previous survey that was carried out in 2016. The general trend clearly indicates that Viljava has developed its operations in the right direction. The difference between significance and success has narrowed.**

1. Viljava's strategic duty is to carry out its share in ensuring the operation of the food supply chain in interruptions of normal conditions and prepare for possible exceptional situations.

	2016	2019
SIGNIFICANCE	4.6	4.5
SUCCESS	4.0	4.2

2. Viljava's operations, processes and staff are managed in accordance with the Limited Liability Companies Act, good management practices and ethical guidelines.

	2016	2019
SIGNIFICANCE	4.4	4.5
SUCCESS	3.7	4.1

3. Product safety of customers' products. Grain and other products are easily traceable and their technical and hygienic quality is maintained during handling and storage.

	2016	2019
SIGNIFICANCE	4.6	4.6
SUCCESS	4.1	4.4

4. Viljava's customer collaboration is equal and fair.

	2016	2019
SIGNIFICANCE	4.7	4.6
SUCCESS	4.0	4.2

5. Viljava invests in the efficient use of resources as well as the utilisation of by-products and thus the reduction of climate effects caused by operations.

	2016	2019
SIGNIFICANCE	4.1	4.4
SUCCESS	3.9	4.2



# SKILLED AND MOTIVATED STAFF ACHIEVES RESULTS

**At Viljava, the development of staff well-being and competences is part of long-term work. Operational results have been measured with regular occupational well-being surveys, of which the most recent one was carried out in November-December 2019. On the basis of results, the staff's work motivation is at a good level and development has been positive in all areas of work life.**

In 2019, the competences of staff was raised as an objective for the development of skills. During the spring, the entire staff of the grain sector took part in HACCP training which aims to ensure food safety. In addition to this, Deeplead coaching that develops interaction skills was continued with a two-day training for managers and key persons, and with a one-day training for the entire staff. The continuous development of personal skills is the objective of each employee at Viljava and also in our incentive system which is based on measured performance.

## Occupational safety aims for zero injuries

The staff is also actively involved in the development of occupational safety. Our continuous objective is that even one injury is one too many. We aim to achieve this by developing the work culture and operating methods as well as occupational safety skills. However, in 2019 there were two occupational incidents, one of which took place during the employee's commute. The past incidents have been reviewed by the company, and we have been developing operating methods on their basis to prevent similar incidents in the future. On the basis of a mutual decision, occupational safety is also one of the criteria in our incentive system.

A sizeable reduction was achieved in the number of sick leaves, both in terms of short-term and long-term absences. In 2019, the objective was a reduction of 5 percent compared to 2018, but the number of absences reduced by up to 29 percent and the number of sick leave days by 40 percent.



According to Viljava's management system, Viljava operates in a transparent and fair manner in benefit of our common objectives and in collaboration with our customers. We identify conflicts of interest and we are able to take action to avoid them. We handle data in a controlled manner. We jointly make our workplace a safe and healthy workplace, and we commit to its continuous development. We do not allow discrimination or harassment and we offer staff training and development opportunities, which support our employees in their current or future work duties.

OCCUPATIONAL ACCIDENTS	2017	2018	2019
Occupational accidents (pcs)	0	3	2
Frequency of occupational accidents / 1,000,000 work hours	0	18.9	16.3

SICKNESS ABSENCES	2017	2018	2019
1-3 days (pcs)	38	46	32
4-7 days (pcs)	8	12	8
More than 7 days (pcs)	6	7	6
Sick leave days	297	408	244
Sick leave percentage	1.9 %	2.6 %	1.6 %

## POSITIVE FEEDBACK FROM CUSTOMERS FOR SERVICE

An increasing number of Viljava's customers consider that our operations have improved during recent years, and they estimate cooperation to increase during 2020. According to the annual customer survey, customers consider Viljava to be an operator that actively develop its operations and introduces innovative solutions. Customers are particularly satisfied in our storage facility staff's service attitude, expertise and ability to solve issues in a constructive manner together with customers. The most development needs were observed in communications to customers.

### Investments in the functionality of basic operations shall continue

The market environment is subject to constant change, as are customer expectations and needs. The size of trucks as well as vessels that transport grain to faraway countries is growing and the quality requirements of grains vary according to markets and customers. Viljava has responded to the market changes by targeting significant investments in the development of its basic services. These include the efficient reception of products, storage facilities for products of various qualities as well as fast, 24/7 loading.

The capacity of truck reception has been increased by doubling the conveyor capacity of Naantali's reception lines and by building a second reception pit in Loviisa. The capacity of both reception lines at Kokemäki's seed silo have been doubled. In addition to this, in 2020 the capacity of Koria's reception lines shall be increased by 50 percent and the existing shall be made more efficient in Seinäjoki.

More storage capacity has been built, particularly in Loviisa where doubling the capacity allows the efficient loading of large ships. In 2020, a flat store shall be built in Seinäjoki and one the large silos in Loimaa shall be separated in two with an intermediate wall in order to facilitate the chronic lack of silo space.



**BY LISTENING  
TO CUSTOMERS**



## FLEXIBILITY AND DIGITALISATION MAKE SERVICE MORE EFFICIENT

Viljava also responds to the expectations of customers, transport companies and shipping companies in terms of service hours. During harvesting seasons, we extend our working hours and weeks so that the reception of grain would be as quick and efficient as possible. At ports, we load vessels day and night, if necessary, and we have an all-day 24/7 self-loading function for trucks at already half of our storage facilities.

Viljava has already taken its first steps in utilising digitalisation. With information systems integrated with various customers, information is efficiently shared in both directions which ensures smooth and error-free operations. In the future, our aim is to move to a completely paper-free, digital grain supply chain, which customers also have a strong will for.

### Moving to a digital grain supply chain

Customers were asked how important they considered a transfer to a paper-free, digital grain supply chain. The average importance was 4 on a scale of 1-5. In addition to this, we asked: "If Viljava moved to a digital grain supply chain (no more paperwork) during the harvest year 2020/21, would this have a positive or negative impact on your own operations?" On average, the answers were positive, i.e. 3.9 on a scale of 1-5. On the basis of the results, the grain chain has a true will to move to a digital grain supply chain in future years.



**SERVING IN  
A SKILLED MANNER**





# CONCRETE MEASURES IN BENEFIT OF THE ENVIRONMENT

Viljava continuously develops its operations in accordance with the principles of sustainable development while also considering environmental effects. With the efficient use of resources, the utilisation of by-products and the use of renewable energy, we have achieved significant results e.g. in the reduction of climate emissions.

## Almost zero carbon footprint in 2019

In 2019, we moved on to use electricity produced with renewable energy, which brought Viljava's carbon dioxide emissions down to almost zero. Our CO2 emissions reduced by 90 percent compared to 2018, i.e. Viljava is in practice a carbon-neutral operator. In addition to this, we sell heating produced with bioenergy to the district heating grid, where it is used to replace natural gas as well as grain dust and oat hulls to other heating plants. By including these in the CO2 calculation, our carbon dioxide emissions have become positive.

CO2 EMISSIONS TONNES	2017	2018	2019
Electricity	3061	2537	0
Gas and other fossil energy	556	233	277
<b>Total</b>	<b>3617</b>	<b>2770</b>	<b>277</b>

CO2 EMISSIONS PER TONNE OF GRAIN	2017	2018	2019
Grain handling amount million tonnes	1.62	1.56	1.72
<b>CO2-tn/Mt grain handling</b>	<b>2233</b>	<b>1776</b>	<b>161</b>

REDUCTION OF CO2 EMISSIONS	2017	2018	2019
Reduce total CO2 emissions	4 %	-23 %	-90 %
Reduce CO2 emissions per grain handling tower	16 %	-20 %	-91 %

The main CO2 emissions of Viljava's operations are formed at the locations in Helsinki and Naantali, where district heating produced with coal from a local energy company is used for heating. For environmental reasons and in terms of economy, we plan to move to geothermal heating at these locations.

## Renewable energy from the derivative current of production

Our main form of energy is electricity, which is used to operate all the grain handling equipment as well as the production process equipment. In the drying of grain and in heating production, we utilise an increasing amount of by-products from our own operations, such as grain dust and oat hulls. In addition to this, we use non-marketable grain for energy production. Our long-term objective is to utilise by-products products of grain processing as comprehensively as possible in our own energy production.

We use as little natural gas and petroleum as possible in the drying of grains, mainly for adjusting the drying temperature during the cold temperatures in late autumn.

UTILISATION OF BY-PRODUCTS	2017	2018	2019
Utilisation of grain dust	100 %	100 %	100 %
Use of grain dust in own energy production	77 %	78 %	79 %

## **CASE:** **VILJAVA'S FIRST SOLAR PLANT IN HELSINKI**

Viljava's first solar plant was installed on the roof of the storage facility's office wing in Helsinki in the spring of 2019. Due to its ideal location, the energy produced by solar energy can be utilised almost fully, due to which the 50 kWp panels produce a significant amount of the basic needs of the property. Electricity produced with solar energy is also utilised for cooling the offices during hot summer weather, which is an excellent combination of utilising renewable, emission-free energy.

Solnet Oy carried out the installation of the solar plant as a turnkey contract. At the same time, two electric car charging points were installed.

On the basis of experiences gained from the solar plant operations at the storage facility in Helsinki, Viljava shall assess the utilisation of solar energy at other locations too. The development of solar energy technology and the constant increase of the price of electricity are factors which make solar energy a very interesting option.



## **CASE:** **GRAIN DUST GENERATING HEAT FOR THE HOMES OF KOUVOLA HOUSE FAIR**

The homes at the housing fair area in 2019 are heated with renewable Finnish energy, with dust obtained from drying of grains. Grain dust and other side products of grain processing have the same energy value as wood pellets and are excellent to be utilised as bioenergy.

The heating to the housing fair area comes from the heating plant built in connection with Viljava's grain storage, which has been connected to the district heating grid. The heating plant that utilises grain dust is used for drying grain during the harvest seasons. Most of the year, the heating plant produces district heating and replaces natural gas that was previously used as fuel. The plant produces district heating with a power of two megawatts. In practice, this means that there is enough heating for approximately 200 detached houses even during the harshest winter weather conditions.







# OPERATIONS ARE SECURED BY MAKING RESULTS CONTINUITY

Viljava's social responsibility also covers ensuring the continuity of operations. We are also obliged to this in terms of our duty to ensure the security of food supply in emergency conditions of the society. In order to ensure continuity, we aim to keep our result performance good and our balance sheet stable. We invest in growth and in cost-effective operational activities.

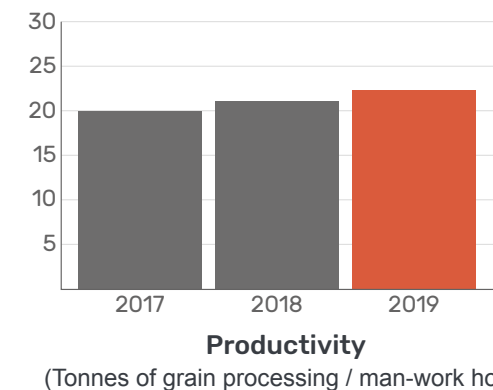
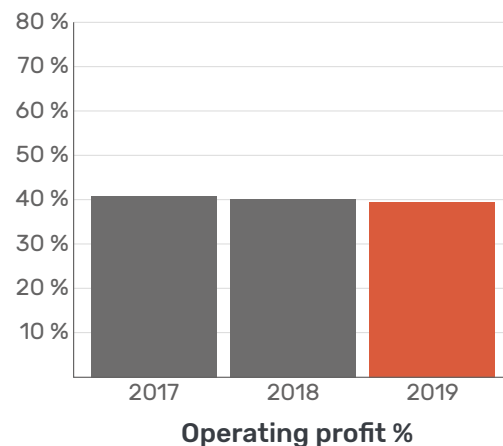
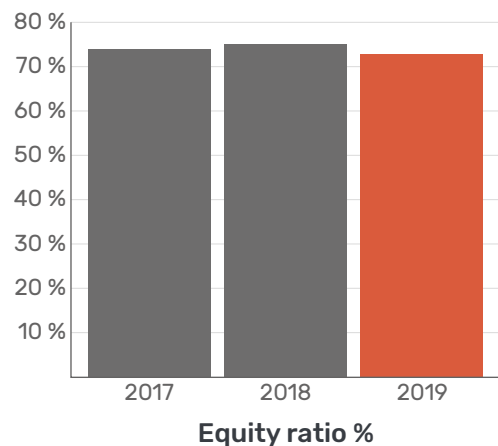
## Growth of business operations is supported with investments

Viljava's skilled staff and agile organisation structure create the prerequisites for efficient operations. Business growth is sought in cooperation with customers, for which reason we have invested in improving customer service and strengthening competitiveness by making operations more efficient. Good collaboration with customers, skilled and motivated staff as well as efficient process lines and equipment are the core of operational continuity.

Operational continuity also requires the good use of resources. In addition to developing operating processes, we have made investments that make the loading and unloading of trucks, ships and trains more efficient. With these measures, we aim to meet customer expectations, improve productivity as well as ensure our operating capacity in situations that are critical in terms of the emergency security of supply.

## Productivity of work indicates the efficiency of operations

One of the indicators of the performance of grain activities is the grain handling volumes per man-work hour. In 2019, we achieved our objective of 21 tonnes. The good harvest in the autumn of 2019 creates good prerequisites for Viljava to achieve its productivity objective in 2020 too. Our long-term objective is to process 23 tonnes of grain per man-work hour.





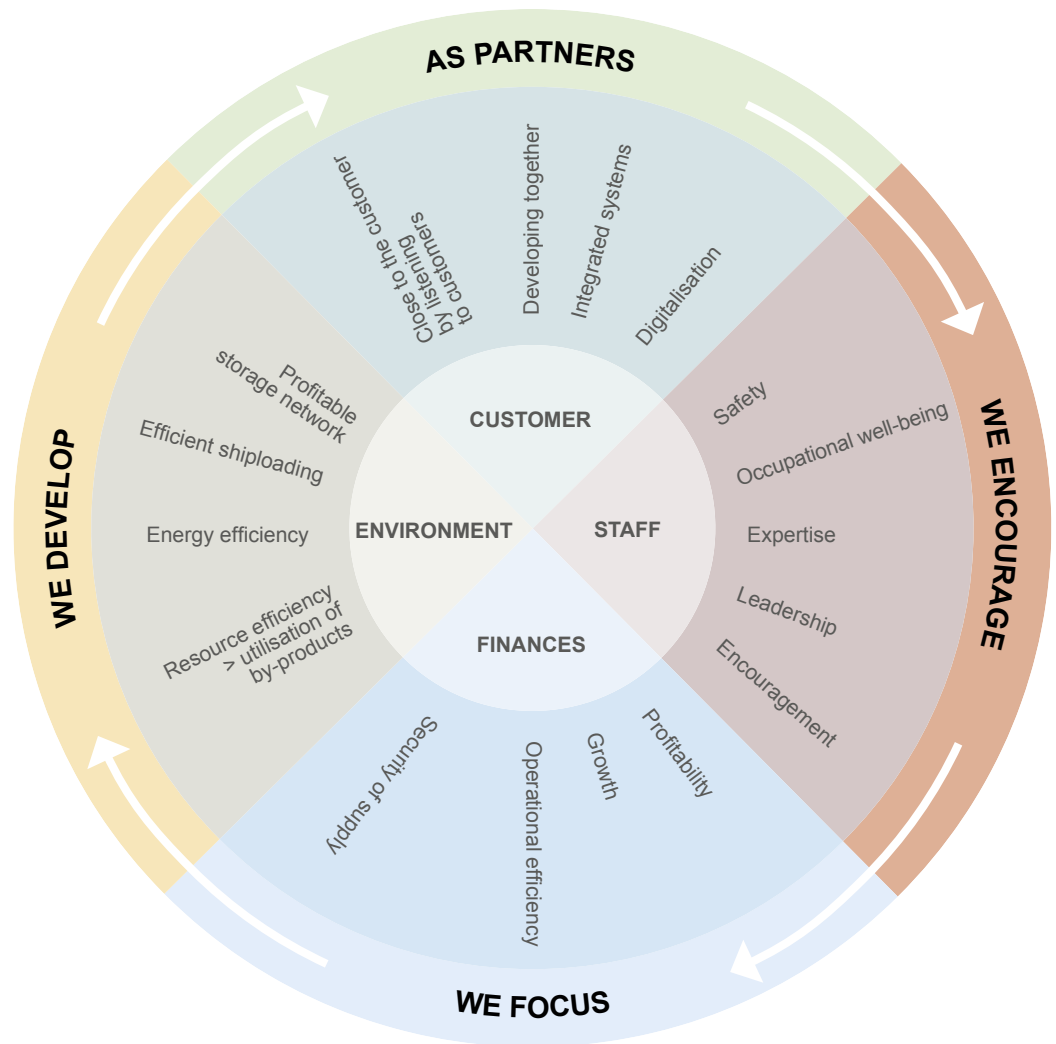
# VILJAVA'S VALUES

Viljava's operations are guided by values that have been mutually agreed by the entire staff, in which the most essential issues in our daily activities are emphasised. Out of these, the most important value is partnership, both with customers and within our own work community.

Partnership guides us in developing our operations in cooperation with customers for their benefit. Partnership also helps us strengthen a work atmosphere that supports good development while encouraging each other. By fully focusing on each stage of work, we always achieve a good end result in terms of our customers, staff and our company.

## VILJAVA'S VALUES:

- WE DEVELOP
- WE ENCOURAGE
- WE FOCUS
- AS PARTNERS



*Viljava*