

CODE OF ETHICS





CODE OF ETHICS IN SATO'S EVERYDAY WORK

SATO aims for sustainable and profitable long-term business. Our success is built not only on professional expertise and skills but also on a strong ethical foundation. I am happy to present to you our Code of Ethics that summarises our mutually agreed ways of working.

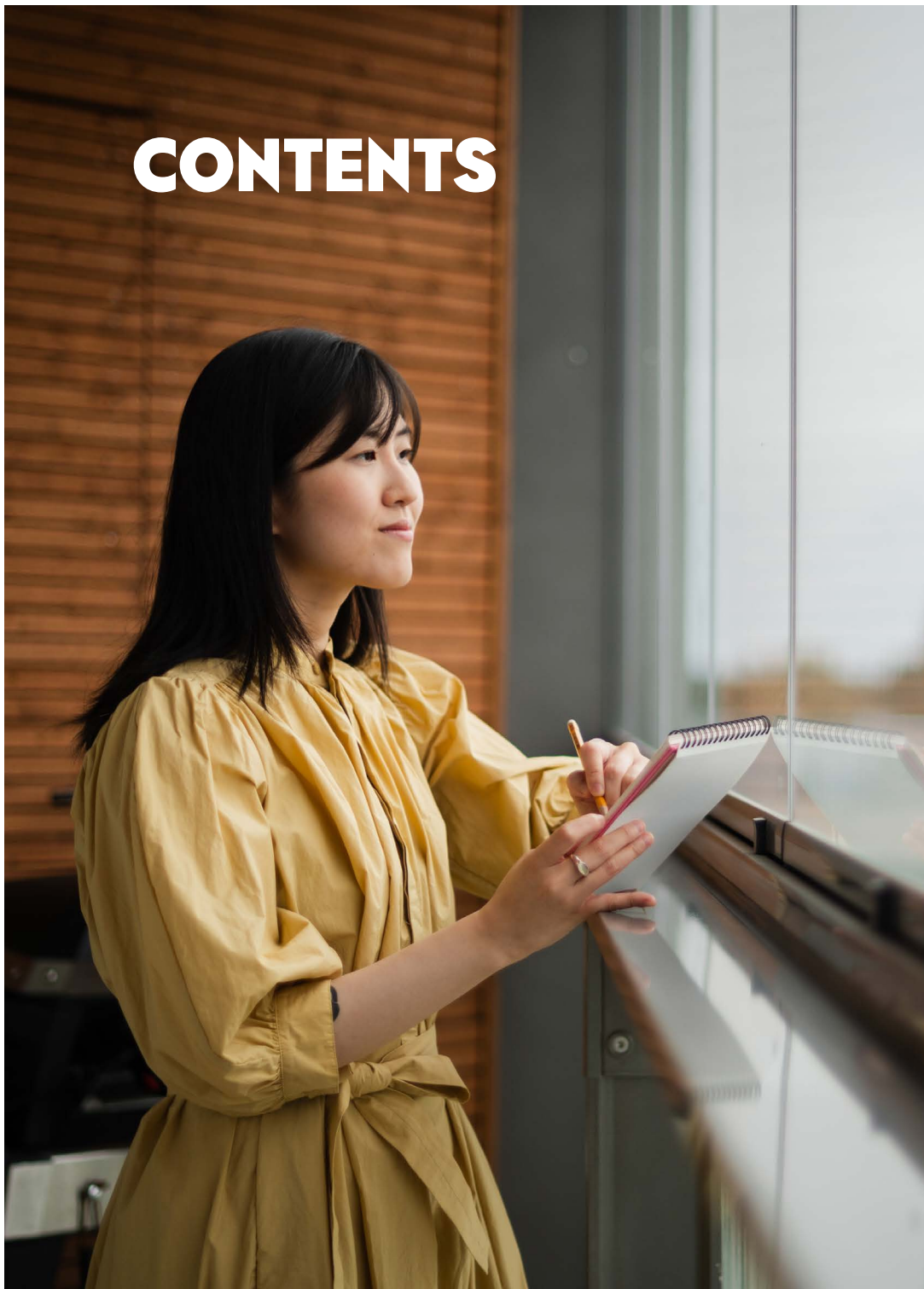
This Code is not just words on paper; it helps us to implement SATO's values in our everyday work. We maintain our reputation as a sustainable employer, lessor and developer by operating transparently and honestly. In this Code we describe how we treat each other, our customers, our partners and the environment.

We have the responsibility and ability to make a difference in the society and residential communities, and this Code helps us fulfil our responsibility. Every one of us is a key player in implementing these guidelines in our work.

I offer my thanks to all SATO employees for their commitment in advance.

Antti Aarnio
CEO

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OUR GUIDELINES AND VALUES

This Code of Ethics forms the general rules for all of us here at SATO. We aim to operate with a long-term view, ethically and sustainably in relation to people, the economy, society and the environment. We always comply with laws and regulations, and instead of settling for the minimum level laid down in the law, we seek to exceed it whenever we can by making ethical choices.

SATO's values are the foundation on which this Code is built. We work fairly and meet our customers in a genial manner – human to human. Open communication and the joy of succeeding together with colleagues help us in reaching our goals. We are bold and aim high in everything we do, also in terms of ethical conduct and sustainability.

It is important that we all follow this Code to ensure that cooperation both internally and with business partners runs as smoothly as possible. Our most important stakeholders are our residents, which is why they have a key role in this Code and its illustrating examples.

This Code of Ethics has been approved by SATO's Board of Directors. SATO's personnel will regularly receive training on this Code, and it is part of the induction process for new employees. Conduct that is in violation of laws, this Code or our other instructions may lead to consequences. By paying careful attention to these guidelines, you can do your part in making SATO an ethical and sustainable company.

If you observe activities that seem questionable and not in accordance with this Code, you can always report your concerns to us. For more information on reporting concerns, please see page 16 of this Code.



Human to human



We are bold and aim high



The joy of succeeding together

WE RESPECT HUMAN RIGHTS

Human rights belong to everyone. We comply with internationally recognised human rights, employment legislation, collective agreements and the conventions of the International Labour Organization. We require the same from our business partners and employees.

Our employment terms and practices are fair, and we make a written employment agreement in understandable language with all of our employees. Our employees have the right to be members in the associations and unions of their choice.

We do not approve of child labour or having work done by children under the age of 15 even in countries where this is not illegal. We do not approve of any form of forced labour, human trafficking or slavery in our supply chains.



EXAMPLE

You are hiring a project worker for two weeks. Do you need to make a written employment agreement with them?

Yes. Short periods of employment and individual projects are also agreed in writing.



WE VALUE ALL KINDS OF PEOPLE

We do not discriminate others based on their gender, age, origin, nationality, language, religion, conviction, opinion, political or union activities, sexual orientation, family relations, health, disability or any other characteristic.

We recruit employees and pay salary in an equal and non-discriminatory manner. All employees have an equal opportunity to develop and advance in their career. We understand our diverse customer base and meet our customers and each other as human beings and with appreciation and respect in accordance with SATO's concept of good interactions. We are always friendly and empathetic, and we really listen to each other.

We do not tolerate harassment, bullying, intimidation, threats or violence. Everyone is obligated to intervene in disrespectful behaviour, regardless of whether the perpetrator is an employee, contractor, supplier or customer. It is never acceptable to make others feel uncomfortable. At SATO, everyone can be themselves.



EXAMPLE

You would like to make comments to your colleague about a resident's distinctive interior design that reflects a different cultural background. What do you do?

You say **nothing**. Diversity enriches our lives, and we do not make assumptions about each other based on prejudices.

WE INVEST IN WELLBEING AND SAFETY

We wish to offer our residents a safe and healthy home and the opportunity to live a carefree life. We always build in a professional manner and repair any flaws and defects. We provide our customers with meaningful housing and create pleasant residential environments that promote wellbeing. We communicate openly and address difficult issues boldly in order to improve wellbeing.

It is important to us that we provide a safe and healthy working environment and that our personnel are well. All our employees are responsible for improving the safety culture and procedures. Employees must review and comply with the guidelines of their place of work. We use required protection equipment in our work and aim to prevent accidents. Together we make sure that work is safe and that any defects we notice are addressed. Good and coaching management is at the centre of safety and wellbeing. Wellbeing at work is also improved by using regular personnel surveys, among other things.



EXAMPLE

You notice that a tool is broken. Should you report it, even though you suffered no harm?

Yes. Never hesitate to report flaws and defects. A broken tool may put someone else in danger.

WE PREVENT CORRUPTION AND MONEY LAUNDERING

Bribery and corruption are strictly prohibited. That is why we always make cooperation agreements and orders in writing. We do not work with persons or companies on international sanctions lists. We do not have any political affiliations.

As employees, we only give and accept reasonable gifts. We never accept gifts repeatedly from the same persons or organisations. Any monetary or Christmas gifts or gifts to mark special occasions are not considered reasonable hospitality. Such gifts will be politely returned. A bouquet of flowers or some other small gift from a resident may only be accepted after work has been completed.

If a partner invites you to an event outside of working hours or if you receive repeated invitations and gifts, participating requires permission from the member of the management group responsible for your function. SATO always pays any travel and accommodation expenses of employees participating in partners' events.



EXAMPLE

A partner invites you to a lunch meeting to discuss a new project. Can you participate?

Yes. Lunches and similar occasions that are arranged during working hours and do not exceed EUR 100 in value are acceptable. However, if a project is underway in cooperation with the partner in question, you must ask permission to participate.



WE AVOID CONFLICTS OF INTEREST AND DO NOT USE INSIDER INFORMATION

All our employees must recognise situations where there might be a conflict of interest. Business decisions must not be based on personal relations or pressure. Report all conflicts of interest or suspicions or suspected conflicts of interest to a supervisor or via our whistleblowing channel.

We do not use our work input or skills against the interests of SATO. Before engaging in a secondary job, check with you supervisor whether the secondary job is permissible.

Insider information means information that has not been made public and that investors may consider important when making decisions on buying or selling SATO's financial instruments. A person possessing insider information may not carry out trading in financial instruments that the insider information concerns or disclose the information to outsiders before it has been published.



EXAMPLE

Your close relative has a construction company that is looking for new projects. You are in a position to choose the contractor for SATO's next construction project. Does this situation involve a conflict of interest?

Yes. You are disqualified from choosing your relative's company. We avoid situations where even an impression of a conflict of interest might arise.



WE PROTECT PROPERTY AND INFORMATION

We take care of our common property. Each of our employees must protect our property against damage, unauthorised use and loss. The company's property may not be used for any external purpose without permission.

Information is a valuable asset of our company. We handle information that customers, subcontractors, suppliers and other partners have entrusted into our possession in a confidential manner. We respect the privacy of our current, former and future customers, employees and partners.

We always comply with regulation, contracts and SATO's guidelines concerning data protection and data security. We process personal data in accordance with data protection law and our data protection policy. SATO always protects data in an appropriate manner.



EXAMPLE

You notice in the system that a celebrity is a former customer of SATO. To whom can you tell this?

No one. We handle the information we receive in a confidential manner, and this information may not be used or disclosed to parties outside SATO.



WE ENGAGE IN FAIR COMPETITION

We promote honest and free competition. We do not participate in any activity or agreements that restrict competition. During competitive tender processes we avoid any activity that could affect our decision-making. We apply prices and terms corresponding to those on the open market to our internal business operations.

Please note that we do not discuss confidential matters concerning prices or exchange related information with our competitors. We operate honestly and openly when working together and entering into agreements with competitors and when participating in the activities of associations in the field.



EXAMPLE

A competitor's employee reaches out to you and proposes that you talk about a policy for rent increases in the future. What do you do?

You report this to SATO's general counsel and reply to the competitor's employee that SATO does not discuss any price-related matters, such as rents or rent increases, with competitors.



WE REPORT DILIGENTLY

We report on SATO's operations, finances and sustainability diligently to the authorities and stakeholders. Reporting is supervised internally and its reliability is ensured.

We communicate and report on our operations transparently in accordance with international financial reporting standards, the Finnish Corporate Governance Code and the sustainability reporting guidelines. We provide the authorities with current and accurate information for tax purposes.

When reporting on positive and negative environmental impacts, we use material information, such as emissions as well as energy and water consumption. Sustainability reporting is based on the impact of the real estate and construction business and residential use on society and the environment.



EXAMPLE

You notice that water consumption has been reported as lower than the actual consumption by mistake. Should you correct this, even though the erroneous figure looks better for SATO?

Yes. We always report honestly.



WE CARE FOR NATURE AND THE CLIMATE

Our greatest climate impacts arise from energy consumption during residential use and from the construction and repairs of our homes. Combating climate change is at the centre of our sustainability work. We strive to reduce the emissions caused by our operations and aim for carbon neutrality in terms of energy consumption during residential use by the end of 2030.

Our goal is to be a leader in sustainable rental housing. We aim to consider natural diversity in all our operations. We work actively to slow down biodiversity loss and increase natural diversity on our properties. We are continuously improving our operations in order to promote natural diversity as our understanding, expertise and resources increase.



EXAMPLE

You are organising a recreational event for employees and are responsible for planning the activities for the day. Should you consider environmental impacts when making choices?

Yes. We consider the environment in everything we do, regardless of whether we are setting up a large project or a small event.

LIVING, BUILDING AND REPAIRING IN A SUSTAINABLE MANNER

We decrease the environmental load by maintaining homes and properties regularly and proactively and by building apartments mainly in urban environments, near good connections for public transportation. When designing new rental housing, we always consider energy efficiency and building solutions that will last for decades.

We offer our residents the opportunity to live sustainably and encourage them to make sustainable choices in their everyday life. We are a reliable long-term lessor.

EXAMPLE

A resident informs you that heat is leaking out of the windows in their home even when the radiators are turned up. What do you do?

You thank the resident and forward the information to the right person so that the problem can be fixed as quickly as possible.



WE ENSURE THE SUSTAINABILITY OF OUR SUPPLY CHAINS

We conduct our business in a manner that is transparent and responsible now and in the long term. For us, sustainability is about practical actions that are visible in everything we do.

We select suppliers that can generate value and offer a good customer experience. We ensure that our suppliers are capable of reaching quality goals and keeping to the schedule in a sustainable manner. In order to combat the shadow economy, we only accept companies registered in the Reliable Partner service on Vastuu Group's website as our service providers. We are also bound by the obligation to check our contracting partners under the Act on the Contractor's Obligations and Liability when Work is Contracted Out.

It is important to us that our partners are willing to develop their operations. When we organise a tendering process for suppliers, we assess the tenders based on our targets or the desired service or product. We also check the standard of the suppliers' oversight, reporting and delivery. A good partner has clear goals and is enthusiastic to develop its operations with us.



EXAMPLE

You are selecting a new supplier for property maintenance. What are the aspects you should consider?

Selecting new partners involves a supplier assessment where the company's finances, resources, references, equipment and procedures are reviewed and sanctions lists checked. The procurement team must approve new suppliers in advance, and it also provides you with additional instructions.

HOW TO REPORT MISCONDUCT

If you come across any activity that is unethical, illegal or in contrast with our core values, you can report it to us in two ways. We hope that our employees feel comfortable taking their concerns to their superiors or the HR, for example, and that any persons outside SATO would reach out to our customer service. If you don't feel comfortable reporting misconduct in this way, you can use our trusted third-party operated whistleblowing channel. You can remain anonymous if you wish.

You can file a report based on just a suspicion of misconduct and without evidence, as long as you do so with good intentions and honesty. You can report misconduct or your suspicions and concerns relating to SATO, social issues or the environment.

We pledge to protect the informant acting with good intentions and honesty regardless of the subject of the report or whether the report is found to be accurate or not. Counteractions such as weakening the employment agreement of the informant, harassing them, hampering their career or abusing the rights of management are prohibited.

HOW TO ASSESS YOUR CONDUCT

Is my conduct against the law or this Code of Ethics?

Can my conduct be considered dishonest or unethical?

Can my conduct cause reputational damage to SATO?

Can my conduct damage myself or other people?

If the answer to all these questions is 'no', your conduct is likely in line with this Code of Ethics. Keep up the good work!

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