



SATO'S GREEN FINANCE FRAMEWORK REPORT 2024

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SATO IN BRIEF

SATO is one of Finland's largest rental housing providers and an expert in Finnish housing with 85 years of experience. We own around 26,000 SATOhomes in Finland's largest growth centres, in the Helsinki metropolitan area, Tampere and Turku.

We are a long-term and responsible housing provider for our residents. We increase the value of our assets through investments, divestments and repairs. Our sustainability work is governed by SATO's strategy and sustainability programme 2023–2026. We offer our residents a sustainable way of living and encourage them to make sustainable choices in their daily lives.

ENVIRONMENTAL IMPACTS

Our most significant climate impacts arise from energy consumption during living and the construction and repair of our homes. Mitigating climate change and responding to it are at the core of our sustainability work. Our objective is to systematically reduce the negative impacts of our operations on the environment. We reduce the emissions caused by our operations and aim for carbon neutrality for in-use energy consumption by the end of 2030.

We reduce the load on the environment by regularly and proactively maintaining and repairing homes and properties according to the life-cycle principle, and by building properties primarily in existing urban environments and near good public transport connections.

An independent third party has verified the use of proceeds and the impact disclosures reported for the Green Finance Framework¹. The report for 2024 was verified by Deloitte Oy.



¹ Energy Performance Certificate (EPC), Energy use (E figure), Specific greenhouse gas emissions kg CO₂e/m², Specific energy consumption (kWh/m³), Avoided energy use (MWh), Avoided GHG emissions (tonnes of CO₂ equivalents) together with the Use of Proceeds and Impact Disclosures

SATO'S SUSTAINABILITY PROGRAMME 2023–2026

The themes of our sustainability programme are sustainable housing (environmental responsibility), communities' well-being (social responsibility) and sustainably profitable (financial and governance responsibility). Our programme's policies are linked to UN Sustainable Development Goals (SDG).

E – SUSTAINABLE HOUSING

In the area of environmental responsibility, our special focus is on climate change mitigation and adaptation. We constantly improve the energy efficiency of our homes, reduce energy and water consumption and invest in locally produced renewable energy. Our goal is to be carbon neutral by 2030 when it comes to in-use energy consumption. Additionally, we promote the circular economy and biodiversity in our operations.

S – COMMUNITIES' WELLBEING

For us, social responsibility means taking care of our employees and their well-being and ability to cope, occupational health and safety, competence, and equality and non-discrimination. We also bear responsibility for our customers and their satisfaction and well-being in healthy and safe living environments. We promote diversity and work to reduce inequality in society. We enable sustainable housing for our residents and encourage them to make sustainable choices in their daily lives.

G – SUSTAINABLY PROFITABLE

We ensure profitable business in the long term, transparently and sustainably. The foundation for our sustainable business is long-term ownership, shared and transparent ways of working, open communication and reporting, and co-operation with stakeholders. We communicate and report on our operations transparently in accordance with international accounting standards, the Finnish Corporate Governance Code and with reference to the GRI guidelines for sustainability reporting. In climate risk reporting, we follow the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD).

SATO participates annually in the Global Real Estate Sustainability Benchmark (GRESB). In 2024, SATO received three stars on a scale of one to five. In its peer group, SATO's result represents the average of northern European housing investors.



GREEN FINANCE FRAMEWORK

Our Green Finance Framework was initially launched in 2020, and it was updated in 2023 to reflect the most recent market trends and best practices. Within the Framework, SATO may issue green bonds, green hybrids, green commercial papers, green loans and other types of debt instruments to (re-)finance, for example, energy-efficient buildings, repair investments improving energy efficiency as well as projects relating to renewable energy or waste management.

The framework is aligned with the EU Taxonomy's climate change mitigation targets to the extent possible. The asset categories are "Green and energy efficient buildings" as well as "Energy efficiency" for new, existing and renovated buildings. [Read more here.](#)

THE GREEN BOND ISSUED 2020

SATO Corporation ("SATO") issued a EUR 350 million senior unsecured green bond under its EMTN programme on the 24th of September 2020. At the end of 2024, the outstanding nominal amount of the green bond was EUR 300 million.

The bond was offered to European investors. The unsecured bond has a maturity of over seven years and will bear an annual fixed coupon of 1.375 per cent.

The net cash proceeds will be used for financing and/or refinancing of Eligible Green Assets as per SATO's Green Finance Framework 2020.

ADVANTAGES

- Diversification of the capital structure and lower costs of capital
- Reputation and brand of the parties
- Positive impact of sustainability on competitiveness

TWO NEW INDICATORS FOR 2024

For this report, we have included two new indicators to the impact disclosures table using the guidelines from [ICMA Harmonized Principles for Impact Reporting](#) and [NPSI Nordic Position Green Paper](#). The indicators are annual energy use avoided (MWh) and annual GHG emissions avoided (tonnes of CO₂ equivalent).

In the absence of an official calculation method, we have used an approach that is aligned with our annual reporting and the EU Taxonomy requirements for existing buildings. The association of Finnish Property Owners RAKLI has defined threshold values for energy use for [the national top 15 % existing buildings in terms of energy use](#), and we have used these values as a baseline for our calculations. To determine the avoided energy use we have compared the property's E figure derived from its Energy Performance Certificate (EPC) and the national top 15 % threshold value for the specific property type.

To calculate avoided GHG emissions, we have used the emission factors for the heating production method (as provided by district heating providers) and the calculated avoided energy use values. For all properties, a comparison with district heating and its associated emissions is provided. Based on our analysis, if a less efficient building had been constructed, it would have relied on district heating rather than geothermal heating.



ELIGIBLE GREEN ASSETS

New Constructions, EUR million

962

Completed (fair value)

Renovations, EUR million

132

Completed (investment cost)

New Constructions, EUR million

Completed (fair value)	962
Under construction (investment cost)	0
In planning phase (investment cost)	0
Total EUR million	962

Available for new financing 482

Renovations, EUR million

Completed (investment cost)	132
Under construction (investment cost)	0
In planning phase (investment cost)	0
Total EUR million	132

Available for new financing 52



EXAMPLES OF ASSETS

NAME AND LOCATION OF THE PROJECT:

Jokiniementie 46, Helsinki

CONSTRUCTION YEAR:

2023

FRAMEWORK CATEGORY:

Green and energy-efficient buildings

ENERGY EFFICIENCY INFORMATION:

- Energy Performance Certificate (EPC): A
- Energy consumption (E figure): 71
- Project feature: 21 % more energy efficient than required by Finnish building code
- Specific energy consumption in 2024: 10.4 kWh/m³
- Specific greenhouse gas emissions in 2024: 0 kg CO₂e/m²
- Heating source: Geothermal
- Renewable energy production: Solar panels
- External sustainability evaluation: yes, [Ostavastuullisesti.fi](https://ostavastuullisesti.fi)

An external, independent sustainability panel consisting of experts in sustainable production and consumption selects the products or services for the ostavastuullisesti.fi website. “Osta vastuullisesti” (Buy more sustainably) products or services are evaluated to be more sustainable than other available options.



EXAMPLES OF ASSETS

NAME AND LOCATION OF THE PROJECT:

Lincolninaukio 4, Vantaa

CONSTRUCTION YEAR:

2023

FRAMEWORK CATEGORY:

Green and energy-efficient buildings

ENERGY EFFICIENCY INFORMATION:

- Energy Performance Certificate (EPC): A
- Energy consumption (E figure): 75
- Project feature: 17 % more energy efficient than required by Finnish building code
- Specific energy consumption in 2024: 12.2 kWh/m³
- Specific greenhouse gas emissions in 2024: 0 kg CO₂e/m²
- Heating source: Geothermal
- Renewable energy production: Solar panels
- External sustainability evaluation: yes, [Ostavastuullisesti.fi](https://ostavastuullisesti.fi)

An external, independent sustainability panel consisting of experts in sustainable production and consumption selects the products or services for the ostavastuullisesti.fi website. “Osta vastuullisesti” (Buy more sustainably) products or services are evaluated to be more sustainable than other available options.



IMPACT DISCLOSURES: SATO ASSETS WITHIN THE GREEN FINANCE FRAMEWORK 2024

Property	City	Building year	Total fair value EUR million (at the end of the year)	Amount allocated to the green bond EUR million	Energy Performance Certificate (EPC)	Energy use (E figure)	Energy use below new building requirements	Specific greenhouse gas emissions kg CO ₂ e/m ² *	Specific energy consumption kWh/m ³ *	Avoided energy use (MWh) compared to the EU Taxonomy top 15 % threshold*	Avoided GHG emissions (tonnes of CO ₂ equivalents) compared to EU Taxonomy top 15 % threshold*
Kiinteistö Oy Espoon Kilvoituksentie 1	Espoo	2016	11.1	6.3	A	71	21 %	0	16.9	121	18
Kiinteistö Oy Helsingin Gadolininkatu 1	Helsinki	2018	24.0	15.9	B	77	14 %	15.0	23.5	168	24
Kiinteistö Oy Espoon Runoratsunkatu 5	Espoo	2018	30.5	18.1	B	76	16 %	15.6	19.8	245	36
Asunto Oy Vantaan Talvikkitie 38	Vantaa	2018	34.7	19.7	B	79	12 %	18.2	28.2	293	43
Raivosuonmäki 7	Vantaa	2019	28.3	19.0	B	82	9 %	17.3	30.3	206	30
Kiinteistö Oy Helsingin Capellan puistotie 21	Helsinki	2020	30.0	18.5	A	73	19 %	17.1	28.2	208	30
Kiinteistö Oy Helsingin Ida Aalbergintie 1b	Helsinki	2020	24.2	14.1	B	78	13 %	16.1	27.2	176	26
Kiinteistö Oy Helsingin Kaarenjalka 5g	Helsinki	2020	12.3	7.7	B	81	10 %	13.7	26.3	99	14
Kiinteistö Oy Helsingin Keinulaudantie 7h	Helsinki	2020	13.0	8.4	B	76	16 %	12.9	21.3	112	16
Raivosuonmäki 9	Vantaa	2020	34.3	23.0	B	81	10 %	15.2	26.7	243	35
Kiinteistö Oy Espoon Kappelirinne 4	Espoo	2021	20.8	20.8	A	73	19 %	0	13.3	167	24
Kiinteistö Oy Vantaan Virtakuja 6	Vantaa	2021	15.8	15.8	B	76	16 %	15.7	27.4	132	19
Kiinteistö Oy Espoon Humisevanportti 2	Espoo	2021	11.3	11.3	B	81	10 %	13.4	24.5	100	15
Jokiniityntie 28	Kirkkonummi	2022	16.1	16.1	A	69	23 %	0	12.2	183	27
Lupajantie 2	Helsinki	2022	25.3	25.3	A	80	11 %	0	18.7	205	30
Kiinteistö Oy Vantaan Lincolnin aukio 4	Vantaa	2023	32.6	32.6	A	75	17 %	0	12.2	265	38
Kiinteistö Oy Helsingin Jokiniementie 46	Helsinki	2023	28.9	28.9	A	71	21 %	0	10.4	219	32

All listed properties are completed and fall under the Green Finance Framework category Green and energy efficient buildings.

* Specific energy consumption consists of specific electricity consumption and standardised specific heat consumption. Specific greenhouse gas emissions have been calculated by using specific energy consumptions and the emission factors provided by energy providers. Refer to page 5 for the calculation method behind the indicators of avoided energy use and avoided GHG emissions.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE MANAGEMENT OF SATO OYJ

Scope

We have been engaged by the Management of Sato Oyj (0201470-5) (hereafter "Sato") to provide limited assurance on the use of proceeds and the following impact disclosures for the Green Bond Assets listed in page 3: Energy Performance Certificate (EPC), Energy use (E figure), Specific greenhouse gas emissions kg CO₂e/m², Specific energy consumption (kWh/m³), Avoided energy use (MWh) compared the EU taxonomy top 15% threshold, Avoided GHG emissions (tonnes of CO₂ equivalents) compared to EU taxonomy top 15% threshold (together the Use of Proceeds and Impact Disclosures) in the Sato Green Finance Framework Report 2024 dated March 2025 (hereafter "Report").

Responsibilities of the Management

The Management of Sato is responsible for the preparation and presentation of the Report in accordance with the reporting criteria, i.e. Sato's Green Finance Framework. The Management is also responsible for determining Sato's objectives with regard to sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Assurance provider's responsibilities

Our responsibility is to perform a limited assurance engagement and to provide an independent conclusion based on the work performed. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements

other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board IAASB. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement. The nature, timing and extent of the assurance procedures selected depend on professional judgement, including the assessment of material misstatement due to irregularity or error. We believe that the evidence we obtain is sufficient and appropriate to provide a basis for our conclusion on limited assurance.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We have applied International Standard on Quality Management ISQM 1, which requires the audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of the Procedures That Have Been Performed

As the methods of obtaining evidence are more limited in a limited assurance than in a reasonable assurance, an assurance obtained is more limited than in a reasonable assurance. We have designed and performed procedures to obtain sufficient and appropriate evidence for limited assurance and to provide a

basis for our conclusion, therefore we do not obtain all the evidence, which is required in reasonable assurance. While we consider the design of internal controls when determining the nature and scope of our assurance procedures, our limited assurance engagement is not included the testing of the operating effectiveness of internal controls. Our procedures did not include control testing or performing procedures related to combining and calculating data within IT systems.

The limited assurance engagement consists of inquiries of individuals who are responsible for preparing the Report, as well as for carrying out analytical and other procedures.

The procedures included:

Among other things, we have carried out the following procedures in the assignment:

- Interviewing relevant staff responsible for providing the Report;
- Assessed the application of the Sato's Green Finance Framework reporting principles in the presentation of the Report;
- Assessed data management processes, information systems and working methods used to gather and consolidate the Report;
- Reviewed the presented Report and assessed its quality and consistency of reporting boundaries and;
- Assessed the Report's data accuracy and completeness through a review of the original documents and systems based on sample-based testing procedures.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Corporate Sustainability Information subject to the limited assurance engagement is not prepared, in all material respects, in accordance with Sato's Green Finance Framework.

Helsinki, 26 March 2025

Deloitte Oy
Audit Firm

Aleksi Martamo
Authorised Public Accountant

Anu Servo
Authorised Public Accountant

GREEN FINANCE COMMITTEE

The Green Finance Committee consisting of the CFO, Group Treasurer and Sustainability Manager selects the eligible green assets. All decisions are made in consensus and the Sustainability Manager has a veto in all decisions with regards to the asset selection.

Markku Honkasalo

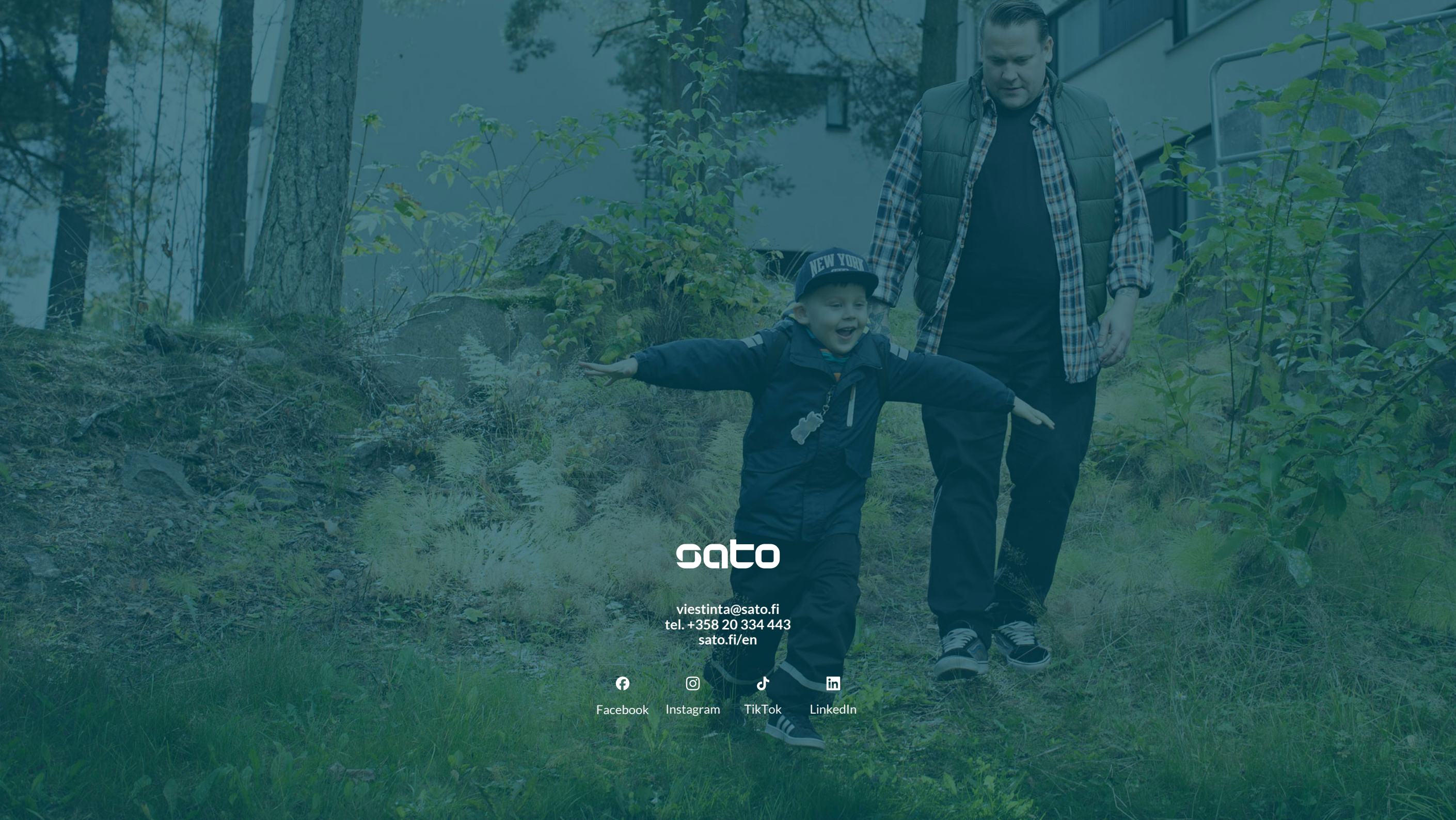
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