



SATO'S SUSTAINABILITY REPORT 2024

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SATO 2024

- SATO 2024** **3**
- SATO in brief 3
- CEO’s review 4
- Highlights and challenges 2024 5

- OUR SUSTAINABILITY WORK 2024** **6**
- Sustainability programme 2023–2026 7
- Sustainability guides our operations 9
- Climate-related risks and opportunities according to TCFD-framework 10
- Sustainable housing 14
- Communities’ wellbeing 17
- Sustainably profitable 20

- REPORTING KEY FIGURES AND ATTACHMENTS** **22**
- Our reporting principles 23
- Finances 24
- Environment 25
- Personnel 28
- GRI index 30
- TCFD index 36
- Assurance report 37
- Key sustainability concepts 38



SATO IN BRIEF

SATO is an expert in sustainable rental housing and one of Finland’s largest rental housing providers. We own around 26,000 rental apartments in Finland’s largest growth centres, in the Helsinki metropolitan area, Tampere and Turku.

We offer our residents homes in cities, along good public transport routes, and we develop services to make their daily lives easier. We are involved in our residents’ day-to-day lives and take care of our homes with decades of experience. We are a long-term and responsible housing provider for our residents. We have been working as experts in Finnish housing for 85 years.

We build pleasant homes and diverse living environments that will last for generations. We are committed to renovating, repairing and creating new environments: homey and safe yards and neighbourhoods.

We enable sustainable housing for our residents and encourage them to make sustainable choices in their daily lives. We promote sustainable development and work in open interaction with our stakeholders.

We invest profitably, responsibly and for the long term. We increase the value of our assets through investments, divestments and repairs.

SATO is an expert in sustainable rental housing.



44,000

residents

300

SATO employees

26,000

SATOhomes

CEO'S REVIEW

SATO is one of Finland's largest rental housing providers. We own around 26,000 rental apartments in the Helsinki metropolitan area, Tampere and Turku, providing homes for some 44,000 residents. SATO is a long-term housing investor, developer and owner. We have been working as experts in Finnish housing for 85 years.

We enable sustainable housing for our residents and encourage them to make sustainable choices in their daily lives. We build for our residents homes that last over generations, and we take care of our buildings in accordance with the life-cycle principles in a financially sustainable manner. We invest in homes along good public transportation connections and services, and we cooperate with cities in developing entire residential areas. During the reporting year, our investments in rental apartments were EUR 48.6 (150.0) million.

Our sustainability efforts are governed by SATO's strategy and Sustainability Programme 2023–2026, the themes of which are sustainable housing (environmental responsibility), communities' well-being (social responsibility) and sustainably profitable business (financial and administrative responsibility). Our programme's policies are linked to the UN Sustainable Development Goals (SDG).

In environmental responsibility, we continued the energy-efficiency measures based on our carbon roadmap published in 2024 and invested in renewable, locally produced energy: solar power plants and geothermal heat. SATO's goal is to be carbon neutral by the end of 2030 in terms of in-use energy consumption. During the year, we increased the use of geothermal heat at our properties in line with our plan and we completed the installation of solar power plants in 23 residential buildings. The calculated solar power output generated locally at our properties in 2024 corresponded to the annual power consumption of roughly 400 apartments. During

the year under review, we also made an investment decision to switch over to geothermal heat during the next few years in 13 properties located in the Helsinki metropolitan area, Tampere and Turku.

During the year under review, we initiated our biodiversity work in line with the biodiversity roadmap 2024–2026 that we released last year. Our goal is to slow down biodiversity loss and improve biodiversity in housing development and in the areas where our existing buildings are located.

For us, social responsibility means taking care of our own employees and taking responsibility for our customers' comfort and well-being in their living environment. During the year, we continued promoting the well-being of our employees, with a particular focus on reducing absences due to illness and developing the occupational safety culture. During the reporting year, we also continued to develop good customer interaction in line with the Concept of good encounters' that was launched in 2023.

We were granted the Great Place to Work certification in January 2024. We ranked sixth in Finland's Best Workplaces, in the large company category. I am extremely proud and grateful for this recognition, which is proof of long-term, successful work to develop SATO's culture. SATO employees are proud of the work they do and experience it as meaningful. More than 90% of us consider SATO to be a great workplace overall. Diversity, equality and inclusion are key factors that we will focus on in particular going forward, both in our work community and among our residents.

SATO aims for long-term, sustainable and profitable business. Our success is based on not only professional skills and competence but also a strong ethical foundation, and our values: Human to human, Be bold, aim high, and The joy of succeeding together.

Antti Aarnio, President and CEO

// SATO's success is based on not only our employees' professional skills and competence but also a strong ethical foundation and our values.



HIGHLIGHTS AND CHALLENGES 2024

WE INVESTED IN LOCALLY PRODUCED ENERGY

We continued the energy-efficiency measures based on our carbon roadmap and invested in renewable, locally produced energy: solar power plants and geothermal heat. During the reporting year, we installed solar power plants in 23 residential buildings. We also made an investment decision to switch over to geothermal heat in 13 properties. SATO's goal is to be carbon neutral by the end of 2030 in terms of in-use energy consumption.

WE INITIATED EFFORTS TO IMPROVE BIODIVERSITY

During the year under review, we initiated efforts to improve biodiversity in line with the biodiversity roadmap that we released last year. Our goal is to slow down biodiversity loss and improve biodiversity in housing development and in the areas where our existing buildings are located. During 2024, we organised biodiversity training, attended by around 70 SATO employees. We began to update our construction, repair and maintenance guidelines and we initiated an in-house discussion about practical measures related to the theme at our existing properties.



WE SUCCEEDED IN REDUCING ABSENCES DUE TO ILLNESS

During the year, we continued supporting our employees' well-being at work and the occupational safety culture and ways of working. Our goal was to reduce mental health-related sick leave days and work accidents leading to absences. We succeeded in reducing our sick leave days resulting from mental health issues by 36% and work accidents leading to absences by 92% compared to the previous year.

SATO IS FINLAND'S SIXTH BEST WORKPLACE

In January 2024, SATO was awarded the Great Place To Work® certificate and ranked sixth in the list of Finland's Best Workplaces in the large company category. A total of 90% of SATO employees felt that SATO as a whole is a great place to work. Read more: Communities' well-being.



WE DID NOT START NEW CONSTRUCTION PROJECTS

As a result of dramatically increased costs and higher financing prices, we decided in October 2022 that we would not initiate new investments for the time being. During the reporting year, 349 new and 56 renovated rental apartments were completed for SATO. Some of the measures set out in our sustainability programme, such as including recycling targets in the contracts concluded with contractors, are related to newbuild construction, which is why we cannot advance these measures before construction projects are started.

DEVELOPMENT OF SUSTAINABILITY CRITERIA FOR PROCUREMENT WAS POSTPONED

Our goal is to create guidelines with shared sustainability criteria to support procurement at SATO. The project was initiated at the end of 2024 and will continue in 2025.

OUR SUSTAINABILITY WORK 2024

Our sustainability work is governed by SATO's strategy and Sustainability Programme for 2023-2026.



SUSTAINABILITY PROGRAMME 2023–2026

During the reporting year, our sustainability work was governed by SATO's strategy and Sustainability Programme for 2023–2026. The themes of the programme are sustainable housing (environmental sustainability), communities' well-being (social sustainability) and sustainably profitable business (good governance and economic sustainability). Our programme's policies are linked to the UN Sustainable Development Goals (SDG).

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 the end of 2030 in terms of in-use energy consumption. We also want to promote circularity and biodiversity in our operations. We enable sustainable housing for our residents and encourage them to make sustainable choices in their daily lives.

For us, social responsibility means taking care of our employees: their well-being and ability to cope, occupational health and safety, and competence. We take measures to promote equality and inclusion so that every SATO employee can come to work as their true selves, feeling valued. We also bear responsibility for our customers' comfort and well-being by providing them with a healthy and safe living environment. We promote diversity and work to reduce inequality in society.

Profitable business enables our investment in sustainability work and the creation of living environments that improve the well-being of our residents. 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.

For us at SATO, sustainability is about concrete actions that can be seen in everything we do. The sustainability programme and its targets steer both our daily choices and our long-term sustainability development work.

MATERIALITY AS THE BASIS FOR SUSTAINABILITY WORK

We published the current sustainability programme in autumn 2022. It was prepared on the basis of a materiality analysis carried out in the same year, based on an extensive stakeholder survey, interviews and internal workshops. More than 500 people responded to our online stakeholder survey. The respondents consisted of our residents, personnel, partners and service providers, authorities, organisations and SATO's owners. Representatives from cities, SATO's Board of Directors and Finnish Property Owners RAKLI took part in the in-depth interviews.

Based on the materiality analysis, the well-being of employees and residents, financial responsibility, and climate change mitigation and adaptation were highlighted as the most important areas. The themes identified in the materiality analysis will guide the priorities of our sustainability efforts up until 2026.

WE CONDUCTED A DOUBLE MATERIALITY ANALYSIS

In the reporting year, we began preparations for reporting in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD). SATO will report in compliance with CSRD starting in 2025.

In the reporting year, we conducted a double materiality analysis to identify and assess material sustainability-related impacts, risks and opportunities. An impact assessment based on double materiality takes into account the materiality of the impacts, i.e. the impacts caused by the company's business and value chain on people, the environment and society (from the inside out) and the financial materiality, i.e. the financial risks and opportunities that affect the company (from the outside in).

Based on the double materiality analysis, the standards to be reported that are material for SATO are: Climate change (E1), Water and marine resources (E3), Biodiversity and ecosystems (E4), Resource use and circular economy (E5), Own workforce (S1), Workers in the value chain (S2), Affected communities (S3) and Business conduct (G1).

The themes of the sustainability programme are: sustainable housing, communities' well-being and sustainably profitable business.



SATO'S VALUE CHAIN FROM A SUSTAINABILITY PERSPECTIVE

UPSTREAM

COLLABORATION WITH CITIES AND LAND OWNERS

- Urban structure development as well as city planning and project development
- Socially sustainable residential areas with diverse housing tenure models, prevent neighborhood segregation

PLANNING, HOUSING DEVELOPMENT, AND REPAIR

- Construction and repair in line with SATO's planning guidelines and the principles of lifecycle thinking
- Collaboration with contractors, planners, and authorities

PROCUREMENT

– 98 % of partners are from Finland

Largest procurement categories

- Repair operations and renovations ~60%
- Energy and water ~20 %
- Services (mainly maintenance, cleaning, and upkeep) ~20%

OWN OPERATIONS

APARTMENT RENTAL OPERATIONS

A total of 26,000 homes in the Helsinki metropolitan area, Tampere, and Turku

NEW CONSTRUCTION

- 349 new rental homes
- Land acquisition, property development, and housing development

EXISTING PROPERTIES

- Property maintenance and upkeep
- Repair operations
- Investments in locally produced energy

SATO'S OWN EMPLOYEES

– 300 employees in Finland

FINANCIERS AND OWNERS

DOWNSTREAM

RESIDENTS AND CUSTOMER EXPERIENCE

- 44,000 residents
- 26,000 homes for different life stages in Finland's largest growth centers
- Locations close to good public transport connections and services
- A safe and pleasant living environment
- An easy and comfortable living experience: during residence NPS 27, various contact points NPS 57

SOCIETY

- We actively participate in and influence industry development through industry organizations
- Taxes paid to Finland: EUR 57,8 million

NEIGHBORHOODS AND CITIES

- Investments to growth centers
- Development of residential areas and diverse communities
- Supporting the economy by providing rental housing
- Supporting cities' sustainability goals

ENVIRONMENTAL IMPACT

- Total energy consumption 248,563 MWh
- Greenhouse gas emissions in total 31,469 t CO₂-e
- Total water consumption 2,453,000 m³
- Total amount of residents' waste 20,511 tonnes

Reducing environmental impacts

- Building solutions that last for decades and timely repairs: our goal is a 100-year lifecycle for building structures
- Identifying and considering nature impacts in planning, housing development, and upkeep, enhancing biodiversity on properties.
- Energy efficiency, local energy production, and its expansion
- Reduction in water consumption and emissions, with a target of carbon neutrality by the end of 2030 in terms of carbon dioxide emissions related to the energy consumption of properties

DEMOLITION

– SATO had one demolition worksite in 2024



SUSTAINABILITY GUIDES OUR OPERATIONS

The foundation for our sustainable business is uniform and transparent ways of working, open communication and reporting, and co-operation with stakeholders. As a long-term owner, we take care of the value of our homes, and we pay taxes to Finland. We also require responsibility from our partners in their operations.

LONG-TERM, TRANSPARENT AND RESPONSIBLE BUSINESS

One of the three themes of our Sustainability Programme 2023–2026 is sustainable profitability. Profitable business also enables our investment in sustainability work and the creation of living environments that improve the well-being of our residents.

For SATO, financial sustainability means good financial management, the efficient use of resources, and the generation of a steady financial benefit over the long term for stakeholders. The total amount of taxes paid and tax-like payments in 2024 was EUR 57.8 million. The financial added value that we generate for society – the tax footprint of the company’s operations – consists of direct and indirect taxes. SATO Group’s effective income tax rate in Finland was 20.2% in 2024.

We communicate and report on our operations transparently in accordance with international accounting standards and the Finnish Corporate Governance Code, and we prepare our sustainability reports with reference to the GRI guidelines.

We follow good rental practices and operate in compliance with the best practices and rules concerning marketing and advertising. We comply with the International Labour Organization’s (ILO) standards and other internationally

approved human rights. Our way of working is described in our [Code of Ethics](#).

SATO requires its partners to practice responsible business, follow laws and regulations and good business practices in everything they do and to commit to SATO’s values and Code of Ethics for partners.

In line with the Finnish Occupational Safety and Health Act, everyone working at SATO’s construction sites must have a photo ID with a tax number.

Sustainability management at SATO and our key guidelines and policies are described in the Annual Report’s [Governance section](#).

WE COMMUNICATE OPENLY ABOUT OUR OPERATIONS

SATO’s stakeholders include parties affected by our operations, as well as parties whose operations affect us directly or indirectly. Our stakeholders include our customers, employees, shareholders, financiers, partners and service providers, as well as the authorities and other operators in society. Open interaction with stakeholders helps us identify topics that are material to sustainable business operations and corporate responsibility. It also helps us define our goals and achieve them. We communicate our operations and finances to our stakeholders in a transparent and timely manner.

WE TAKE RESPONSIBILITY FOR OUR IMPACTS ON OUR STAKEHOLDERS AND SOCIETY

We generate a steady financial benefit for our stakeholders, including shareholders, employees, customers, municipalities, the state, and goods suppliers and service providers and their employees. We support growth opportunities in business and industry by offering rental apartments in Finland’s largest growth centres, in the Helsinki metropolitan area, Tampere and Turku.

We regularly identify and assess the social and financial risks related to our operations and try to systematically reduce the identified negative impacts, for example by following our sustainable Code of Conduct, by conducting audits and internal control, and by continuously developing our operating models.

During the reporting year, SATO invested around EUR 48.6 million in rental apartments. Our housing stock is focussed on areas and homes that will grow in demand and in value. During the reporting year, we repaired our homes and properties in accordance with the life-cycle principle in order to maintain or increase their value in use and financial value. Our repair investments amounted to EUR 24.5 million.

WE ACTIVELY PARTICIPATE AND INFLUENCE THE DEVELOPMENT OF THE SECTOR

We contribute to the development of the housing and real estate sectors through our participation in organisations and the Helsinki Region, Turku and Tampere Chamber of Commerce. SATO is represented in the housing executive group and many committees of the Finnish Association of Building Owners and Construction Clients (RAKLI). We are members of the Green Building Council Finland and the FIBS network for corporate social responsibility. In addition, we are on the board of Suomen Asuntoliitto ry (Finnish Housing Association), and we are a member of Asuntoreformiyhdistys ry (Finnish Housing Reform Association) and Rakentamisen laatu RALA ry (Construction Quality Association RALA).

We are involved in the “Home and Job” (#kämppäjaduuni) project, which focusses on significant societal issues, i.e. homelessness and unemployment.

WE DONATED TO NO FIXED ABODE, FAMILIES WITH CHILDREN AND MENTAL HEALTH WORK FOR YOUNG PEOPLE

During the reporting year, SATO’s Christmas donation went to No Fixed Abode, an advocacy organisation for the homeless whose aim is to secure each person’s fundamental right to their own home regardless of their background and life situation. SATO has collaborated with No Fixed Abode since 2018 through the #kämppäjaduuni (Home and Job) project. SATO also made donations to Mieli Mental Health Finland’s Christmas fundraiser to help prevent loneliness, bullying and social isolation among adolescents, and to Save the Children Finland to support low-income families.

CLIMATE-RELATED RISKS AND OPPORTUNITIES IN ACCORDANCE WITH THE TCFD FRAMEWORK

In 2020, we committed to reporting on risks and opportunities related to climate change in accordance with the TCFD (Task Force on Climate-Related Financial Disclosure) framework. The TCFD framework guides companies to report on climate-related risks and opportunities in a consistent manner.

The following year, we conducted an extensive assessment of the risks and opportunities arising from climate change for SATO's entire supply chain. The risks are divided into four main categories in line with the TCFD framework: transition risks, acute and chronic physical risks and social risks. At the same time, we carried out a scenario analysis to look into how the two- and four-degree scenarios affect society and how SATO should prepare for these changes.

Climate change mitigation and adaptation are at the core of our sustainability efforts. Identifying climate-related risks and opportunities is important for SATO to enable us to adapt to the changing climate and leverage the opportunities in our operations. We also seek to mitigate climate change through our own actions and to reduce the carbon dioxide emissions from our operations. We aim to reach carbon neutrality for in-use energy consumption by the end of 2030. We also assess the life-cycle emissions of the buildings with an aim to reduce them in the future.

In the area of environmental responsibility, our special focus is on climate change mitigation and adaptation.

CLIMATE RISK MANAGEMENT

During the reporting year, we continued our reporting and risk management in line with the TCFD framework. The risks resulting from climate change are included in SATO's general risk assessment which is carried out internally once a year. SATO's CFO is responsible for the risk analysis. SATO's Corporate Management Group discusses climate-related risks and opportunities and their impact on the company's operations, and reports on them to SATO's Board of Directors twice a year.

We take the environmental criteria that are in line with our sustainability programme into account in investment decisions concerning new buildings. We also consider climate-related physical risks in our operations: our design guidelines for new buildings, for example, take flood risks, energy forms and structural durability into account. We develop the assessment and reporting of climate-related impacts, risks and opportunities in accordance with the Corporate Sustainability Reporting Directive and the EU's taxonomy requirements.



CLIMATE RISKS, IMPACTS AND MANAGEMENT MEASURES

Type of risk and description	Impact on SATO (risks and opportunities)	Management measures
<p>Transition risks: Transition to a low-carbon economy, regulation risks and carbon pricing, development of new low-carbon, resource-efficient technologies, market risks: changes in building materials and stakeholder expectations, reputation risk</p>	The transition to a low-carbon economy will entail costs affecting the price of energy, the price of potential carbon emissions and the prices and availability of materials. Consumer behaviour and partner operations may have an impact on the market and SATO's reputation.	<ul style="list-style-type: none"> SATO invests in buildings located near good public transport connections and services. We focus on energy-efficient and sustainable solutions in new buildings and renovations. We reduce energy and water consumption. We increase local energy production: We look into the possibility of using geothermal heat and other locally produced energy and heat recovery. We implement these wherever it is possible and financially sustainable.
<p>Acute physical risks: Extreme weather conditions, such as wind-driven rain, storms, flood risks and intense heat waves are becoming stronger and more frequent.</p>	Extreme weather conditions, such as wind-driven rain, storms, flood risks and intense heat waves are causing risks for housing health and structural durability. Extreme weather conditions also have an impact on maintenance and investment costs, such as the increasing need for cooling, as well as on servicing costs and costs arising from preparing for risks. Making more efficient use of rainwater in the buildings and lower heating costs are an opportunity.	<ul style="list-style-type: none"> SATO's design guidelines take structural durability into account, and the guidelines concerning buildings located by the seaside will be introduced for other buildings as well. This is done in preparation for growing flood risks and increasing wind-driven rain and humidity. We take care of efficient building technology guidance.
<p>Chronic physical risks: Climate change is irreversible, the rising temperature and increasing rainfall are leading to heat islands and a more humid environment, climate change-fuelled melting of glaciers and ice sheets</p>	A permanent change in the climate will increase maintenance and investment costs due to a more humid environment and the creation of heat islands. This may affect the movement of people worldwide and increase the number of climate refugees. This may have an impact on regional segregation. The melting of glaciers and ice sheets is raising the sea level, causing floods in coastal areas.	<ul style="list-style-type: none"> SATO's design guidelines take the increased precipitation into account. Our aim is to design buildings with optimal efficiency in mind and to avoid unnecessary spaces that have to be heated or cooled. We review the guidelines when building new buildings along the coast.
<p>Social risks: Change in consumer expectations and lifestyle</p>	Sustainability is becoming a key criterion in consumer choices, which can be seen as both a risk and an opportunity.	<ul style="list-style-type: none"> We operate in line with SATO's sustainability programme and communicate openly and transparently.

SCENARIO ANALYSIS AND HOW SATO IS PREPARED FOR THE DIFFERENT SCENARIOS

	Two-degree scenario	Four-degree scenario
Society	The acute and chronic risks are considerable: extreme weather conditions and irreversible changes in the climate are causing damage to buildings. Regulation is tightening and more emphasis is being placed on collective efforts towards a carbon-neutral society and common international sustainability goals. Energy is cleaner and more affordable, and the technology is advanced. Expertise in terms of sustainability and circularity is increasing. New innovative materials are available. Consumers are more environmentally aware.	The acute and chronic risks are highlighted, such as extreme weather conditions and irreversible changes in the climate which are causing damage to buildings. The pace of decarbonisation is decreasing and the investments in renewable energy are insufficient.
How SATO is prepared for the scenario	SATO's current energy-efficiency standards in construction and renovation are already higher than required by legislation: We build sustainably, with the building's entire life cycle in mind, and are thus able to meet our customers' requirements.	The current trend will continue in the development of technology and materials, which may raise prices and reduce the availability of materials. Expertise in circular economy or sustainable development is in short supply. Consumers are not aware of sustainable housing and are not willing to pay more for it.
	We aim to reach carbon neutrality for in-use energy consumption by the end of 2030. We develop the assessment of and reporting on climate-related impacts, risks and opportunities in accordance with the Corporate Sustainability Reporting Directive and the EU's taxonomy requirements. We prepare for the expansion of our climate targets.	Rising temperatures will reduce heating needs in winter but increase the need for cooling in summer. The physical impacts of climate change will considerably increase repair costs. Costs will arise from both preparing for climate change and repairing possible damages.

SATO'S STAKEHOLDERS

Stakeholder	Stakeholder's expectations of SATO	Channels of interaction	SATO's actions in 2024
Customers			
SATOhome residents approx. 44,000	<ul style="list-style-type: none"> • Healthy and safe homes • A reliable and responsible housing provider • Smooth customer service • Open communication 	<ul style="list-style-type: none"> • Customer service and communication on various channels: phone service, chat, social media, sato.fi, OmaSATO, newsletters, noticeboards • Customer surveys and feedback • Meetings at SATO's buildings, maintenance visits, resident meetings, customer workshops, customer events 	<ul style="list-style-type: none"> • Development of customer service and communication • Encounters in line with the concept of good encounters • Maintenance of the properties and apartments • Concept and service development • Development of digital services • Development of operations and services together with customers • Customer surveys and measuring the customer experience • Promoting neighbourly living • Supporting sustainable choices in residents' daily lives
Personnel			
300 employees (31 Dec 2024)	<ul style="list-style-type: none"> • An open and inspiring workplace • Good management and supervisory work • Challenging tasks and developing personal competence • Safe and enjoyable work conditions • Well-being at work 	<ul style="list-style-type: none"> • Regular employee events and open internal communication • Personnel work satisfaction surveys • Interaction with supervisors and personal performance reviews • The Tarmo management/personnel group • Exercise and recreational activities LiiVi • Activities of the OHS committee and OHS representatives, the Hanska occupational safety team 	<ul style="list-style-type: none"> • Supporting and promoting well-being at work: comprehensive occupational healthcare and close co-operation with the occupational healthcare service • Internal job rotation • Comprehensive inductions • Support for LiiVi, SATO's committee for recreation and sports • SATO Day for the entire personnel • Competence development and Boosti sessions • Training of supervisors • Ensuring occupational safety and developing occupational safety practices • Great Place to Work survey • DEI coaching, coaching on multiculturalism for SATO employees working with customers

Stakeholder	Stakeholder's expectations of SATO	Channels of interaction	SATO's actions in 2024
Partners and service providers			
Approx. 1,500 service and material providers	<ul style="list-style-type: none"> • Long-term partnerships • Compliance with agreements • Openness and equality 	<ul style="list-style-type: none"> • Competitive bidding • Supplier audits, self-audits • Negotiations • Agreements and guidelines • Partner co-operation steering groups • Joint real estate industry development projects 	<ul style="list-style-type: none"> • Long-term partnerships and service agreements • Communication to partners, partner channel • Audits and quality control • Combating the grey economy • Ethical guidelines for partners
Owners and financiers			
	<ul style="list-style-type: none"> • Sustainable investment object • Maintaining profitability and value increase • Transparent practices and open communication • Customer experience and employee experience • Good management 	<ul style="list-style-type: none"> • Shareholder meetings • Investor and financier meetings • Annual general meeting • Board meetings • Financial reviews and releases • Sustainability reporting 	<ul style="list-style-type: none"> • Strategy work • Board work • Stakeholder meetings • Transparent and comprehensive business reporting and communication • Sustainability Programme 2023–2026 • GRESB Global Real Estate Sustainability Benchmark • Good and transparent governance
Society			
Authorities, organisations, media, land owners and neighbours	<ul style="list-style-type: none"> • Legal and responsible operations and combating the grey economy • Provision of rental apartments in growth centres and development of rental housing • Employment • Tax revenues • Responding to climate change and combating it • Prevention of housing segregation • Reliable and timely communication 	<ul style="list-style-type: none"> • Co-operation with authorities, partners and residents • Activities in industry associations • Open and reliable communication on various channels 	<ul style="list-style-type: none"> • Providing and developing rental housing and associated services • Participating in urban development • Actively interacting with various stakeholders • Developing our industry in co-operation with industry associations • Participation in public projects • Energy efficiency measures and increasing local energy production • Sustainability Programme 2023–2026 and GRESB • The “Home and Job” (#kämppäjaduuni) project (in collaboration with No Fixed Abode and the Rehabilitation Foundation) • Luottamus & Maine (trust and reputation) survey

SUSTAINABLE HOUSING

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.



Target 2024	Measures taken	Outcome	Target status	UN Sustainable development goals
SATO will be carbon neutral by the end of 2030 in terms of in-use energy consumption.	We continued to carry out the measures set out in the carbon roadmap published in the previous year's sustainability report. We increased local energy production and installed solar power plants in 23 properties. We also installed apartment-specific water meters in some 4,000 current rental homes. We increased the number of SATOhomes belonging to energy classes A, B and C. Building electricity did not produce any emissions because it was produced 100 per cent by wind power.	Fulfilled	●	6, 7, 13
We look into expanding emissions reporting as part of our preparations for the CSRD.	During 2024, we implemented a double materiality analysis and a gap analysis of reporting. We will develop and prepare for expanding emissions reporting in accordance with the CSRD during 2025.	Fulfilled	●	13
We improve our circularity knowhow and promote responsible practices in demolition. We develop material selection criteria in accordance with the principles of circularity.	We updated our sustainable demolition guidelines. We were not able to promote the piloting of responsible demolition in contract calculation and competitive bidding, because no new projects were started during the year. The updating of the material selection criteria in accordance with the principles of circularity was postponed to next year, to be carried out as part of developing responsible procurement criteria.	Fulfilled in part	●	11, 12, 15, 17
We take biodiversity into consideration in everything we do.	We began to update our guidelines for design and maintenance in terms of biodiversity. We organised biodiversity training, attended by more than 70 SATO employees.	Fulfilled	●	11, 15

RENTAL HOMES IN URBAN ENVIRONMENTS

SATO acquires and builds rental apartments, and we are involved in developing entire residential areas. In line with our strategy, we focus our housing stock on the Helsinki metropolitan area's commuting area along rail traffic routes, and on Tampere and Turku.

We invest in good public transport connections and services. As part of investment decisions, we always carry out a sustainability assessment, which focusses on not only the fulfilment of financial criteria, but also the environmental impact of the investment, transport connections and services and the execution of the procurement process in accordance with good corporate governance, among other aspects. Residents also find making sustainable choices easier when their homes are located centrally.

During the reporting year, SATO invested EUR 48.6 million in its housing portfolio. A total of 349 rental apartments were completed in 2024. Renovations on a total of 56 rental apartments were completed during the reporting year. On 31 December 2024, SATO had no rental apartments under construction or renovation.

WE REDUCE OUR IN-USE CARBON FOOTPRINT

SATO has worked for years to improve energy efficiency. We are committed to the Energy Efficiency Agreement targets for the property sector, aiming for a reduction in the total consumption of electricity and heat of 10.5% from the 2015 baseline by 2025. Efficient and sensible energy use saves costs and increases business profitability. It is also one of the most important means of mitigating climate change and reducing greenhouse gas emissions.

The design of SATO's new rental apartments always takes into account energy efficiency and solutions that will last for decades. In new properties, our goal is energy class A (energy performance indicator 75 or below), which is significantly better than that required by the building code (energy performance

indicator 90). The energy performance indicator (EPI) for completed apartment buildings was 71.8 on average during the reporting year. All of the buildings that we completed during the reporting year were energy class A.

In renovations, our goal is to improve energy efficiency by some 30% compared to earlier (targeted energy efficiency improvement compared to the situation before the renovation).

During the reporting year, specific energy consumption rose 2.7%, specific electricity consumption rose 2.7% and specific water consumption rose 0.3% compared to 2023. Specific emissions from SATO's apartments rose by 0.4% compared to 2023 and were 23.2 carbon dioxide equivalent kilograms per square metre (23.1). Emissions are calculated according to the absolute consumption of district heating. Total energy costs grew due to the freezing temperatures in early 2024 and higher heating energy costs.

We also measure energy and water consumption, as well as waste volumes, for all our construction sites for new and renovated buildings. Compared to the previous year, the consumption of district heating and water at new construction and renovation worksites fell, electricity consumption fell and the total amount of waste fell. The key indicators for energy and water consumption and waste can be found in the sustainability report on pages 25–27. During the year under review, there were five active construction work sites for new and renovated buildings. We also measure the waste of demolition projects. There was one demolition worksite in 2024.

WE INCREASE LOCAL ENERGY PRODUCTION

In order to reach our goal of carbon neutrality for in-use energy consumption, we not only carry out continuous energy efficiency measures related to use and maintenance, but we also make repair and new construction investments in, among other things, renewable, locally produced energy. The use of renewable energy in heating significantly reduces the in-use emissions of homes. In every new building and renovation project, we always

look into the possibility of using geothermal heat and other locally produced energy and heat recovery. We implement these wherever it is possible and financially sustainable.

During the reporting year, we installed solar power plants on 20 of our existing properties, which include altogether 1,268 rental homes, and in three new construction projects, with 349 homes. At the end of 2024, 53 properties housing 4,616 rental homes had a solar power plant. Locally produced solar power is used as building electricity for, among other things, lighting and ventilation in communal spaces. At the end of the reporting year, among the properties fully owned by SATO, geothermal heat was the main form of heating in 1,820 rental homes and hybrid heating with district heat and heat pumps was the main form in 70 rental homes.

During the year under review, we made an investment decision to switch over to geothermal heat during the next year in 13 properties located in the Helsinki metropolitan area, Tampere and Turku. In addition to our own measures, we continuously collaborate with energy suppliers in order to save energy and increase carbon neutral energy solutions, among other things. With our energy suppliers, we utilise demand response in some of our buildings to move energy and electricity consumption from hours of high consumption to hours of lower demand, thus evening out consumption peaks.

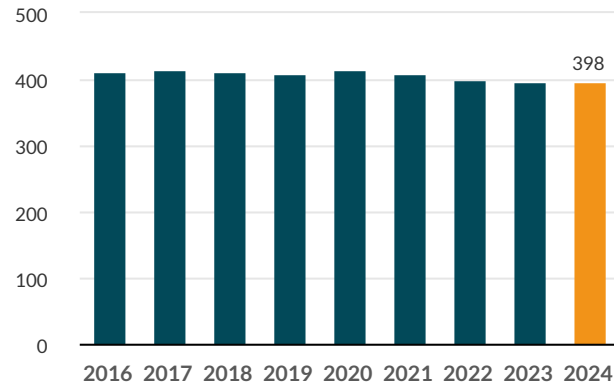
Our goal is to also reduce our water consumption. During the year under review, we installed apartment-specific water meters in some 4,000 current rental homes. According to Motiva's assessment, water meters reduce water consumption by around 8 per cent on average. In 2024, building electricity did not produce any emissions because it was produced 100 per cent by wind power.

THREE STARS IN GRESB

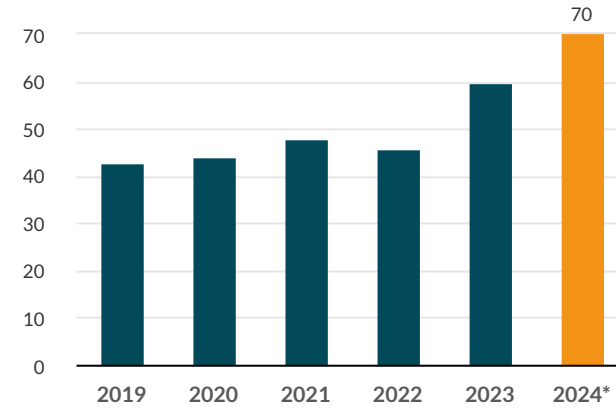
We participated for the tenth time in the Global Real Estate Sustainability Benchmark (GRESB) assessment. We retained our three stars on a scale of one to five. SATO's score in the Standing Investments Benchmark (existing properties) remained at 76 as in the previous year, and in the Development Benchmark (construction projects), SATO's score rose to 83 points from 79 points in the previous year.

In its peer group, SATO's result represents the average of northern European housing investors. SATO's strengths in the GRESB assessment were, for example, sustainability management, risk management, diverse stakeholder co-operation, a comprehensive health and well-being programme and measures for personnel, and issues related to tenants' health and safety. SATO received full points for sustainability management. SATO received the weakest scores in buildings' environmental certifications, which are not in place at the company.

Specific water consumption, l/m³/year

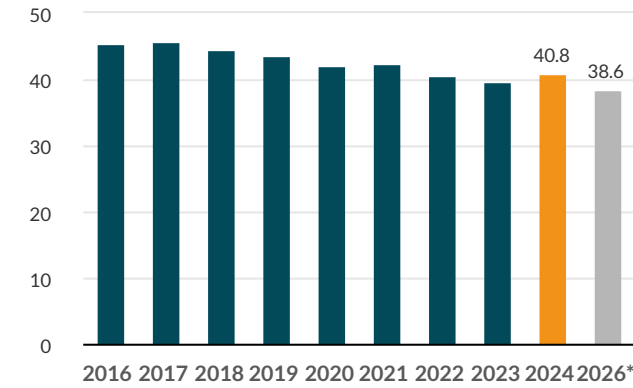


Proportion of carbon neutral energy of total energy consumption



* Forecast, proportion of carbon neutral energy in 2024 will be updated later in spring 2025, applies to homes fully owned by SATO

Specific energy consumption, kWh/m²/year



* SATO's target

The figures are weather adjusted for comparability

Energy classes of SATOhomes

Energy class	Number of apartments in 2024	Number of apartments in 2023
A	1,829	1,384
B	2,583	915
C	3,786	5,229
D	4,682	4,628
E	11,905	11,917
F	999	974
G	0	8
No classification*	109	459

*SATO's ownership in the housing company less than 100%

COMMUNITIES' WELL-BEING

We take care of our employees and their well-being and ability to cope, occupational health and safety, and competence. We take measures to promote equality and inclusion so that every SATO employee can come to work as their true selves, feeling valued.

We bear responsibility for our customers and their comfort and well-being in healthy and safe living environments.

We promote diversity and work to reduce inequality in society.



Target 2024	Measures taken	Outcome	Target status	UN Sustainable Development Goals
Reducing mental health-related absences compared to 2023	Co-operation with occupational health services, workplace survey, Boosti sessions to support well-being at work, Auntie service for SATO employees	Fulfilled	●	8
Strengthening the occupational safety culture and ways of working, reducing sick leave resulting from work accidents.	Embedding the recording and reporting of occupational safety incidents in daily routines, updating and cascading of occupational safety-related SATO guidelines and role-specific guidelines concerning, e.g., chemical safety and rooftop work, coaching for SATO employees on challenging customer situations, info flashes on property and occupational safety	Fulfilled	●	8
We encourage SATO employees to learn and grow continually (Osaamisen noste programme).	A focal area for the whole of SATO in 2024 was data, analytics and the development of AI knowhow: AI assistant induction programme and AI ambassadors. In addition, we put a special emphasis on increasing business understanding and sustainability expertise: an online course and info flashes on business understanding, team visits with a sustainability theme, and biodiversity training. Every SATO employee has a personal development plan.	Fulfilled	●	8
Development of customer encounters in accordance with the 'Concept of good encounters'	Embedding the 'Concept of good encounters' in the day-to-day activities of every SATO employee, development of a concept of encounters for sales	Fulfilled	●	10
We initiate a pilot project to improve customers' well-being in suburbs	SATO participated in HIMA, a project to support the well-being of youth living on their own through family co-operation and inclusion	Fulfilled	●	10
SATO values and promotes diversity and equality.	Training on neurodiversity for all employees, coaching on multiculturalism for SATO employees working with customers, discussions and guidelines concerning harassment and discrimination	Fulfilled	●	5, 8, 10

WE RESPECT HUMAN RIGHTS AND VALUE ALL KINDS OF PEOPLE

We follow internationally recognised human rights, labour legislation, collective agreements and the regulations of the International Labour Organisation. We require our partners and employees to do the same.

In accordance with our Code of Ethics, we do not judge others based on gender, age, origin, nationality, language, religion, belief, opinion, political or other affiliation, sexual orientation, family relations, health, disability or any other characteristic. At SATO, we work consistently and transparently in HR issues, in accordance with our HR practices and other internal guidelines. We recruit employees and pay them salary in an equitable and non-discriminatory manner. The conditions and practices in our employment relationships are fair, and we conclude a written employment contract with all employees.

At SATO, we follow three collective agreements: for salaried employees, PALTA's collective agreement for salaried employees; for senior salaried employees, the basic agreement on employment relationship matters for senior salaried employees; and for real estate sector employees, the collective agreement for employees in the real estate sector. Our employees have the right to belong to the associations of their choice. All our employees have equal opportunities to grow and advance in their careers.

WE SUCCEEDED IN REDUCING ABSENCES DUE TO MENTAL HEALTH ISSUES

In 2024, we continued to promote our employees' well-being. In the previous year, the number of mental health-related sick leave days was somewhat higher than in the years before, which is why we set a target for 2024 to reduce these absences. We succeeded in our target to reduce mental health-related sick leave days by 36%.

We engaged in close co-operation with the occupational healthcare services. Our occupational health service partner changed during the reporting year to Pihlajalinn, with which we carried out a workplace survey in the reporting year. All SATO employees are covered by occupational health care. The low-threshold mental well-being service, Auntie, was also available to all SATO employees in 2024. It was used by 44 employees during the year. According to a feedback survey, the well-being of the SATO employees using the service improved by an average of 48% during the use of the service.

During the reporting year, we also continued the voluntary BOOSTI sessions, which offer SATO employees a shared, facilitated planning session to promote their life goals and well-being. In the reporting year, we organised 3 sessions.

The Tarmo group, consisting of members of management and personnel, convened 6 times during the reporting year, discussing issues raised by personnel concerning working and well-being. SATO's committee for recreation and sports activities, called LiiVi, provided SATO employees with activities that maintain and improve employees' work ability, such as the opportunity to participate in various events and handicraft workshops.



WE STRENGTHENED THE OCCUPATIONAL SAFETY CULTURE

During the reporting year, we continued to strengthen our occupational safety culture and ways of working with the lead of the Hanska working group. We consolidated the practices to record and report occupational safety incidents and updated guidelines related to occupational safety. We coached SATO employees working with customers on challenging customer situations and organised info flashes on property and occupational safety for all SATO employees. Our goal is to prevent work accidents and ensure that every SATO employee feels safe at work. In 2024, work accidents were caused by traffic incidents and electrical accidents. During 2025, we will focus especially on promoting electrical safety at work.

In addition to mental health-related sick leave days, our target in 2024 was to reduce absences due to work accidents. Absences due to work accidents decreased by 92% compared to the previous year. The key figures related to personnel's absences and accidents can be found in the section Key figures on p. 29.

WE SUPERVISE THE SAFETY OF OUR WORKSITES

On SATO's new construction and renovation worksites, occupational safety is primarily the contractors' responsibility, but we participate in developing it together with the contractors. We monitor compliance with occupational safety practices, and we keep track of the accident frequency rate. We aim for zero accidents.

We regularly report and analyse any accidents that occur on our construction sites. In 2024, a total of around 93,885 hours of work were performed on SATO's six (23) worksites. No accidents occurred on the worksites (2023: 6 accidents), and the rolling accident frequency rate was 0 (2023: 8.1). In the reporting year, we conducted a safety round on the properties being built on the Peijinkuja worksite in Espoo. The round included, among other things, guidance on the safe and correct use of equipment and resident safety.

We supervise the quality of the apartment repairs carried out by SATO's contractors through spot checks. We prepare half-yearly summary reports on the spot checks, and their results will have an impact on the fees paid to contractors.

WE ENCOURAGED THE DEVELOPMENT OF AI KNOWHOW

We continued our Osaamisen Noste programme, which helps us support the development of the entire organisation. In 2024, we strongly focussed on the development of AI and sustainability knowhow and business understanding. We carried out an AI-Assari induction programme related to data, analytics and artificial intelligence to increase the competence of all SATO employees in the area of AI and the opportunities it brings. We also selected AI ambassadors from every unit to develop ways of working and understanding of artificial intelligence. AI was one of the themes discussed during SATO Day, an event for all employees to develop our competence in current topics and meet other SATO employees. We will continue to develop AI knowhow also in 2025.

We continued our coaching for new supervisors. Supervisors hold performance reviews with each of their team members annually. Our goal is also for each SATO employee to have a personal development plan drawn up together with their supervisor. By the end of the reporting year, 86% of SATO employees had personal development plans.

During the year, the mandatory online courses on business understanding and our Code of Ethics were completed by 91% and 95% of SATO employees, respectively. We organised biodiversity training, attended by more than 70 SATO employees.

In 2024, SATO employees took part in 5.5 training days. The number of training days rose compared to the previous year. The key figures related to training days can be found in the Key figures on p. 29 section.

FINLAND'S SIXTH BEST WORKPLACE

SATO has worked long-term to develop the employee experience. Good evidence of this is the Great Place to Work certification awarded to SATO and success in the Great Place to Work competition, in which SATO ranked sixth in the large company category in 2024.

The personnel survey was conducted in December 2024 with a response rate of 88%. As many as 90% of SATO employees who responded to the survey felt that SATO as a whole is a great place to work. The average for all the claims in the Great Place to Work survey rose by three percentage points from the previous year, to 81%. According to the survey, management and the equal treatment of employees were special strengths. The areas for improvement included co-operation between units, for example. We also measured the Employee Net Promoter Score (eNPS) for the first time in the survey. We achieved an eNPS of 61, which is a high score when comparing the results of different companies.

In the reporting year, we participated for the first time in the Oikotie Responsible Summer Job competition, which measures the experiences of summer workers. SATO performed well in all of the measured areas and placed second in the large organisations category. SATO was ranked best in its category in terms of applicant experience and overall satisfaction. We feel that success in this competition highlights our consistent efforts to foster a positive employee experience.

We were awarded Great Place to Work certification and participated in the Finland's Best Workplaces competition. We placed sixth in the large company category.

WE CONTINUED TO BUILD UNDERSTANDING OF DIVERSITY

We continued the diversity, equity and inclusion work (DEI) that began at SATO last year. During the reporting year, we continued to increase understanding of the topic through in-house discussions, and we arranged coaching on neurodiversity in the work community for everyone at SATO. In autumn 2024, we organised training on multiculturalism for all SATO employees working at the customer interface to build understanding of our diverse clientele. We conducted in-house discussions about harassment and discrimination and updated the relevant guidelines.

We reviewed our personnel practices and adopted a positive special treatment principle in our recruitment process, which, when there are two equally matched applicants, allows us to use as a selection criterion an attribute that is in the minority in the work community.

WE MEASURE AND MONITOR THE CUSTOMER EXPERIENCE

Customer experience is a key element of our strategy. Our goal is to ensure that living in SATO's home buildings is easy and comfortable. We want our customers to be able to live an authentic life in well-cared-for buildings and feel safe in their living environment. Our house experts and service managers, together with the maintenance companies, ensure that daily life runs smoothly in our home buildings.

We listen to our customers' wishes and we ask them about their experiences at the various stages of the service path. We monitor the development of the customer experience and we measure our success in customer encounters using the Net Promoter Score (NPS) at different stages of the customer path. We develop our activities based on the feedback we receive.

The main indicator is the customer account's total NPS, which SATO's customers are invited to respond to regularly. Our NPS during living was 27 and the NPS for various transactional situations was 57 in 2024. The latter includes, among other

things, customer service calls, the maintenance services provided by the House Experts, and the sales team's apartment offers and apartment viewings. The results for 2024 increased from the previous year.

WE ADVISE OUR RESIDENTS ON SUSTAINABLE LIVING

During the reporting year, our housing advisors conducted altogether 40 guidance tours at the buildings, covering altogether 2,040 apartments. A service manager or a House Expert also took part in some of the tours. In addition, the housing advisors made 310 home visits to individual apartments.

The housing advisors guide our residents especially in living skills and also provide them with guidance on matters related to maintenance, living comfort, waste and disputes with neighbours.

We support our residents' sustainable choices and comfortable living also through resident communications. We actively inform our customers about matters concerning their home and home building. We provide tips for recycling and sparing use of energy and water, good neighbourly relations and home decoration. We send the Kotona customer newsletter monthly to approximately 23,500 residents. During 2024, the newsletter was also sent in English four times.

SUSTAINABLY PROFITABLE

For us at SATO, good governance and financial responsibility mean taking care of profitable business in the long term and sustainably. The foundation for our corporate culture and business is uniform and transparent ways of working, open communication and reporting, and co-operation with our stakeholders.



Target 2024	Measures taken	Outcome	Target status	UN Sustainable Development Goals
We identify, define and describe critical processes	We identified and defined the core and main processes. We began work to describe the main processes and will continue the work next year, when our goal is to transition towards process management.	Fulfilled in part	●	11
We develop our compliance activities	We completed a compliance risk survey, trained our personnel on our Code of Ethics, updated our guidelines on preventing money laundering and terrorist financing, our anti-corruption and anti-bribery guidelines, and our data protection guidelines.	Fulfilled	●	8
Development of procedures related to customer data protection	The guidelines on the processing of customer data updated and in use.	Fulfilled	●	8
We develop sustainability criteria for procurement	The project was launched at the end of 2024, but it will be completed next year.	Fulfilled in part	●	17
We prepare for reporting in accordance with the CSRD as of 2025	We conducted a double materiality analysis and a reporting gap analysis.	Fulfilled	●	

WE OPERATE IN AN ETHICAL, TRANSPARENT AND CONSISTENT MANNER

Our goal is to operate over the long term, in an ethical and responsible manner in matters related to people, the economy, society and the environment. We always comply with laws and regulations but, rather than settling for the minimum level required by law, we make every effort to exceed it by making ethically sound choices.

Our way of working is described in our Code of Ethics. SATO's values – Human to human, Joy of succeeding together, and Be bold, aim high – form the basis for the Code. We updated our Code of Ethics at the end of the previous year and organised training on the Code for SATO employees during the reporting year. Everyone at SATO also completed a related online course.

Our Code of Ethics is supplemented by our other internal policies and guidelines, including the anti-corruption and anti-bribery guidelines and the whistleblowing policy.

During the year, we completed a compliance risk survey and continued our work to coordinate the compliance with regulations, operating principles and guidelines and to prevent legal risks from materialising. Compliance activities are the responsibility of SATO's legal unit.

We want to ensure the consistency of our business. To that end, we continued our work to describe our core processes during the reporting year. The work will also continue next year.

WE PAY SPECIAL ATTENTION TO DATA PROTECTION AND INFORMATION SECURITY

We process with confidentiality any information that our customers, subcontractors, suppliers and other partners have disclosed to us. We respect the privacy of our existing, former and future customers, employees and partners. We follow data protection and information security regulations and agreements and SATO's guidelines. We process personal data in accordance with data protection legislation and the privacy policy. We always protect the data in an appropriate manner depending on the situation. During the reporting year, we updated our data protection guidelines.

Information security management at SATO consists of, among other things, assessing information security risks, measures to

promote information security, controlling and monitoring information security performance and the continuous improvement of our measures. SATO has an information security steering group, which convened four times during the reporting year and discussed the above-mentioned measures. During 2024, a number of technical improvements were made in the area of information security based on observations from inspections. SATO employees were provided with training in information security and the updated guidelines. All SATO employees must complete the mandatory online data protection and information security training every year.

WE ENCOURAGE PEOPLE TO REPORT CONCERNS

We encourage our personnel and stakeholders to report any detected or suspected legislative breaches and ethical concerns. Employees can report their observations to their supervisor, HR or via the whistleblowing channel. SATO has a First Whistle channel in place, through which SATO employees and external stakeholders can report detected or suspected misconduct or other inappropriate conduct confidentially, and also anonymously.

The whistleblowing channel is maintained by an external service provider, and reports made through the channel are only processed by SATO's whistleblowing team, which comprises the lawyer in charge of compliance, SATO's HR Director and internal auditor. We investigate every breach or concern reported to us, and the person making the report is protected against retaliation as per the applicable legislation. SATO employees can report critical concerns to SATO's Board of Directors also through the CEO. During the reporting year, two concerns or cases of misconduct were reported and processed.

As a result of internal control and risk management observations, changes can be made to SATO's operations or, for example, the Board of Directors' composition, if required. In 2024, these observations did not result in corrective actions.

WE PREVENT CORRUPTION AND MONEY LAUNDERING

We do not accept bribery or corruption in any shape or form. That is why we always put co-operation agreements and orders in writing. Further, we do not collaborate with individuals or companies included in international sanctions lists. We have no political affiliations. We do not provide financial support to political parties, groups or individual politicians.

As employees, we only give and accept reasonable gifts, and we do not accept repeated gifts from the same individuals or organisations. We remind SATO employees and our co-operation partners of this regularly on an annual basis. In the reporting year, we updated our anti-corruption and anti-bribery guidelines and will organise the related training next year.

WE REPORT DILIGENTLY

We report with diligence on SATO's operations, finances and sustainability to authorities and stakeholders. We communicate and report on our operations transparently in accordance with international accounting standards and the Finnish Corporate Governance Code, and with reference to the GRI guidelines for sustainability reporting. SATO's Board of Directors approves the company's interim and half-year reviews, financial statements and annual report, as well as the annual sustainability report.

The starting points for our sustainability reporting are the impacts of the real estate and construction sector and housing on society and the environment. We address and report on climate-related risks and opportunities in accordance with the [TCFD framework](#).

The environmental responsibility information contained in our sustainability report is verified by an independent third party. The report for 2024 was verified by Deloitte Oy.

WE PAY TAXES TO FINLAND

SATO's net sales in 2024 amounted to EUR 304.1 million. The total amount of taxes paid and tax-like payments was EUR 57.8 million.

The financial added value that we generate for society – the tax footprint of the company's operations – consists of direct and indirect taxes. SATO Group's effective income tax rate in Finland was 20.2% in 2024.

WE ENSURE THE SUSTAINABILITY OF OUR SUPPLY CHAINS

We select suppliers that are able to create value and a good customer experience. Our partners – such as contractors, suppliers and service providers – must commit to SATO's values and our Code of Ethics. We make sure that suppliers have the capability to achieve the quality and time targets responsibly. To combat the grey economy, we only accept companies registered in the Reliable Partner service on the tilaajavastuu.fi website as our service providers.

We are also bound by the obligation provided for in the Contractor's Liability Act to check the suppliers we work with. It is important to us that our partners want to develop their operations.

When selecting partners through competitive bidding processes, we evaluate offers based on our goals and the product or service in question. We also look into the partner's supervision, reporting and delivery performance. Our partners must also ensure that their service and procurement chain is sustainable and that their employees, group companies and subcontractors also follow our Code of Ethics.

We conduct supplier assessments and audits on our partners to comprehensively evaluate their processes and the current state of their operations. Based on these audits, we prepare scorecards for suppliers, including a description of the current state of their operations and any suggestions for improvements. In 2024, we performed an audit on one partner, and seven of our partners completed a self-audit as per our instructions.

Our partners must also commit to SATO's values and our Code of Ethics.

A woman with long blonde hair, wearing a green short-sleeved button-down shirt, is pointing her right arm towards a large screen on the left. She is smiling and looking towards the screen. The background is a bright, modern office space with large windows and indoor plants.

REPORTING KEY FIGURES AND ATTACHMENTS

Our reporting for 2024 is based on the material themes of our sustainability programme and annually specified sustainability targets.

OUR REPORTING PRINCIPLES

Our Sustainability Report 2024 is prepared with reference to the GRI guidelines. The aim of the sustainability report is to openly and transparently provide our stakeholders with information about our operations and our value creation.

Our annual Sustainability Report is the eleventh consecutive report prepared in line with the GRI guidelines. We also comply with the industry-specific guidelines for the construction and real estate sector (CRESS).

The report covers the universal standards of the GRI guidelines, as well as the topic-specific standards, which consist of descriptions of management practices and indicators for aspects identified as material for SATO. We have additionally reported on information related to SATO's own sustainability topics. The comparison of the content of the report with the GRI standards is indicated in the GRI content index.

CLIMATE RISK REPORTING IN ACCORDANCE WITH THE TCFD FRAMEWORK

In climate risk reporting, we follow the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD). Companies reporting in accordance with these recommendations describe how climate issues are taken into consideration in the company's governance model, what kind of strategies the company has in the areas of climate change and decarbonisation, what kind of risks or opportunities climate change brings to the company and what kind of climate targets and indicators are in place.

This Sustainability Report covers the period from 1 January 2024 to 31 December 2024. The boundaries for the calculation of key indicators are mainly based on information concerning the SATO Group and the rental apartments it owns in Finland. The key figures are defined in the section 'Key sustainability concepts' on p. 37–38. The report is published in PDF format in

Finnish and in English. Point of contact at SATO for the report: viestinta@sato.fi.

MATERIALITY AS THE STARTING POINT

Our sustainable operating principles lay the foundation for sustainable and profitable business operations over the long term. Our sustainability reporting is based on the material sustainability aspects related to our operations that have been identified in co-operation with our stakeholders and approved by SATO's Corporate Management Group. As part of defining the material aspects, SATO has taken into account the financial, social and environmental impacts related to, in particular, the real estate and construction sector and housing. In addition, the impacts related to the operations' geographical locations are included in the materiality assessment.

Our 2024 reporting is based on the policies of our Sustainability Programme 2023–2026 and the annually defined sustainability targets. Behind our sustainability programme is the materiality analysis carried out in 2022. The impacts of the material aspects on stakeholders are described in the report's sections 'Sustainability guides our operations', 'Sustainable housing', 'Communities' well-being' and 'Sustainably profitable'. The comparison of the content of the report with the GRI standards is indicated in the GRI content index.

TRANSPARENT AND VERIFIED INFORMATION

In our sustainability reporting, we focus on the precision, comprehensiveness and comparability of the data. In addition, we have accounted for the clarity and verifiability of information in our reporting principles.

The following information concerning responsibility in the report has been verified by an independent third party, Deloitte Oy.

The verification covers the disclosures:

- Energy (GRI 302-1, 302-4, CRE1)
- Water and effluents (GRI 303-3, CRE2)
- Emissions (GRI 305-1, 305-2, 305-3, 305-5, CRE3)
- Waste (GRI 306-3)
- Land degradation, contamination and remediation (CRE5)
- Environmental compliance (GRI 2-27)
- Supplier environmental assessment (GRI 308-1)
- Employees (GRI 2-7)
- Diversity of governance bodies and employees (GRI 405-1)
- Average hours of training per year per employee (GRI 404-1)
- Work-related injuries (GRI 403-9)



FINANCES

SATO'S TAX FOOTPRINT IN 2024

Taxes to be paid during the financial year

Direct

- Income tax **EUR 13.3 million**
- Employer contributions **EUR 3.5 million**
- Transfer tax on investments **EUR 0.9 million**
- Property tax **EUR 9.3 million**

Indirect

- Energy and insurance tax **EUR 1.0 million**
- VAT included in investments that is not deducted **EUR 6.8 million**
- VAT included in purchases that is not deducted **EUR 18.0 million**



Taxes to be reported during the financial year

- Tax withheld on salaries **EUR 4.5 million**
- Net VAT on sales **EUR 0.6 million**



Total EUR 57.8 million

**Taxes paid to Finland
EUR 57.8 million**

CASH FLOW IN 2024, EUR MILLION

CUSTOMERS Net sales 304.1	FINANCIERS, INVESTORS Withdrawal of loans 547.2	Equity issued 199.9	OTHER MARKET PARTICIPANTS Divestments of housing property 1.9	Other operating income 0.4
SUPPLIERS Purchases 102.9 Investments 77.9	PUBLIC SECTOR Land rents and land use fees 4.3	FINANCIERS, INVESTORS Interest and financial expenses -76.7 Repayments 743.2 Dividend 0	PERSONNEL Salaries, benefits and pension expenses 21.4	

ENVIRONMENT

ENERGY

Energy consumption within the organisation	2017	2018	2019	2020	2021	2022	2023	2024	Change, 2023-2024	Change, % 2023-2024	
Total, MWh	264,874	263,465	256,624	236,480	272,351	242,107	241,896	248,563	6,667	2.7	
Share of purchased energy											
Electricity, MWh	23,624	24,285	24,243	27,033	27,025	27,791	29,959	31,750	1,791	6.0	
District heat, MWh	240,427	238,493	231,701	208,884	244,910	214,236	211,936	216,813	4,877	2.3	
Share of own production											
Oil, MWh	823	687	680	563	416	80	0	0	0.0	0.0	
Specific energy consumption	2017	2018	2019	2020	2021	2022	2023	2024	Change, 2023-2024	Change, % 2023-2024	Change, % 2015-2024
Consumption of heating energy, adjusted for weather, kWh/rm ³ /a	41.8	40.7	39.8	37.8	38.1	36.1	34.9	35.8	0.9	2.7	-16.6
Consumption of electricity, kWh/m ³ /a	3.9	3.9	3.9	4.2	4.2	4.5	4.9	5.0	0.1	2.7	28.5
Total, kWh/m ³ /a	45.7	44.6	43.7	42.0	42.3	40.6	39.7	40.8	1.1	2.7	-12.8

EMISSIONS

Greenhouse gas emissions	2017	2018	2019	2020	2021	2022	2023	2024	Change, 2023-2024	Change, % 2023-2024	
GRI 305-1 Direct greenhouse gas emission, t CO ₂ -e (scope 1)	214	179	177	147	105	20	0	0	0	0.0	
GRI 305-2 Indirect greenhouse gas emission*, t CO ₂ -e (scope 2)											
Indirect greenhouse gas emissions, t CO ₂ -e (market-based)	39,430	36,728	34,292	30,915	43,349	30,722	30,731	31,438	707	2.3	
Indirect greenhouse gas emissions, t CO ₂ -e (location-based)	43,163	40,152	37,468	34,456	45,754	33,169	33,038	33,600	562	1.9	
GRI-305-3 Other indirect greenhouse gas emissions**, t CO ₂ -e (scope 3)	240	49	46	37	49	49	45	31	-14	-31.1	
Total emissions of greenhouse gases, t CO ₂ -e	39,884	36,955	34,515	31,098	43,503	30,792	30,776	31,469	693	2.3	
GHG emission intensity of buildings	2017	2018	2019	2020	2021	2022	2023	2024	Change, 2023-2024	Change, % 2023-2024	Change, % 2018-2024
kg CO ₂ -e/m ²	29.9	27.3	25.3	26.6	31.1	23.1*	23.1*	23.2	0.1	0.4	-15.0
kg CO ₂ -e/hlö	850.8	781.1	697.5	746.4	869.40	660.7*	715.7*	715.2	-0.5	-0.1	-8.4

* In line with the GHG Protocol standard, a location-based emission figure has been reported for electricity consumption. The market-based figure is used in combined emission figures. The location-based figure refers to figures calculated using country-specific emission coefficients and figures calculated using electricity-supplier-specific, market-based emission coefficients. If the emission coefficients given for the calculation year were not available for the previous year's calculation, this data was recalculated for this report using the emission coefficient data given for the year in question. Due to a possible recalculation, the emissions data reported for the preceding year may deviate from the data reported in the previous emissions report. Electricity does not produce any emissions because it is produced 100% by wind power in 2024.

** Emissions from residents' waste. SATO will not report other indirect greenhouse gas emissions (scope 3) in the sustainability report 2024.

WATER

Total water withdrawal by source	2017	2018	2019	2020	2021	2022	2023	2024	Change, 2023-2024	Change, % 2023-2024	
Total, 1 000 m ³	2,507	2,537	2,578	2,674	2,620	2,477	2,417	2,453	36	1.5	
All SATO properties use municipal water supply.											
Specific water consumption	2017	2018	2019	2020	2021	2022	2023	2024	Change, 2023-2024	Change, % 2023-2024	Change, % 2018-2024
l/m ³ /a	414	411	409	414	409	401	397	398	1.0	0.3	-3.2
Building water intensity (CRE2)	2017	2018	2019	2020	2021	2022	2023	2024	Change, 2023-2024	Change, % 2023-2024	
m ³ /m ² ₁	1.9	1.9	1.9	1.9	1.9	1.8	1.8	1.8	0.0	0.0	
l/m ³ /24 hours ₂	149.8	147.4	149.4	150.5	145.9	144.3	142.0	139.4	-2.6	-1.8	

WASTE

Total weight of waste from tenants***	2017	2018	2019	2020	2021	2022	2023	2024	Change, 2023-2024	Change, % 2023-2024	
tonnes	23,573	24,124	27,269	28,131	30,536	29,323	27,053	20,511	-6,542	-24.2	
t CO ₂ -e	240	49	46	37	49	49	45	31	-14	-31.1	
Distribution of waste from tenants by disposal method						2022, t	2023, t	2024, t	2022, %	2023, %	2024, %
For recycling						7,839*	7,854*	5,955	26.7	29.0*	29.0
For energy						17,721*	14,599*	11,069	60.4	54.0*	54.0
To landfill sites						118	131*	99	0.4	0.5*	0.5
Composting						3,590*	4,260*	3,230	12.2	15.7*	15.7
Incineration without energy recovery						51*	209*	159	0.2	0.8*	0.8
Land remediated and in need of remediation for existing or intended land use						2022	2023	2024			
Remediated soil, t**						415	0	0			
Soil known to be need of remediation, m ²						1,200	0	350			

Land that is in need of remediation has not become contaminated as a consequence of SATO's own actions. Reporting figures may vary annually due to annual fluctuation in properties owned by SATO.

*The waste amount was recalculated for 2023 and 2022, as Statistics Finland's waste data has been updated. The change also affects emissions data.

**The reporting unit has been changed to reflect the measured data.

***The total volume of waste produced by residents has been estimated on the basis of the number of SATO residents and the annual resident-specific waste volume reported by Statistics Finland. The reported total amount of waste is not based on the actual amount of waste produced by residents.

ENERGY AND WATER CONSUMPTION AND WASTE VOLUMES AT SATO'S CONSTRUCTION SITES IN 2024

Basic information	
Number of worksites	5
Number of apartments (under construction or renovation 2024)	405
Floor area, m ²	20,883.5
Gross floor area, m ²	47,659.5
Net floor area, m ²	17,707
Volumes, m ³	137,143
Number of construction months, construction and renovation	26.5
Water	
Water consumption, m ³	1,295
Water consumption, l/brm ² /month	1.03
Energy	
Electricity consumption, MWh	309
Electricity consumption, kWh/gm ² /month	0.24
District heat, MWh	560
District heat consumption, kWh/gm ² /month	0.44
Waste	
Total volume of waste from construction and renovation sites, t	382
Mixed waste, t	165
Wood waste, t	84
Stone waste, t	2
Concrete waste, t	71
Plaster waste, t	6
Energy waste, t	28
Metal, t	14
Other waste, t	2
Soil, t	10
Asbestos, t	0
Other hazardous materials, t	0
Impregnated wood, t	0.2

WASTE VOLUMES FROM DEMOLISHED BUILDINGS

Total waste volume, t	14,162
Number of worksites	1
Mixed waste, t	72
Wood waste, t	127
Concrete waste, t	12,894
Metal, t	99
Other waste, t	521
Asbestos, t	411
Impregnated, t	39

PERSONNEL

SATO'S EMPLOYMENT IMPACT IN 2024

Direct and indirect employment impact	Person -years
Investments in construction and renovations	585
Maintenance and upkeep services	666
Other purchased services	113
Personnel	315
Total	1,679

REMUNERATION OF WOMEN TO MEN

	%*
Senior managers	96
Senior salaried employees	93
Employees	98
All employees	102

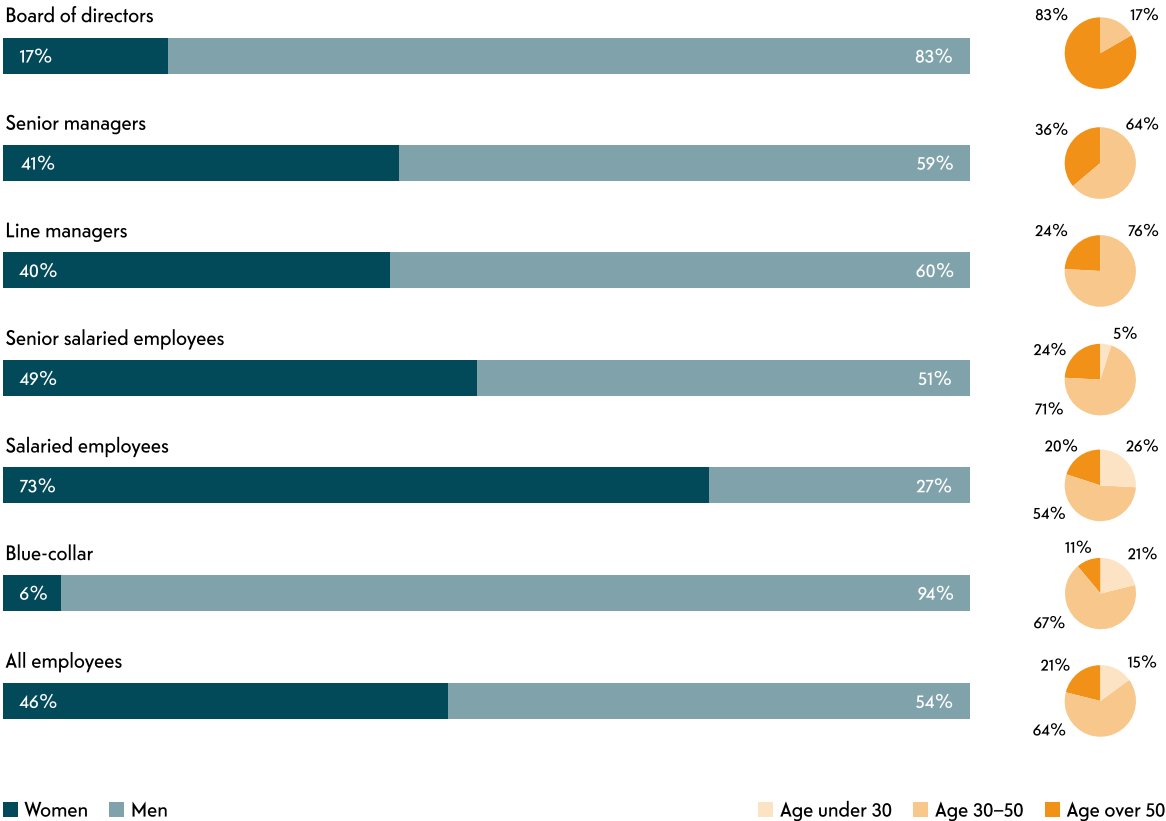
* Proportion of women's salary to men's
 Personal development plan drawn up with the supervisor, implemented 86%.

COLLECTIVE AGREEMENTS

	%
Personnel covered by the general collective agreement	98

For senior salaried employees, we use YTN's basic collective agreement for senior salaried employees. In addition, we apply the terms of Palta's collective agreements for senior salaried employees in many parts, such as for salary adjustments. Only SATO's Corporate Management Group is not covered by pay raises based on a collective agreement.

Gender distribution of personnel groups and board of directors, 31 Dec 2024



In 2024, 15% of SATO's personnel were under 30, 64% were between 30 and 50, and 21% were over 50. By personnel group, those under 30 were represented the most in the salaried employees group (26%) and in the blue-collar group (21%). The 30-50 age group represented 64% of those working in senior management positions, 76% of supervisors, 71% of senior salaried employees, and 54% of salaried employees. The over-50 age group was represented the most in senior management positions (36%), and in senior salaried employee positions (24%). 24% of all supervisors and 20% of salaried employees are over the age of 50.

Total number of personnel in Finland at end of 2024 (2023)

Total number of personnel in Finland at end of 2024 (2023)							
Total personnel	permanent	fixed-term	agency workers	men	women	men, %	women, %
total 300 (323)	277 (295)	23 (28)	3	163 (176)	137 (147)	54	46

During the year, the Group had an average of 315 (333) employees.

Agency workers work in SATO's customer service and as viewing agents.

We do not separately report persons working under a zero-hour contract due to their small number

New employee hires and employee turnover; total numbers, by age group, gender and region				
New employment contracts	total 47	under 30	30-50	over 50
men	28	23	4	1
women	19	13	6	0
permanent employment contracts	7	2	5	0
New fixed-term employment contracts	total 40	under 30	30-50	over 50
men	25	21	3	1
women	15	13	2	0
Summer trainees	total 31	under 30	30-50	over 50
men	21	18	2	1
women	10	9	1	0
Terminated employment contracts	total 65	under 30	30-50	over 50
men	39	24	11	4
women	26	11	8	7
permanent employment contracts	25	2	13	10
Employment contracts terminated by the employer	14			
Total personnel turnover % (summer trainees excluded)	12,9%			

The majority of summer trainees worked as House Experts. In addition, summer trainees worked in, for example, customer service and sales.

Work accidents, occupational diseases, sick leave and deaths, whole personnel

Number of accidents (GRI 403-9)	15
Lost-time injury frequency, %*	4.51
Absentee rate	5.0
Days lost**	0.03
Sick leave days	2,956

*Lost-time injury frequency is calculated from accidents leading to absence, of which there were two in 2024.

**The percentage of work-related accidents in relation to calculated working hours. SATO does not report occupational diseases.

Training days, number and distribution by different groups: men, women, supervisors, salaried employees (GRI 404-1)

Total number of training days	5.5
Men	5.3
Women	5.8
Supervisors	6.0
Salaried employees	4.5

ANNUAL COMPENSATIONS RATIOS

Ratio of the highest annual earnings to median earnings (full-time employees)	719 %
The change in the highest annual earnings from 2023 to 2024 was -10.53%, and the change in median earnings from 2023 to 2024 was +1.36%.	

GRI INDEX

Sustainability focus areas	Disclosure	Location and additional information
GRI 2: general disclosures (2021)		
Organisational profile		
2-1	Organisational details	Report of the Board of Directors, Notes to the consolidated financial statements, Corporate governance statement
2-2	Entities included in the organisation’s sustainability reporting	Report of the Board of Directors, Notes to the consolidated financial statements
2-3	Reporting period, frequency and contact point	Our reporting principles
2-4	Restatements of information	Our reporting principles No restatements made to 2023 report.
2-5	External assurance	Assurance report
Activities and workers		
2-6	Activities, value chain and other business relationships	Report of the Board of Directors, SATO in brief, Sustainability guides our operations, Code of Ethics
2-7	Employees	Key figures, Sustainability concepts
2-8	Workers who are not employees	Key figures
Governance		
2-9	Governance structure and composition	Corporate governance statement, Remuneration statement
2-10	Nomination and selection of the highest governance body	Corporate governance statement, Corporate governance principles
2-11	Chair of the highest governance body	Report of the Board of Directors, Corporate governance statement, Remuneration statement
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management, Governance
2-13	Delegation of responsibility for managing impacts	Sustainability management, Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainability management, Governance
2-15	Conflicts of interest	Corporate governance statement, Code of Ethics
2-16	Communication of critical concerns	Sustainably profitable
2-17	Collective knowledge of the highest governance body	Sustainability management, Governance
2-18	Evaluation of the performance of the highest governance body	Corporate governance statement The Board of Directors assesses its operations and the sufficiency of its measures regularly.
2-19	Remuneration policies	Remuneration statement, Key figures
2-20	Process to determine remuneration	Remuneration statement, Sustainably profitable
2-21	Annual total compensation ratio	Key figures
Strategy, politics and practices		
2-22	Statement on sustainable development strategy	CEO’s review
2-23	Policy commitments	Sustainably profitable, Sustainability programme 2023–2026, TCFD report, Governance
2-24	Embedding policy commitments	Governance, Sustainability management
2-25	Processes to remediate negative impacts	Report of the Board of Directors, Sustainable housing
2-26	Mechanisms for seeking advice and raising concerns	Sustainably profitable
2-27	Compliance with laws and regulations	No convictions or fines resulting from non-compliance with laws in 2024.
2-28	Membership associations	Sustainability guides our operations

Sustainability focus areas	Disclosure	Location and additional information
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Sustainability programme 2023–2026, Sustainability guides our operations, SATO’s stakeholders
2-30	Collective bargaining agreements	Key figures, Communities’ wellbeing
GRI 3: Material topics (2021)		
3-1	Process to determine material topics	Sustainability programme 2023–2026, Our reporting principles
3-2	List of material topics	Sustainability programme 2023–2026
3-3	Management of material topics	Sustainability programme 2023–2026, Sustainability management
Economic standards		
GRI 201: Economic performance (2016)		
201-1	Direct economic value generated and distributed	Report of the Board of Directors
201-2	Financial implications and other risks and opportunities due to climate change	TCFD report
201-4	Financial assistance received from government	Report of the Board of Directors SATO did not receive financial assistance from the government for renovations or new construction in 2024.
GRI 203: Indirect economic impacts (2016)		
203-1	Infrastructure investments and services supported	Report of the Board of Directors, Sustainable housing
203-2	Significant indirect economic impacts	Sustainability guides our operations, Key figures
GRI 204: Procurement practices(2016)		
204-1	Proportion of spending on local suppliers	Sustainably profitable Some 98% of SATO’s purchases in 2024 were sourced from local suppliers. Foreign suppliers represented ca. 2% of SATO’s purchases.
GRI 205: Anti-corruption (2016)		
205-3	Confirmed incidents of corruption and actions taken	Sustainably profitable No incidents of corruption in 2024.
Environmental standards		
GRI 302: Energy (2016)		
302-1	Energy consumption within the organisation	Sustainable housing, Key figures SATO does not report energy consumption for district heating from renewable and non-renewable sources. Electricity used in properties in 2024 was 100% produced by wind power. SATO does not report on cooling or steam consumption. SATO does not sell energy.
302-3	Energy intensity	Key figures
302-4	Reduction of energy consumption	Sustainable housing, Key figures
CRE1 sector supplement	Building energy intensity	Sustainable housing, Key figures The reporting unit has been changed to reflect the measured data.
CRE8 sector supplement	Sustainability certification for buildings	Sustainable housing SATO buildings have not been certified. SATO has a total of 14 Osta vastuullisesti buildings that have been approved by an independent sustainability panel.

Sustainability focus areas	Disclosure	Location and additional information
GRI 303: Water and effluents (2018)		
303-1	Interactions with water as a shared resource	Key figures All SATO properties use municipal water supply. Tenants consume a large share of the water, which constitutes water consumption related to living. Effluents are discharged into the municipal waste water network, where they undergo wastewater treatment.
303-2	Management of water discharge-related impacts	The municipal water utilities analyse the water quality. Individual water analyses are performed in properties as needed. SATO does not operate in areas with water stress.
303-3	Water withdrawal	Information not available. SATO does not operate in areas with water stress.
303-4	Water discharge	The municipal water utilities analyse the water quality.
303-5	Water consumption	Key figures
CRE2 sector supplement	Building water intensity	Key figures
GRI 305: Emissions (2016)		
305-1	Direct (Scope 1) GHG emissions	Key figures SATO reports CO ₂ emissions in the GHG calculation. Biogenic CO ₂ emissions have not been reported. GWP factors have not been used in the calculation. The consolidation method according to the GHG protocol is based on equity share.
305-2	Energy indirect (Scope 2) GHG emissions	Key figures SATO reports CO ₂ emissions in the GHG calculation. Biogenic CO ₂ emissions have not been reported. GWP factors have not been used in the calculation. The consolidation method according to the GHG protocol is based on equity share.
305-3	Other indirect (Scope 3) GHG emissions	Key figures SATO reports CO ₂ emissions in the GHG calculation. Biogenic CO ₂ emissions have not been reported. GWP factors have not been used in the calculation.
305-4	GHG emissions intensity	Sustainable housing, Key figures SATO reports CO ₂ emissions in the GHG calculation. Biogenic CO ₂ emissions have not been reported. GWP factors have not been used in the calculation.
305-5	Reduction of GHG emissions	Sustainable housing, Key figures SATO reports CO ₂ emissions in the GHG calculation. Biogenic CO ₂ emissions have not been reported. GWP factors have not been used in the calculation.
CRE3 sector supplement	Greenhouse gas emissions intensity from buildings	Sustainable housing, Key figures

Sustainability focus areas	Disclosure	Location and additional information
GRI 306: Waste (2020)		
306-1	Waste generation and significant waste-related impacts	Sustainable housing, Key figures
306-2	Management of significant waste-related impacts	Sustainable housing, Key figures The waste reported by SATO is household waste produced by SATO's residents. SATO pays a local waste management company for the collection of the waste. The waste management company empties and processes the waste bins. In accordance with the Waste Act, residential buildings must have a contract with a local waste management company in SATO's operating area. It is SATO's task to ensure that a place has been set aside for residents to bring their waste and sort it. Reporting uses data from Statistics Finland.
306-3	Waste generated	Sustainable housing, Key figures The total amount of waste includes non-hazardous waste generated by residents. The amount of waste from SATO's own operations is marginal. SATO had one demolition worksite in 2024.
306-4	Waste diverted from disposal	This includes residents' non-hazardous waste that is sorted by the residents into waste collection bins to be transported and processed by the local waste management company. Currently, SATO only has approximate calculated data on waste delivered to recycling. We will develop our waste reporting during the new sustainability programme period 2023–2026.
306-5	Waste directed to disposal	This includes residents' non-hazardous waste that is sorted by the residents into waste collection bins to be transported and processed by the local waste management company. Currently, SATO only has approximate calculated data on waste delivered to recycling. We will develop our waste reporting during the new sustainability programme period 2023–2026.
SATO	Enhance the sorting of waste from residents	Sustainable housing, Communities' well-being
SATO	Communication on the environment and open data	Sustainable housing, Communities' well-being
GRI 308: Supplier environment assessment (2016)		
308-1	New suppliers that were screened using environmental criteria	Sustainably profitable In line with our auditing process, we require that the environmental responsibility procedures of our new suppliers are fully adequate. During 2024, we performed one audit on existing suppliers and seven suppliers performed a self-audit in accordance with SATO's instructions. No audits on new suppliers were performed during the year.
Sector-specific topic: Land degradation, contamination and remediation		
CRE5 sector supplement	Land remediated and in need of remediation for the existing or intended land use	Key figures
SATO's own material topic: Location of investments		
SATO	Public transport routes	Sustainable housing
SATO's own material topic: Property maintenance		
SATO	Maintenance and repair operations	Report of the Board of Directors, Sustainable housing

Sustainability focus areas	Disclosure	Location and additional information
Social standards		
GRI 401: Employment (2016)		
401-1	New employee hires and employee turnover	Key figures
GRI 402: Labour/management relations (2016)		
402-1	Minimum notice periods regarding operational changes	The Act on Co-operation within Undertakings (334/2007) applies to corporate restructuring in Finland. In all of its countries of operation, SATO complies with the local statutory periods (1–6 months).
GRI 403: Occupational health and safety (2018)		
403-1	Occupational health and safety management system	Communities' well-being
403-2	Hazard identification, risk assessment, incident investigation	Communities' well-being
403-3	Occupational health services	Communities' well-being
403-4	Worker participation, consultation, and communication on occupational health and safety	Communities' well-being
403-5	Worker training on occupational health and safety	Communities' well-being
403-6	Promotion of worker health	Communities' well-being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Communities' well-being
403-9	Work-related injuries	Communities' well-being , Sustainability concepts There were no fatalities in SATO as a result of work-related injuries. We do not report accidents by type. The number of hours worked by employees at the end of the year 2024 was 443,262.20 hours.
403-10	Work-related ill health	Communities' well-being , Key figures
CRE6 sector supplement	Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system	The figure is material in terms of the supply chain, but it is not available.

Sustainability focus areas	Disclosure	Location and additional information
GRI 404: Training and education (2016)		
404-1	Average hours of training per year per employee	Communities' well-being
404-2	Programs for upgrading employee skills and transition assistance programs	Communities' well-being
404-3	Percentage of employees receiving regular performance and career development reviews	Communities' well-being
GRI 405: Diversity and equal opportunity (2016)		
405-1	Diversity of governance bodies and employees	Key figures
405-2	Ratio of basic salary and remuneration of women to men	Key figures
GRI 415: Public policy (2016)		
415-1	Political contribution	In line with our Code of Ethics, we do not financially support political parties or groups or politicians.
GRI 416: Customer health and safety (2016)		
416-1	Assessment of the health and safety impacts of product and service categories	Communities' well-being , Sustainable housing As stated in SATO's design guidelines, construction work must be carried out in accordance with good construction practices. Construction work follows valid legislation, regulations and regulatory provisions and general quality requirements for construction work. We use M1 class construction materials as specified in the list maintained by Rakennustietosäätiö in interior surface structures.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Communities' well-being No fines or convictions from the safety or health perspectives of products/services in 2024.
GRI 418: Customer privacy (2016)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting year, we identified seven incidents concerning customer data breaches and part of the cases were informed the data subjects in question and/or reported to the data protection ombudsman. Due to data breaches, we initiated corrective actions internally.

TCFD INDEX

Main theme of reporting and recommendation on disclosures	Location and additional information
Governance	
a. Describe the board’s oversight of climate-related risks and opportunities.	TCFD report , Corporate governance statement
b. Describe management’s role in assessing and managing climate-related risks and opportunities.	Corporate governance statement , Sustainability management
Strategy	
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	TCFD report
b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	TCFD report , Strategy
c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Sustainability programme , TCFD report , Risk management
Risk management	
a. Describe the organisation’s processes for identifying and assessing climate-related risks	Risk management , TCFD report
b. Describe the organisation’s processes for managing climate-related risks.	Risk management , TCFD report
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management.	Risk management , TCFD report
Metrics and targets	
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Sustainability programme , TCFD report
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	Key figures
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Sustainability programme , TCFD report

INDEPENDENT LIMITED ASSURANCE REPORT (Translation of the Finnish original)

INDEPENDENT LIMITED ASSURANCE REPORT TO THE MANAGEMENT OF SATO OYJ

Scope

We have been engaged to provide a limited assurance on the selected GRI disclosures (Hereafter Sustainability Reporting), presented on SATO Oyj's (business identity code 0201470-5) "Sustainability Report" for the reporting period of January 1, 2024 to December 31, 2024. The assured information is presented on page 23 of the Sustainability Report's "Our reporting principles" -chapter, and those are: Energy (GRI 302-1, 302-4, CRE1), Water and effluents (GRI 303-3, CRE2), Emissions (GRI 305-1, 305-2, 305-3, 305-5, CRE3), Waste (GRI 306-3), Land degradation, contamination, and remediation (CRE5), Environmental compliance (GRI 2-27) and Supplier environmental assessment (GRI 308-1).

Responsibilities of the Management

The Management of SATO Oyj is responsible for the preparation of the Sustainability Report in accordance with the GRI Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter also the Reporting criteria). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Sustainability Report that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate criteria and making estimates that are reasonable in the circumstances.

Assurance provider's responsibilities

Our responsibility is to perform a limited assurance engagement and to provide an independent conclusion on the Sustainability Reporting based on our engagement. We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and its terms have been agreed with SATO Oyj. ISAE 3000 standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that cause us to believe that the Sustainability Reporting has not been prepared, in all material respects, in accordance with the Reporting criteria. The nature, timing and scope of the limited assurance procedures are based on professional judgement, including an assessment of material misstatement due to fraud or error. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Sustainability Reporting and related information, 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 SATO Oyj's management representatives
- Conducting interviews with SATO Oyj's employees responsible for the collection and reporting of the Sustainability Information.
- Performing sample-based testing procedures to verify to what extent these documents and data support the information included in the Sustainability Report and evaluating whether the information presented in the Sustainability Report is in line with our overall knowledge of corporate sustainability objectives and management at SATO Oyj;

- Performing analytical review procedures, recalculating and testing data on a sample basis to assess the reasonability of the information presented in the Sustainability Report;
- Assessing the presentation of the Sustainability Report and its' consistency with the Global Reporting Initiative's principles of the Corporate Social Responsibility Standards for the definition of the content of reporting and the quality of reporting.

Conclusion

Based on procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that SATO Oyj's Sustainability Reporting for the reporting period ended 31 December 2024 is not properly prepared, in all material respects, in accordance with the Reporting criteria.

Helsinki, 13. March 2025

Deloitte Oy
Audit Firm

Aleksi Martamo
Authorised Public
Accountant

Anu Servo
Authorised Public
Accountant

KEY SUSTAINABILITY CONCEPTS

ENVIRONMENT

Concept or indicator	Definition
Initiatives to reduce energy consumption, and their impact	Energy-efficiency projects include all measures taken to conserve electricity, heat and water. The decrease in energy consumption through energy-efficiency measures has been estimated by calculating the reduction in heating energy compared to the previous year.
Objects covered by energy and water consumption monitoring	Properties in Finland in which SATO holds more than 50%, consumption by SATO's offices is not included in the consumption figure
Total heat consumption, MWh	The year's absolute heat consumption in all the owned properties held throughout the year and within the scope of consumption monitoring, expanded by estimated consumption in properties purchased and sold during the year and properties outside the scope of consumption monitoring (average rated consumption multiplied by the surface area of apartments owned on average during the year).
Total electricity consumption, MWh	The year's absolute electricity consumption in all the owned properties held throughout the year and within the scope of consumption monitoring, expanded by estimated consumption in properties purchased and sold during the year and properties outside the scope of consumption monitoring (average rated consumption multiplied by the surface area of apartments owned on average during the year).
Specific electricity consumption, kWh/m ³ /year	Electricity consumption per m ³ in all properties that have been rented for the entire year
Total energy consumption, MWh	Total consumption of heat and electricity during the year
Total water withdrawal by source, 1,000 m ³	The year's absolute water consumption in all owned properties held throughout the year and within the scope of consumption monitoring, expanded by estimated consumption in properties purchased and sold during the year and properties outside the scope of consumption monitoring (average specific consumption multiplied by the surface area of apartments owned on average during the year).
Specific water consumption, dm ³ /rm ³ /year	Water consumption per m ³ in all properties that have been rented for the entire year.
Building water intensity	₁ Water consumption per m ³ divided by total square meters (m ²) ₂ Water consumption divided by the number of SATO residents divided by 24 hours
Standardised specific heat consumption, kWh/m ³ /year	Heat consumption per m ³ in all properties that have been rented for the entire year. The figure is weather adjusted to make years comparable.
Specific energy consumption, kWh/m ³ /year	Specific electricity consumption for the year and standardised specific heat consumption
Greenhouse gas emissions, tCO ₂ e	Emissions from heat, electricity, water and waste produced by residents. The emissions of properties within the scope of consumption monitoring have been expanded to apply to apartments owned on average during the year, similarly to the total consumption of heat, electricity and water. The district heating emission multiplier is calculated based on the average CO ₂ emissions from district heat production in Finland in 2019–2021 according to Statistics Finland. WWF's Climate Calculator's multipliers, which are based on the Helsinki Region Environmental Services Authority's (HSY) multipliers for 2018, are used for mixed waste and biowaste. Electricity does not produce any emissions because it is produced 100% by wind power.
GHG emission intensity of buildings, kg CO ₂ -e/m ²	Greenhouse gas emissions per square metre. The emissions of properties within the scope of consumption monitoring have been expanded to apply to apartments owned on average during the year.
Total amount of waste, tonnes	The total volume of waste produced by residents has been estimated on the basis of the number of SATO residents and the annual resident-specific waste volume reported by Statistics Finland. The reported total amount of waste is not based on the actual amount of waste produced by residents.

PERSONNEL

Concept or indicator	Definition
Total personnel turnover, %	Sum of terminated employment contracts in relation to the number of personnel for the last month of the previous year, summer jobs excluded
Absentee rate, %	Hours of sick leave as a percentage of calculated working hours
Lost-time injury frequency, %	The number of lost time injuries occurring in a workplace per 1 million hours worked
Days lost, %	The percentage of work-related accidents and occupational diseases in relation to calculated working hours
Number of new employment contracts	Permanent and fixed-term employment contracts that started during the reported period, summer jobs excluded
Number of terminated employment contracts	Permanent and fixed-term employment contracts that ended during the reported period, summer jobs excluded
Number of training days	One training day comprises six hours of training
Person-year	SATO's direct and indirect employment impact has been evaluated applying a calculation of the employment footprint of the maintenance services and other purchased services prepared by VATT for Senate Properties and the estimate of the Confederation of Finnish Construction Industries and VTT of the employment impact of building investments. The employment multipliers obtained from the aforementioned sources have been combined with SATO's 2020 cost structure.
Tarmo	TARMO is a discussion forum for SATO's management and personnel, comprised of 11 employee representatives and two representatives of the employer.
LiiVi	LiiVi is SATO's committee for recreation and sports activities, comprised of ten employee representatives.
Occupational Health & Safety (OHS) committee	The OHS committee and OHS representatives provide support for well-being at work and in conflict situations. The members of the OHS committee represent SATO's personnel in Finland. The OHS committee is made up of the OHS representative, two deputies, the OHS manager and the HR director. SATO's employees voted for the OHS representative and deputy representatives. The OHS committee convenes four times a year and prepares an annual action plan.

CUSTOMER RELATIONSHIP

Concept or indicator	Definition
NPS (Net Promoter Score)	Net Promoter Score (NPS) among customers



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Facebook



Instagram



TikTok



LinkedIn