Sustainability Report 2025

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Content

SATO as a company

With around 27,000 rental homes we are one of the leading housing providers in Finland.

We have nearly 46,000 residents in Helsinki Metropolitan Area, Tampere, and Turku.

At the end of 2025, there were 314 housing experts working at SATO.

We invest in rental apartments located near good public transport and various services.

In 2025 our economic occupancy rate was 95.4%.

Our net sales in 2025 was EUR 316,1 million.

The fair value of our investment properties is around EUR 5 billion.

Highlights of our sustainability work in 2025

We invested in locally produced energy

In the area of environmental responsibility, we continued to invest in renewable, locally produced energy: solar power plants and geothermal heating. In 2025, we installed solar power plants in 60 properties with a total of 3,901 SATOhomes. In addition, we converted the heating system to geothermal heating in five properties with a total of 326 rental homes.

We continued our work to promote biodiversity

We continued our efforts to promote biodiversity and prevent nature loss in the built environment. We updated our property design and maintenance guidelines, continued staff training and shared best practices from pilot sites where we tested meadow areas and the planting of berry bushes in the courtyards of SATOhomes. The pilots have received positive feedback from residents, and we will continue and expand them in 2026.

We strengthened our safety culture

In the area of social responsibility, we focused on supporting the wellbeing of our personnel in cooperation with occupational health services, as well as strengthening our safety culture and ways of working. Among other measures, we provided guidance to SATO employees to increase and record the number of safety observations made.

We established sustainability criteria for procurement

During 2025, sustainability criteria were defined for SATO's most significant procurement categories. These criteria are taken into account in tendering processes and new agreements. The sustainability criteria are reviewed annually.

SATO ranked number one in Europe in an international sustainability management benchmark

In 2025, SATO ranked first in the Management section of the Global Real Estate Sustainability Benchmark (GRESB), an international benchmark for sustainability in the real estate sector. SATO achieved full points for its sustainability management and rose to the top position among more than one thousand real estate participants assessed in Europe. SATO has participated in the GRESB assessment for 11 consecutive years.

Briefly about the report

For many years, the sustainability report has been an important way for SATO to share the progress of our sustainability work with our stakeholders.

SATO is not subject to mandatory CSRD reporting. However, we had already started preparing to meet the requirements of the Corporate Sustainability Reporting Directive, and it was decided to continue this work. In accordance with a decision by SATO's Board of Directors, the separate sustainability report for 2025 has been prepared on a voluntary basis in alignment with the ESRS standards.

The report has been subject to a limited external assurance. It does not cover all disclosure requirements of the ESRS standards. The sustainability report is based on a double materiality assessment, which identified the following standards as material for SATO:

- E1 Climate change
- E3 Water and marine resources
- E4 Biodiversity and ecosystems*
- E5 Resource use and circular economy
- S1 Own workforce
- S2 Workers in the value chain*
- S4 Consumers and end-users*

*Not included in this report based on phase-in provisions.

General disclosures

ESRS 2 General Disclosures

BP-I General basis for preparation of sustainability statements

This Sustainability Report has been prepared by applying the European Sustainability Reporting Standards (ESRS). With regard to 2025, SATO publishes on a voluntary basis a Sustainability Report based on the ESRS that is separate from the financial statements and the report of the Board of Directors. The report does not cover all of the disclosure requirements of the ESRS.

The annual Sustainability Report is prepared at Group level. The reporting period is the financial year from 1 January 2025 to 31 December 2025. The scope of consolidation of the Sustainability Report is the same as for the financial statements of the Group. SATO's consolidated financial statements are prepared in accordance with Finnish accounting legislation and the International Financial Reporting Standards (IFRS) adopted by the EU.

The SATO Group (SATO) comprises the parent company, SATO Corporation, and its 10 subsidiaries pursuing business activities. SATO Corporation's majority shareholder is Balder Finska Otas AB, whose parent company is Fastighets AB Balder, which is quoted on the Stockholm Stock Exchange. The sustainability topics and sustainability key figures reported in the Sustainability Report are based on SATO's double materiality analysis conducted in 2024 and updated in 2025. In addition to SATO's own operations, the sustainability reporting covers parts of the upstream and downstream value chain.

The Sustainability Report has not used the option to omit information corresponding to intellectual property, know-how or the results of innovation. (ESRS 2, BP-1, 3-5)

BP-2 Disclosures in relation to specific circumstances

The reporting principles and disclosures in relation to specific circumstances are presented in the report in the topic-specific sections in conjunction with the data points that they concern.

Time intervals:
SATO uses the time intervals of ESRS 1 General Requirements as follows: the short-term time horizon corresponds to the reporting period (one year), the medium-term time horizon covers the period from the end of the short term time horizon until up to five years, and the long-term time horizon refers to a period longer than five years. SATO has not used any other time intervals in its reporting.

Value chain estimation and sources of estimation and outcome uncertainty:
Efforts have been made to use supplier-specific and original baseline data in the calculation. Where it has not been possible to use supplier-specific emission factors in the calculation of greenhouse gas emissions, generic emission factors have been used in such cases. In some cases, the baseline data have been deficient, which is when missing data has been extrapolated by making use of available baseline data. Some information has also been omitted from the reporting when the necessary baseline data has not been available and extrapolation has not been possible. Measurement uncertainly mostly relates to the calculation of value chain emissions and waste reporting. The estimations and uncertainties as well as limitations relating to metrics and results are described in more detail in the sections on each metric. Due to existing practices in the real estate and construction sector, there is no sufficiently precise data on all material flows concerning the value chain, whereby part of them have been excluded from the calculation in E5-4 Resource inflows. The sustainability reporting and related data collection was developed in 2025. The development work will continue in the years ahead and, as part of the efforts, opportunities to access more precise baseline data will be explored. (ESRS 2, BP-2, 10-11)

Changes in preparation or presentation of sustainability information, and Reporting errors in prior periods:
SATO has prepared a Sustainability Report based on the ESRS for the first time for 2025. There are changes in the preparation and presentation of the reported information compared with SATO's previous GRI report, particularly with regard to the amount and coverage of information. SATO does not report changes in the preparation or presentation of the Sustainability Report in this report. The company has not identified material errors in the prior reporting period.

In this report, SATO publishes for the first time a carbon footprint calculation covering the undertaking's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. SATO has increased the extent and detail of calculation from previously reported information, whereby the emissions reported in the 2024 Sustainability Report and the emissions reported for 2025 are not comparable with each other.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements:
The preparation of the Report follows the ESRS standard. The reported information is not based on any other legislation, standards or frameworks.

Incorporation by reference:
The following information includes references to the Financial Statements:

- Energy intensity based on revenue
- Greenhouse gas intensity based on revenue
- Water intensity based on revenue
- The EU Taxonomy key performance indicators based on the Group's turnover, capital expenditure and operating expenditure
- Total number of employees (reference to the Report of Board of Directors)

External assurance:
The report has been subject to a limited external assurance by an independent third party, Deloitte Oy. The verification covers:

- E1-5 Energy consumption and mix
- E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
- Specific energy consumption (SATO's own measure)
- S1-6 Characteristics of the undertaking's employees
- S1-9 Diversity metrics
- S1-13 Training and skills development metrics
- S1-14 Health and safety metrics
- G1-4 Incidents of corruption or bribery

Use of phase-in provisions:
SATO reports on a voluntary basis following the ESRS. The number of SATO employees was below 750 during the financial year from 1 January 2025 to 31 December 2025, and SATO has omitted the following from this report on the basis of the phase-in provisions: E4 Biodiversity and ecosystems, S2 Workers in the value chain and S4 Consumers and end-users.

SATO has assessed these standards as material in its double materiality assessment and provides limited information on these topics under the phase-in provision. The impacts, risks and opportunities related to the topics are presented under the General disclosures section SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

The Table 1 describes SATO's most important targets, policies and actions relating to these topics. The targets and metrics are not in line with the requirements of the ESRS. SATO aims to expand its reporting of information relating to these topics during 2026. (ESRS 2, BP-2, 6-17)

Table 1. Targets and actions concerning standards omitted under phase-in provisions

Topic and sub-topic	Target in 2025	Actions	Metrics and progress in 2025
E4 Biodiversity			
Impacts on ecosystem condition	• SATO aims to curb biodiversity loss and improve biodiversity in construction and at existing properties • Launching actions in accordance with the Biodiversity Roadmap at SATO properties during 2025 • Developing biodiversity competence	• Updating Property Design and Maintenance Guidelines • Piloting nature-based solutions at selected properties • Role-specific training for SATO personnel on the Biodiversity Guidelines	• **Property Design and Maintenance Guidelines updated and taken into use** • **Pilots implemented:** meadow areas established at four properties, berry bushes planted at one property • **User trainings for applying the Biodiversity Guidelines held**
S2 Workers in the value chain			
Working conditions	• Zero accidents at SATO worksites	• SATO supervises compliance with occupational safety and health (OSH) practices and monitors Lost Time Injury Frequency (LTIF) on newbuild and renovation sites where contractors are responsible of OSH. SATO did not have any newbuild or renovation projects underway in 2025. There were no worksites or accidents 2025.	
S4 Consumers and end-users			
Information-related impacts for consumers/end-users	• Developing data protection related approaches	• The development and implementation of actions relating to data protection are described under targets and actions relating to G1 Business conduct	
Personal safety of consumers or end-users	• SATO-owned homes and properties are sustainable, safe and healthy for the residents	• Replacement of smoke detectors in apartments as the responsibility shifts to the property owner as of the beginning of 2026 • Updating SATO's internal key management guidelines • Ensuring safe and healthy living conditions, for example through monitoring of temperature and humidity and addressing any deviations • Planned repairs for properties (according to Long-Term Property Maintenance Plan 'PTS') and apartment-specific repairs carried out as needed	• **Replacement of smoke detectors in more than 20,000 apartments** • **Internal key management guideline updated** • Continuous assurance of living conditions as part of daily operations • Completion of the planned more than 70 repairs of properties and over 6,500 apartment-specific repairs across all SATO's operating areas
Social inclusion	• SATO aims to prevent segregation of residential areas in cooperation with cities and other actors	• Participating in the Finnish Property Owners Rakli working group that started in autumn 2025 and focuses on neighbourhood development and safety, with the aim of identifying ways to prevent residential area segregation and differentiation and to improve safety in collaboration with industry stakeholders.	• A total of 20 Rakli members (cities and property owners, including SATO) participated in the clinic work. The clinic workshops examined neighbourhood development and safety from various perspectives, including vacant premises and shopping centres, the housing stock and resident structure, youth activities and facilities, as well as communication and reputation.

GOV-I The role of the administrative, management and supervisory bodies

At SATO, control and governance of the company are divided between the Annual General Meeting, the Board of Directors and the President and CEO. The President and CEO implements the operative business with the assistance of the Corporate Management Group. Internal audit, which reports to the Board of Directors, is responsible for internal auditing, while auditors are responsible for the external audit.

Annual General Meeting
The Annual General Meeting (AGM) of shareholders is SATO's highest governing body. The AGM must be held once a year, within six months of the end of the financial period. An extraordinary general meeting must be held when considered necessary by the Board of Directors or required under the Finnish Limited Liability Companies Act. The AGM decides on the matters that fall within its competence by virtue of the Companies Act and the Company's Articles of Association. These include adoption of the Company's financial statements and consolidated financial statements, the use of the profit shown on the balance sheet, the discharge of the members of the Board of Directors and the President and CEO from liability, the remuneration and appointment of the members and Chair of the Board of Directors, and the appointment of the auditor.

Board of Directors
SATO Board of Directors consists of non-executive members and does not include representatives of employees or other workers. In 2025, the SATO Board of Directors had five members and a Chair, totalling six persons. The SATO Board of Directors is composed exclusively of independent Board members.

Diversity requirements are implemented in the composition of the SATO Board of Directors. Board members must have diverse expertise to support the implementation of SATO's strategic targets. SATO Board members must possess complementary and supportive experience and education relative to each other and must hold a degree in technology, business, economics or law. The Board members have experience in management functions and board memberships at major companies as well as companies operating internationally. There is extensive experience in housing investment, financing and consumer business represented on SATO's Board. Both genders (17% female and 83% male) are represented on the Board, and the Board members are aged 35-69. The Board's composition, education, gender distribution as well as skills and expertise with regard to sustainability matters are shown in Table 4.

Figure 1. Gender distribution of the Board of Directors

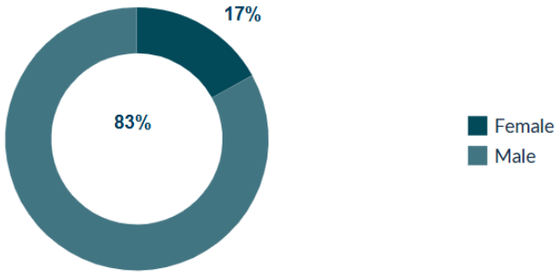


Table 2. Information on the SATO Board of Directors and its committees about diversity and dependencies

Board of Directors	Female	Male	Total	Proportion of independent members, %*
Members of the Board of Directors, incl. Chair	1	5	6	50%

*independence from significant shareholder

Roles and responsibilities of the Board of Directors:
The company's Board of Directors sees to the administration of the company and the appropriate organisation of its operations. It is the duty of the Board of Directors to promote the interests of the company and all of its shareholders. The Board of Directors of SATO Corporation has adopted rules of procedure covering the duties, meeting practices and decision-making procedures of the Board of Directors. The Board of Directors appoints the company's President and CEO and, where necessary, their deputy. In addition to the duties laid down in the Finnish Limited Liability Companies Act, the Board of Directors also decides on matters which, considering the scale and scope of the Group's operations have considerable significance for the Group's business. The duties of the Board of Directors include:

1. adopting the Group's business strategy and monitoring its implementation
2. adopting and monitoring the annual budget and the business plan,
3. discussing the company's financial statements and report of the Board of Directors as well as the interim reports and half-year financial reports,
4. adopting the company's dividend policy and financial targets
5. organising and overseeing risk management, internal control and internal audit
6. making decisions regarding the Group's financing
7. making decisions on significant investments and divestments.

The SATO Board of Directors is the Group's highest governing body responsible for sustainability. The Board makes strategic decisions and gives guidelines related to sustainability, adopts the Sustainability Programme and the policies that guide the Group's operations and internal control. The Board is responsible for overseeing the process of managing material impacts, risks and opportunities by deciding on the Group's strategy and long-term goals and monitoring their implementation.

Corporate Management Group
SATO's Corporate Management Group comprises the President and CEO, the Chief Financial Officer, the Executive Vice Presidents for Housing Business and Investments, and the Chief Commercial Officer.

The President and CEO is responsible for the management and planning of the Group's business operations and for the attainment of its goals. They are responsible for preparing matters for the Board of Directors' attention and for executing the decisions of the Board. The President and CEO sees to the executive management of the company in accordance with the instructions and orders given by the Board of Directors. SATO's President and CEO is responsible for the implementation of policies outlined by the Board of Directors and oversees, in accordance with the Board's decisions, the implementation of sustainability as part of business operations.

The Corporate Management Group assists the President and CEO in the planning and management of operations and in decision-making. The Corporate Management Group deals with all key issues for the management of SATO Group, such as matters related to the strategy, budgeting, investments, business planning and financial reporting. The Corporate Management Group's duties include the implementation of the decisions of the Board of Directors under the leadership of the President and CEO. The President and CEO and the Corporate Management Group are responsible for implementing the sustainability objectives approved by the Board and for reporting to the Board on material sustainability-related impacts, risks and opportunities. The Corporate Management Group reviews the Group's sustainability goals, monitors the implementation of sustainability actions and regularly assesses sustainability-related impacts, risks and opportunities at Corporate Management Group meetings.

Within the Corporate Management Group, the Chief Financial Officer is responsible for SATO's sustainability efforts. The Chief Financial Officer oversees the Sustainability Team, which is in charge of practical sustainability work, its development, and the implementation of sustainability reporting. The Chief Financial Officer is also responsible for the annual risk assessment and risk management under the risk management system as well as for financial and operational reporting.

The Corporate Management Group's composition, experience, education, gender distribution as well as skills and expertise with regard to sustainability matters are shown in Table 3.

Sustainability Steering Group
SATO has a Sustainability Steering Group, which addresses sustainability development matters across organisational boundaries four to six times a year, monitors the achievement of targets and addresses sustainability topics raised by SATO employees. The Sustainability Steering Group supports the units in sustainability matters and takes sustainability work forward in group members' own units and at SATO as a whole. In 2025, the Sustainability Steering Group comprised the Executive Vice President for Investment, the Executive Vice President for Housing Business, the Vice President for Human Resources, the Chief Financial Officer, the General Counsel, the Director for Business Development, the Head of Procurement, the Senior Communications Specialist, and the Sustainability Managers, who coordinate the activities of the steering group.

Skills and expertise with regard to sustainability matters
The expertise of the administrative, management and supervisory bodies with regard to sustainability matters is shown in Tables 3 (Corporate Management Group) and 4 (Board of Directors). The SATO Board of Directors and Corporate Management Group are provided with regular presentations and situation briefings on matters relating to sustainability, including material impacts, risks and opportunities.

The development of sustainability competence was one of SATO's competence development priorities in 2025. During the year, personnel competence was developed by means of measures including data protection training and online training on the Code of Ethics and on anti-corruption and anti-bribery actions. Completion of this training is monitored, and the training is discussed in more detail under G1-1 Business conduct policies and corporate culture. Sustainability work and sustainability-related aspects were also covered at team discussions and personnel briefings. The Sustainability Steering Group and the Corporate Management Group annually monitor and assess the development of sustainability competence at SATO (ESRS 2, GOV-2, 19-23)

Table 3. Management Group's composition, experience, education, gender distribution and expertise in sustainability matters

Name	Role	Year of birth	Education	Expertise in sustainability matters
Antti Aarnio (m)	President and CEO, Chair of Corporate Management Group, member since 2016	1972	M.Sc.(Eng.)	
Arto Aalto (m)	Executive Vice President, Investments, Management Group member since 2022	1966	B.Eng	Member of the Sustainability Steering Group
Markku Honkasalo (m)	Chief Financial Officer, responsible for sustainability in Corporate Management Group, member since 2016	1964	LL.M., eMBA	Member of the Sustainability Steering Group
Laura Laamanen (f)	Chief Commercial Officer, Management Group member since 2023	1972	MA	
Elina Vaurasalo (f)	Executive Vice President, Housing Business, Management Group member since 2022	1974	M.Sc.	Member of the Sustainability Steering Group

Table 4. Board of Directors' composition, experience, education, gender distribution and expertise with regard to sustainability matters

Name	Position	Education	Experience in sustainability matters in the following sectors						Topic expertise
			Real estate	Trade	Construction	Infrastructure	Energy	Financing, investments	
Erik Selin (m) b. 1967 Swedish national	Chair of the Board of Directors, Board member since 2015, Chair of the Board since March 2016 Primary role: CEO, Fastighets AB Balder	B.Sc. (Econ.)	X						
Ming Eng (m) b. 1990 Dutch national	Board member since 2024 Primary role: Senior Portfolio Manager Real Estate Europe, APG Asset Management	M.Sc. (Management Science)	X						
Juha Juntunen (m) b. 1973 Finnish national	Board member since 2025 Primary role: Partner, Jtel Oy	B. Sc. (Engineering)	X				X		
Esa Lager (m) b. 1959 Finnish national	Board member, Board member since 2014, Chair of the Board 2015–2016, Deputy Chair of the Board 2014–2015 and 2021– Primary role: board professional	LL.M., M.Sc. (Econ.)	X	X	X	X		X	
Tarja Pääkkönen (f) b. 1962 Finnish national	Board member since 2013 Primary role: Partner, Boardman Oy, board professional	Ph.D (Corp.Strategies), M.Sc. (Const. & Architecture)	X		X	X		X	
Sharam Rahi (m) b. 1973 Swedish national	Board member since 2021 Primary role: Deputy CEO, Fastighets AB Balder		X	X				X	

Environmental responsibility Social responsibility Governance

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

SATO's Corporate Management Group monitors and assesses the development of material impacts, risks and opportunities as a part of corporate strategy and risk management at least once a year. The Corporate Management Group considers the impacts of the company's operations in the value chain and the risks and opportunities related to the company's own operations. These are also considered under their leadership in the business units and functions for which their are responsible. The Corporate Management Group monitors and evaluates the implementation of actions in line with the Sustainability Programme. The Sustainability Manager reports to the Corporate Management Group on the implementation of the sustainability actions at least on a quarterly basis.

In 2025, the sustainability-related topics discussed at meetings of both the Corporate Management Group and the Board of Directors included:

- SATO's sustainability targets, and actions for 2025
- adoption of updated policies
- employee wellbeing, occupational health and safety
- data protection and information security
- biodiversity guidelines
- carbon footprint calculation for 2024
- plan for Climate Transition Plan
- ethical conduct and compliance with law and regulations
- impacts, risks and opportunities identified in double materiality analysis updated in 2025 and standards to be reported that are material for SATO
- framework of SATO's 2025 Sustainability Report, changes relating to sustainability reporting and recent regulatory requirements
- results of annual risk assessment and the results of scenario and resilience analysis relating to climate change

The Board of Directors considers impacts, risks and opportunities as part of the company's strategy process. In addition, these impacts, risks and opportunities are assessed and discussed case-specifically when assessing and deciding on significant business transactions. The Group's sustainability targets are taken into account in the Board's decision-making on matters such as investments. The Board discusses climate-related risks twice a year. Board meetings also regularly consider reports and reviews of various aspects of sustainability provided by the Group's executives and by experts. These provide Board members with information on the most material sustainability-related impacts, risks and opportunities and on progress made towards the sustainability targets. The reports and reviews also ensure the Board's up-to-date knowledge and competence in sustainability matters. (ESRS 2, GOV-2, 24–26)

GOV-3 Integration of sustainability-related performance in incentive schemes

SATO has an incentive scheme for the senior management and key individuals as well as the entire personnel. The members of the Corporate Management Group and certain designated key individuals of the Group are covered by an annual bonus scheme that is based on the fulfilment of Group-level targets (60%) and individual targets (40%). The annual scheme for personnel is based on the achievement of Group-level targets and conduct in accordance with SATO's values. Sustainability-related performance is included at SATO in the remuneration of both the senior management and key individuals as well the entire personnel. In both schemes, 10% of the Group-level targets relate to the implementation of sustainability targets. Sustainable development has been included in every SATO staff member's individual annual targets since 2023.

In 2025, the sustainability targets on which remuneration was based related to the realisation of the following actions under the Sustainability Programme:

- implementation of the energy-efficiency measures in accordance with the Carbon Roadmap
- increasing local renewable energy production
- identifying and providing support with customers' challenging life situations
- developing ESG criteria for procurement

The four sustainability targets forming the basis for the 2025 remuneration were weighted equally, accounting for a total of 10%. The Board of Directors adopts the criteria for the annual bonus scheme for SATO's Corporate Management Group, key individuals and SATO staff members and the bonuses paid on the basis of the scheme on the basis of proposals by the HE and Remuneration Committee. The Board also monitors and supervises the implementation of the criteria and targets. Payment of the bonus requires the lower limit of all Group-level targets to be reached. The incentive schemes aim to promote the effective achievement of strategic targets. (ESRS 2, GOV-2, 27-29)

GOV-4 Statement on due diligence

SATO does not have in place a comprehensive due diligence process on environmental, human rights and governance issues.

SATO does, however, have its own policies, guidelines and practices by means of which it seeks to identify environmental, societal and governance impacts relating to the company's own operations and the value chain and to prevent and mitigate risks. These are described in more detail in sections of the Sustainability Report as shown in the table below:

Table 5. Principles for impact assessment and risk prevention

Core elements	Sections of the Sustainability Report
Embedding due diligence in governance, strategy and business model	ESRS 2: GOV-1, GOV-2, GOV-3, SBM-3 and topical standards: S1-1 and G1-1
Engaging with affected stakeholders	ESRS 2: GOV-2, SBM-2, IRO-1 and topical standards: S1-2
Identifying and assessing adverse impacts	ESRS 2: IRO-1, SBM-3
Taking actions to address those adverse impacts	Topical standards: E1-3, E5-2, S1-4, G1-1, G1-3
Tracking the effectiveness of these efforts and communicating	Topical standards: E1-5, E5-3, S1-5, G1-1

(ESRS 2, GOV-2, 30-33)

GOV-5 Risk management and internal controls over sustainability reporting

SATO's risk management is based on the risk assessment embedded in the strategic and annual planning process, which also covers sustainability-related risks. The risk assessment also includes actions to minimise or eliminate the risks. The annual risk assessment was updated in 2025 based on the results of the double materiality analysis. Risk management is guided by the Risk and Crisis Management Policy adopted during 2025, which sets out the responsibilities and roles relating to risk management as well as the monitoring of risks and annual reporting on them to the SATO Board of Directors. The Risk and Crisis

Management Steering Group appointed by the President and CEO reports to the Corporate Management Group and the Board of Directors on key risks. The reporting also includes significant sustainability-related risks.

SATO has identified risks relating to sustainability reporting, which include availability of reported information and timing of availability, location of information in different information sources, manual processing and calculation of data, coverage and traceability of data, and accuracy of estimation results. In addition, risks particularly when switching to a new reporting framework may include the organisation's insufficient understanding of the interpretation of the standards and deficiencies in documentation required for assurance.

SATO has prepared Sustainability Reporting Guidelines describing elements including the sustainability reporting process, phases and timeframe, practical guidelines for those participating in the reporting, internal monitoring, controls and responsibilities. The purpose of the guidelines is to reduce risks relating to sustainability reporting, ensure consistency and reproducibility of reporting, support the quality and reliability of sustainability reporting and serve as induction material for those taking part in reporting.

In addition, efforts are made to prevent and manage risks related to sustainability reporting by means of training of those taking part in the reporting, external expert support and continuous development. The internal monitoring and control relating to sustainability reporting aims to ensure the correctness of the reported information and the on-time publication of the Sustainability Report. These include the regular monitoring of progress in data collection and the systematic checking of reported information, for which the ESG Controller is responsible at SATO. In addition, all reported numerical data is checked in accordance with the four-eyes principle by the team responsible for data collection before data entry for the report. Where possible, figures reported are compared with figures of annual, monthly and quarterly reports of previous years and any discrepancies are examined analytically. (ESRS 2, GOV-2, 34-36)

SBM-I Strategy, business model and value chain

SATO carries out housing investment activities in Finland in the Helsinki Metropolitan Area, Tampere and Turku. SATO is one of Finland's largest rental housing providers and owns nearly 27,000 rental apartments with around 46,000 residents. SATO is a long-standing housing investor, construction developer and owner. The company's basic product is a rental home in an apartment building. In 2025, SATO employed more than 300 people who had an employment contract with the company in Finland. More detailed personnel-related information can be found on the report S1-6 Characteristics of the undertaking's employees.

The priorities of SATO's strategy are the continued improvement of the customer experience, sustainability and sustainable housing, and the personnel, that is, SATO staff members.

SATO's strategic goals:
The company measures its success by using the Net Promoter Score (NPS), the Investment Grade credit rating and the return on equity target as the strategic indicators.

Figure 2. The cornerstones of SATO strategy

Customer experience:
SATO seeks to develop consistent operating models that ensure a seamless and uniform customer experience.

Sustainability and responsible housing:
In line with its strategy, SATO offers its residents a responsible way of urban living with good transport links and close to services and makes systematic efforts to reduce any negative environmental impacts of its operations.

SATO staff members (personnel)
SATO looks after its employees' wellbeing at work and coping, occupational health and safety and competence to ensure its competitiveness.

Table 6. SATO's strategic goals and their status

Strategic goal	Status in 2025
Continuously improving NPS during residence	
Uniform service experience and presence in everyday lives of SATOhome residents.	Not met. Net Promoter Score (NPS) was 27 (2024: 27)
Maintaining the credit rating	
The credit rating helps us to expand our financing base and lower SATO's financial expenses.	Met. We maintained our credit rating (BBB), with a stable outlook.
Return on equity	
Our return on equity target for the strategy period is 8%.	Not met. Our return on equity was 3.2%.

SATO's sustainability work is governed by SATO's strategy, Sustainability Policy and Code of Ethics. SATO's sustainability-related targets from the environmental, social, economic and financial sustainability as well as governance perspectives were set out in 2025 in the Sustainability Policy, based on SATO's Sustainability Programme for 2023–2026, adopted by the SATO Board of Directors.

The company's biggest climate and nature impacts occur from energy consumption during the residential use phase and from the construction and repairs of homes. Environmental load can be reduced by maintaining and repairing apartments and properties regularly and proactively in a financially sound manner according to the life-cycle principle and by applying the general rule of constructing homes in existing urban environments with good public transport links.

The aspects of social sustainability that are the most important for SATO relate to the company's own workforce, workers in the value chains and SATO's residents and neighbourhoods. Social sustainability means not only looking after the wellbeing of the company's own employees but also responsibility for the wellbeing of residents in SATO-owned homes and their residential environments as well as for the working conditions and human rights of workers in the value chains.

With regard to economic and financial sustainability and governance, SATO aims to operate in a sustained, ethical and responsible manner in matters related to people, the economy, the environment and society.

SATO is developing its sustainability work and targets on the basis of the material impacts, risks and opportunities identified in the double materiality analysis. The more specific targets and actions for sustainability work are determined each year. SATO reports on their implementation in the Sustainability Report published annually.

Business model and value chain

SATO has two business units: Housing Business and Investments. Housing Business focuses on rental housing provision, customer service, life-cycle management and maintenance. It aims to ensure speedy and efficient provision of rental homes for those looking for a home and a solid cash flow for the company. High-quality property maintenance and regular, preventive facility services ensure residential comfort and the good condition and value retention of apartments.

Investment operations manage the housing portfolio and prepare the ground for profitable growth. Since 2000, SATO has invested a total of more than EUR 4 billion in non-subsidised rental apartments. SATO acquires and commissions the construction of both entire rental housing properties and individual rental apartments for SATO ownership.

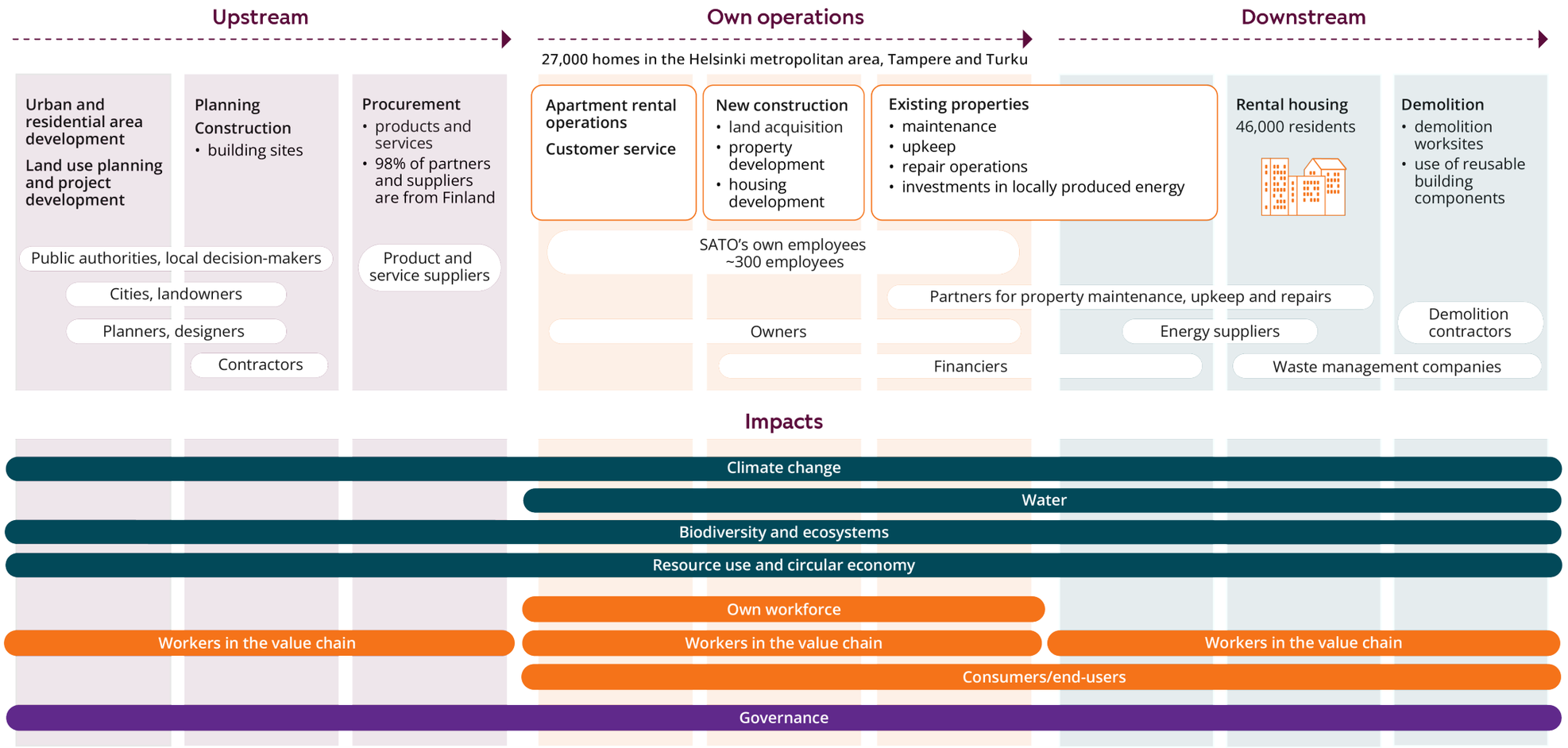
Property development allows for new investments in rental apartments. The rental potential and value of existing rental apartments are developed through renovation activities, which also increase residential comfort and improve energy efficiency. In response to the continued strong urbanisation trend, in addition to Helsinki, Espoo and Vantaa, SATO also invests in the municipalities surrounding the Helsinki Metropolitan Area as well as in Tampere, Turku and their surrounding municipalities. Investments in rental apartments totalled EUR 239.8 million in 2025.

SATO generates economic and financial benefits for its stakeholders, such as shareholders, employees, suppliers of goods and services and their workers as well as residents, cities and the State. Through its business operations, SATO supports the capacity for growth among businesses and opportunities of workers to relocate for employment by offering rental homes in Finland's largest growth centres in the Helsinki Metropolitan Area, Tampere and Turku.

Value chain and location of material impacts, risks and opportunities

SATO's value chain was determined in the double materiality analysis and is illustrated in Figure 3. In the upstream of SATO's value chain there are cooperation partners such as cities, landowners, contractors, designers and authorities as well as procurement partners. SATO's own operations cover personnel and own operations as well as finance providers and shareholders. The downstream value chain consists of residents and rental apartment applicants, neighbourhoods and cities. (ESRS 2, GOV-5, 37-42)

Figure 3. SATO's value chain



SBM-2 Interests and views of stakeholders

SATO's key stakeholders are customers, personnel, shareholders and finance providers, procurement partners and service providers, such as contractors, designers or property maintenance, authorities, cities and other landowners, neighbours as well as property and construction sector organisations and the media.

SATO's stakeholder cooperation is based on active interaction with material stakeholders. Responsibility for stakeholder cooperation is decentralised in the company, and the units are responsible for cooperation and its development with their respective stakeholders. Regular interaction provides the company with information on what the stakeholders find important, what is expected from SATO as a company and how the company can develop its operations.

The interests and views of stakeholders are heard when developing the key strategic priorities: customer experience, sustainability and sustainable housing and the personnel (SATO staff members). SATO measures the development of the customer experience and success in customer encounters with the Net Promoter Score (NPS) at the various points of the customer journey. The feedback is used to develop the company's business operations and customer service.

Stakeholder feedback from sources including customers, shareholders and finance providers, cities and the sector's organisations is also employed in the development of business operations and sustainability work. At SATO, the employee experience is developed with a long-term approach. Staff members are included in internal planning and development in many ways. The personnel experience is measured with the annual personnel survey. Consisting of members of management and personnel, the Tarmo group meets four times a year to address issues relating to work and wellbeing at work raised by staff members.

To understand stakeholder views on material sustainability aspects, SATO conducted stakeholder interviews as part of the double materiality analysis process. A more detailed description of the materiality analysis is provided under IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.

Meetings of SATO's Corporate Management Group and Board of Directors regularly discuss the company's sustainability-related impacts with regard to key stakeholders in the context of reports and reviews provided by executives and experts.

The table 7 illustrates how SATO implements stakeholder interaction with its key stakeholders. (ESRS 2, SBM-2, 43-45)

Table 7. Stakeholder interaction at SATO

Stakeholder	Means/Form of interaction	Purpose of interaction and impact of results on operations, business model and strategy
Customers	• Customer service channels and customer communication in various channels, customer surveys and feedback • Encounters at SATO properties and homes, maintenance visits • Residents' meetings, workshops and events for customers	• Development of customer service and communication, development of customer satisfaction, ensuring customer retention, customer surveys and measurement of customer experience • Development of operations and services together with customers • Maintenance of condition of properties and homes • Promoting good neighbourly relations and supporting housing skills, supporting residents' sustainable everyday choices
Personnel	• Unit and team meetings, regular personnel events and open internal communication • Annual personnel surveys • Supervisor interaction and personal development discussions • Personnel–employer cooperation group (Tarmo) and SATO club for recreation and sports activities (LiiVi) • Occupational safety and health (OSH) activities, OSH representatives' activities, OSH team (Hanska)	• Personnel wellbeing, ability to work and occupational safety • Personnel competence development, development of managerial and leadership work
Shareholders and finance providers	• Meetings of Board of Directors, meetings with shareholders, Annual General Meeting • Meetings with investors and finance providers • Financial reports and communications and annual Sustainability Report	• Taking shareholder and investor views into account in decision-making • Ensuring and developing SATO's financing opportunities • Financial communication and communication about topics relevant to SATO
Cooperation partners	• Negotiations and meetings, contractual agreements and guidelines • Competitive tendering, partner evaluations, audits, self-audits • Partner cooperation steering groups • Site visits, meetings and inspections and safety rounds	• Development of SATO's business operations and services in cooperation with partners, customer satisfaction and development of customer experience • Supervision and monitoring of compliance with Code of Ethics and other SATO guidelines • Development and guidance of partner cooperation
Workers in the value chain	• Site visits, meeting and inspections as well as safety rounds • Partner evaluations, audits, self-audits	• Supervision and guidance of occupational safety and health • Supervision and monitoring of compliance with Code of Ethics and other SATO guidelines
Authorities and decision-makers	• Cooperation with the authorities and decision-makers and communication about current topics	• Provision and development of rental homes and related services • Compliance with regulation and guidance provided by authorities
Cities (incl. statutory land use planning and building control), landowners, neighbours	• Cooperation and participation in urban development and communication about current topics and plans relevant to SATO • Building permit processes, statutory land use planning, events, hearings	• Development of cities and residential areas, diverse residential environments, prevention of segregation of residential areas • Construction of new rental apartments and repair and development of existing properties, providing and developing rental homes and related services • Ensuring the residential comfort of neighbours and neighbours being heard and taken into account in decision-making
Property and construction sector organisations, sustainability networks and other professional networks	• Participation of SATO representatives in the activities of the sector's organisations, events, panels, training • Joint development projects of the property and construction sector	• Interest representation • Sector's cooperation in advocacy concerning political decision-making, development of the sector's joint operating models and practices, the sector's joint commitments, cooperation in the development of areas and prevention of segregation • Development of SATO staff members' competence and expertise
Media	• Regular communication about topics relevant to the sector and to SATO and speedy response to media enquiries	• Awareness maintenance and reputation management

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following tables list SATO's identified and assessed sustainability-related material impacts, risks and opportunities based on the double materiality analysis process. (ESRS 2, SBM-3, 46-49)

Table 8. Material impacts, risks and opportunities

E1 Material sustainability matters identified relating to climate change

	Description	Type	Value chain location	Time horizon
Climate change mitigation				
	Greenhouse gas emissions from SATO's and its value chains' operations have impacts on global warming.	Negative impact	Upstream, Own operations, Downstream	short-term, medium-term, long-term
	If SATO is unable to reduce its emissions, this may affect SATO's reputation or, for example, cost of finance. If SATO or its partner fails to comply with the obligations laid down in legislation, SATO may be imposed sanctions for breach of regulation.	Financial risk (transition risk)	Upstream, Own operations, Downstream	medium-term, long-term
	EU regulation with regard to green financing seeks to steer investment and financing towards environmentally sustainable activities. SATO's progress in energy-efficiency and emission reduction measures may promote access to finance and lower the cost of finance.	Financial opportunity	Own operations	medium-term, long-term
Climate change adaptation				
	Any increase in maintenance backlog (repairs postponed or not carried out) affects the resilience of properties against climate change impacts (such as storms, floods, increased precipitation and humidity). A maintenance backlog may generate additional costs over the long term if the condition of properties deteriorates, and this may reduce the value of properties. Postponing repairs may also have a negative impact on the achievement of SATO's emission reduction targets, and, as a result, negative impact on SATO's reputation and/or the cost of finance.	Financial risk	Upstream, Own operations	medium-term, long-term
Energy				
	Replacing district heat with renewable energy and improving energy efficiency cut down greenhouse gas emissions.	Positive impact	Own operations	medium-term, long-term
	Improving the energy efficiency of properties and using locally produced renewable energy (geothermal heat, solar power systems) can generate savings in heating, cooling and property electricity costs.	Financial opportunity	Upstream, Own operations, Downstream	short-term, medium-term, long-term
	Fluctuations in the availability of energy and increases in energy prices result in financial risks concerning SATO's operations and cost predictability.	Financial risk	Upstream, Own operations, Downstream	short-term, medium-term, long-term

E3 Material sustainability matters identified related to water and marine resources

	Description	Type	Value chain location	Time horizon
Water				
	SATO can affect residents' water consumption by actively monitoring property and apartment water consumption with apartment-specific water meters and by invoicing for water based on actual consumption. Water consumption can also be reduced by means of water-efficient water fittings and guidance for residents.	Positive impact	Own operations, Downstream	short-term, medium-term
	Any excessive water consumption by residents at properties that cannot be invoiced to residents generates additional costs. SATO's water costs may increase further if water prices go up.	Financial risk	Downstream	short-term, medium-term

E4 Material sustainability matters identified relating to biodiversity and ecosystems

	Description	Type	Value chain location	Time horizon
Impacts on the extent and condition of ecosystems				
	The production of virgin materials for construction and repair (such as concrete, steel and plastic) may increase biodiversity loss. The extraction of soil materials such as gravel and sand used directly in construction may also cause significant adverse impacts on sensitive environments.	Negative impact	Upstream, Own operations	short-term, medium-term, long-term
	The negative impacts of construction can be reduced by taking them into account already in the design phase and by opting for solutions that support biodiversity. Biodiversity can also be improved in many different ways at existing properties and by combating invasive alien species. Solutions increasing biodiversity at SATO properties can support important ecological corridors. Complementary construction in existing residential areas can help avoid construction on natural sites.	Positive impact	Upstream, Own operations, Downstream	short-term, medium-term, long-term
	Construction has a significant impact on biodiversity decline and loss. For example, land use changes and felling of trees relating to construction may cause disturbance to local ecosystems.	Negative impact	Upstream, Own operations	medium-term, long-term

E5 Material sustainability matters identified relating to resource use and circular economy

	Description	Type	Value chain location	Time horizon
Resource inflows				
	The use of resource-intensive raw materials and other materials in construction and repair causes adverse environmental impacts.	Negative impact	Upstream, Own operations	short-term, medium-term, long-term
Waste				
	Waste from property construction and demolition and waste from housing (residents' waste) cause environmental impacts. Waste treatment also generates significant costs for SATO. SATO aims to reduce the amount of waste through guidance, systematic monitoring and optimisation.	Negative impact	Upstream, Own operations, Downstream	short-term, medium-term, long-term

S1 Material sustainability matters identified relating to own workforce

	Description	Type	Value chain location	Time horizon
Working conditions				
	SATO looks after its employees' wellbeing at work, ability to work and coping at work. SATO invests in ensuring smooth everyday work (clear role descriptions, objectives and managerial work). SATO provides its employees with occupational healthcare services and cooperates closely with the occupational healthcare provider to reduce absences due to illness or injury. Employee wellbeing is supported by good work–life balance.	Positive impact	Own operations	short-term, medium-term
	Challenging customer encounters (such as threatening situations) in properties and customer service may burden employees' mental health and result in sick leaves. Work-related accidents resulting in days lost may take place in contexts including traffic during journeys between work and home, work-related transactions, and in maintenance and upkeep duties at properties.	Negative impact	Own operations	short-term, medium-term
Equal treatment and opportunities for all				
	SATO values and promotes diversity and equality. Consistent practices and operating models based on guidelines ensure an experience of fairness and equality. Each person must be treated respectfully, and there is zero tolerance for any form of inappropriate treatment, discrimination or harassment. Equal treatment and conduct in accordance with SATO's values strengthen the corporate culture, employee wellbeing and commitment.	Positive impact	Own operations	short-term, medium-term

S2 Material sustainability matters identified relating to workers in the value chain

	Description	Type	Value chain location	Time horizon
Working conditions				
	There may, for example in the construction sector and property maintenance where there is foreign workforce working in Finland, be practices in breach of a code of conduct or legislation or human rights violations relating to the working conditions of workers in SATO's value chains. Examples of these may include inadequate wages, hazardous or unhealthy conditions at work, forced labour, trafficking in human beings or other forms of exploitation, discrimination and inappropriate treatment.	Negative impact	Upstream, Own operations, Downstream	short-term, medium-term
	The contractors are responsible for occupational safety and health (OSH) at SATO's worksites. There are OSH risks involved in work on construction sites, to which workers in the value chain may be exposed and which may result in personal injury. SATO participates in developing worksite safety, supervises compliance with OSH practices and monitors accidents at work.	Negative impact	Upstream, Own operations, Downstream	short-term, medium-term

S4 Material sustainability matters identified relating to consumers

	Description	Type	Value chain location	Time horizon
Information-related impacts for consumers and/or end-users				
	SATO provides its residents with housing-related information in several languages through various channels. In its communication, SATO takes account of accessibility (incl. easy language). SATO Customer Service provides service in Finnish and English through several channels, and service is also available in many other languages through a simultaneous interpreting service. Housing advisers provide residents with guidance relating to housing skills in particular.	Positive impact	Own operations, Downstream	short-term, medium-term
	Any leakage of customers' personal data due to breaches of information security or data protection causes negative impacts such as financial or mental harm.	Negative impact	Own operations, Downstream	short-term, medium-term
	Data leakages or business disruptions caused by insufficient data protection and/or information security, cybercrime or, for example, incorrect operation may result in financial losses, fines or reputational damage for SATO.	Financial risk	Own operations, Downstream	short-term, medium-term
Personal safety of consumers and/or end-users				
	SATO-owned homes and properties are sustainable, safe and healthy for the residents.	Positive impact	Upstream, Own operations, Downstream	short-term, medium-term, long-term
Social inclusion				
	The socioeconomic (residents' income group, education level and language group) and ethnic segregation of residential areas is growing. Segregation-related negative impacts, such as marginalisation, unemployment and substance abuse problems, focusing on certain areas may reduce safety and security in these areas and the wellbeing of their residents. The rental potential and value of properties located in these areas may decline.	Financial risk	Own operations, Downstream	short-term, medium-term, long-term
	SATO treats its residents and rental housing applicants equally, fairly and justly.	Positive impact	Own operations, Downstream	short-term, medium-term

G1 Material sustainability matters identified relating to business conduct

	Description	Type	Value chain location	Time horizon
Corporate culture				
	SATO's values and Code of Ethics guide the activities of everyone at SATO. SATO requires compliance with the Code of Ethics from its partners, too.	Positive impact	Own operations	short-term, medium-term
	SATO's corporate culture is developed in a sustained manner. At SATO, leadership and good managerial work are at the core of corporate culture. Good leadership influences the job satisfaction, commitment and performance of personnel.	Positive impact	Upstream, Own operations, Downstream	short-term, medium-term
Corruption and bribery				
	Any incidents of corruption or bribery could result in damage to SATO's reputation, loss of customer and cooperation agreements, and financial consequences (such as fines).	Financial risk	Own operations	short-term, medium-term, long-term

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

SATO conducted a double materiality assessment in compliance with the ESRS for the first time in 2024. The double materiality analysis was updated in 2025. The update also took into account consistency of material standards with SATO's majority shareholder, Fastighets AB Balder. SATO reports to Balder on the implementation of sustainability efforts in accordance with the ESRS as part of the Balder Group.

SATO's double materiality analysis work was led by an internal project group, with SATO's Chief Financial Officer responsible for the process. The assessment methods used were background research, working group meetings, stakeholder interviews, and quantitative and qualitative risk assessments and prioritisation meetings. There was an external expert partner involved in all phases of SATO's double materiality analysis work.

The process to identify and assess material impacts, risks and opportunities is described for the five main phases, which are discussed under 1–5 below.

1. Background analysis and value chain

The background analysis involved the external expert examining SATO's internal and publicly available materials concerning business operations and sustainability, sector-specific standards and material legislation. The most important sources provided by SATO for the background analysis were SATO's 2023 Sustainability Report, which also contains a description of the materiality analysis and extensive stakeholder survey underlying the current Sustainability Programme for 2023−2026, procurement data for raw materials and services for 2023 and the results of the 2023 risk assessment. This phase also included the mapping out and description of SATO's value chain and the classification of any impacts, risks and opportunities under upstream, own operations or downstream.

Stakeholder involvement

A view of stakeholder expectations was obtained on the basis of the previous materiality analysis carried out in 2022, which was supplemented by stakeholder interviews conducted in spring 2024. There were a total of eight interviews, with representatives of suppliers and partners, shareholders and finance providers, and organisations in the sector selected as respondents. The phase aimed to establish a preliminary understanding of any material sustainability matters relating to the business model, value chain and strategy.

2. Identification of impacts, risks and opportunities related to sustainability matters

In phase 2, more specific impacts on people and the environment relating to sustainability matters as well as respective financial risks and opportunities were determined for the preliminary sustainability topics. The process to identify and assess material impacts, risks and opportunities was guided by two key questions:

- What kinds of negative and positive impacts do the company's own operations and the operations in the value chain have on the environment and communities?
- What kinds of risks and opportunities could there be concerning the company, affecting its financial position, financial performance, cash flows, access to finance or cost of capital?

The process resulted in the identification of a total of 109 IRO types, with there being 32 negative impacts, 24 positive impacts, 37 risks and 16 opportunities. With regard to impacts, it was assessed whether they were actual or potential. In addition, with regard to impacts, risks and opportunities, the time horizon (short-, medium- or long-term) was also assessed. The identified impacts, risks and opportunities were discussed by the project group and validated at a meeting of the SATO Corporate Management Group and the project group.

All of the identified impacts, risks and opportunities were assessed quantitatively and qualitatively in phase 3 of the process.

3. Assessment of impacts, risks and opportunities related to sustainability matters

In phase 3, the SATO Corporate Management Group and the key individuals with regard to sustainability assessed the identified sustainability matters relating to impacts, risks and opportunities in a preliminary assessment using a browser-based assessment tool. A total of 10 SATO representatives were invited to the preliminary assessment. The respondents comprised members of the Extended Corporate Management Groups as well as key individuals with regard to the various business functions and to sustainability work.

The representatives participating in the assessment assessed each identified impact, risk and opportunity and were instructed to take into account:
1) the scale and scope (and, for negative impacts, the irremediable character of the impact) together with their likelihoods and 2) the scale and likelihood of the assessed financial impacts of the financial risks and opportunities assessed.

The assessment used a five-step scale on the time horizons of short-term (less than 1 year), medium-term (1–5 years) and long-term (more than 5 years) as described in the table 9.

The quantitative materiality value for impacts was calculated as the product of the averages of the severity and likelihood scores assigned by each person participating in the assessment. Likewise, the materiality value for risks and opportunities was calculated as the product of the averages of the scale and likelihood scores for the related financial impacts.

The results of the preliminary assessment were discussed at a workshop arranged for SATO's Extended Corporate Management Group, where qualitative modifications were also made to the assessment results.

4. Compilation, validation and reporting of results

The outcome of the analysis was a list of sustainability matters material for SATO. SATO's Extended Corporate Management Group validated the process and the results in September 2024.

5. Update of double materiality analysis

SATO updated the double materiality analysis during 2025 as follows: The internal project group responsible for the double materiality analysis went through the IRO list and cut back, combined and further specified the descriptions of material topics, impacts, risks and opportunities. In this phase, the number of material topics, impacts, risks and opportunities was reduced to less than a third of the original. The scoring of material impacts, risks and opportunities was modified so that the score for each IRO is rounded to the nearest whole number and the likelihood of impacts ranked as actual was updated to a score of 4–5. The scoring update also resulted in two IROs turning non-material, whereby the final number of IROs material for SATO is 28. These have been described on the table 8.

The double materiality analysis update carried out by SATO's majority shareholder, Fastighets AB Balder, was also taken into account in the assessment. Based on this, S3 Affected communities was identified as non-material and was replaced by S4 Consumers and end-users as now being material.

The update of the double materiality analysis was validated in an autumn 2025 workshop in which, in addition to the internal project group, also SATO's Extended Corporate Management Group and the members of the Sustainability Steering Group, a total of 14 persons, took part. (ESRS 2, IRO-1, 51-53)

Table 9. Impact severity/positivity and likelihood

The severity of impact heatmap value	Scale (1/3)* (1/2) **	Scope (1/3)* (1/2) **	the irreversible nature of the impact (1/3)* (negative impacts only)	Likelihood heatmap value	Likelihood
5	Severely harmful climate or environmental impact, or an irreversible individual-level impact on life or health (incl. psychosocial)	The impact is almost global (e.g., climate impacts, as the atmosphere is shared by all).	The impact is irreversible. The harm caused to people or nature is irreversible and cannot be mitigated.	5	The actual impact: the impact is already occuring
4	Serious environmental impact or a permanent injury/ impairment at the individual level (incl. psychosocial and economic)	The impact extends to a population comparable in size to SATO's customer base or to a significant geographical area	The impact is very difficult or costly to remedy. The impacts on people and nature may be irreversible but can be mitigated.	4	Potential impact: highly likely
3	Moderate environmental impact or a prolonged absence from work / an individual-level impact requiring treatment (incl. psychosocial and economic)	The impact extends to a population comparable in size to the workers in SATO's value chain or to a moderate geographical area.	Difficult to remedy or requires significant resources, or only remediable in the medium to long term	3	Potential impact: likely, may occur
2	Minor climate or environmental impact, or a short-term work absence / a mild individual-level impact (incl. psychosocial and economic	The impact extends to a population comparable in size to SATO's own personnel or to a limited geographical area	Remediable, but requires time and resources	2	Potential impact: unlikely
1	Easily remediable climate or environmental impact, or temporary disruption of work / a minor individual-level impact (incl. psychosocial and economic).	The impact is limited to individual stakeholders or to a very small geographical area (a single office, workstation, vehicle, or machine)	An impact that can be corrected easily and at low cost in the short term	1	Potential impact: highly unlikely

*Weight of the factor for negative impacts

**"Weight of the factor for positive impacts

IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

The table below presents the disclosure requirements included in the Sustainability Report and their location in the report. (ESRS 2, IRO-2, 54-56)

Table 10. List of disclosure requirements included in the Sustainability Report

Disclosure requirement	Section	Page number	Additional information
ESRS 2	**General disclosures**	6	
BP-1	General basis for preparation of sustainability statements	6	
BP-2	Disclosures in relation to specific circumstances	6	
GOV-1	The role of the administrative, management and supervisory bodies	8	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	11	
GOV-3	Integration of sustainability-related performance in incentive schemes	11	
GOV-4	Statement on due diligence	11	
GOV-5	Risk management and internal controls over sustainability reporting	11	
SBM-1	Strategy, business model and value chain	12	
SBM-2	Interests and views of stakeholders	15	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	17	
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	21	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	23	

Disclosure requirement	Section	Page number	Additional information
Environmental information	**Climate change**	27	
E1-1	Transition plan for climate change mitigation	28	
E1-2	Policies related to climate change mitigation and adaptation	31	
E1-3	Actions and resources in relation to climate change policies	32	
E1-4	Targets related to climate change mitigation and adaptation	34	
E1-5	Energy consumption and mix	35	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	36	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits		non-material, no GHG removals and GHG mitigation projects financed through carbon credits
E1-8	Internal carbon pricing		non-material, no internal carbon pricing
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		SATO uses the phase-in provision and omits reporting on financial effects from climate change

Disclosure requirement	Section	Page number	Additional information
Environmental information	**Water and marine resources**	39	
E3-1	Policies related to water resources	39	
E3-2	Actions and resources related to water resources policies	40	
E3-3	Targets related to water resources	41	
E3-4	Water consumption	42	
E3-5	Anticipated financial effects from water resources-related risks and opportunities		SATO uses the phase-in provision and omits reporting on financial effects from water and marine resources

Disclosure requirement	Section	Page number	Additional information
Environmental information	**Resource use and circular economy**	43	
E5-1	Policies related to resource use and circular economy	43	
E5-2	Actions and resources in relation to resource use and circular economy	44	
E5-3	Targets related to resource use and circular economy	45	
E5-4	Resource inflows	46	
E5-5	Resource outflows	46	
E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities		SATO uses the phase-in provision and omits reporting on financial effects from resource use and circular economy

Disclosure requirement	Section	Page number	Additional information
Social information	**Own workforce**	52	
S1-1	Policies related to own workforce	55	
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	53	
S1-3	Processes to remediate negative impacts and channels for its own workforce to raise concerns	54	
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	55	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	56	
S1-6	Characteristics of the undertaking's employees	57	
S1-7	Characteristics of non-employees in the undertaking's own workforce	57	
S1-8	Collective bargaining coverage and social dialogue	58	
S1-9	Diversity metrics	58	
S1-10	Adequate wages	58	
S1-11	Social protection	58	
S1-13	Training and skills development metrics	58	
S1-14	Health and safety metrics	59	
S1-15	Work-life balance metrics	59	
S1-16	Remuneration metrics (pay gap and total remuneration)	59	
S1-17	Incidents, complaints and severe human rights impacts	60	

Disclosure requirement	Section	Page number	Additional information
Governance information	**Business conduct**	62	
G1-1	Business conduct policies and corporate culture	62	
G1-3	Prevention and detection of corruption and bribery	66	
G1-4	Incidents of corruption or bribery	66	

Environmental information

EI Climate change

Material impacts, risks and opportunities related to climate change

The double materiality analysis identified as material topics for SATO climate change and its sub-topics climate change mitigation, climate change adaptation and energy. The impacts, risks (climate-related physical risks to the undertaking and climate-related transition risks) and opportunities are shown in Table 11.

Climate-related material impacts, risks and opportunities with regard to SATO's strategy and business operations are assessed in every stage of the value chain regularly as part of the strategy process and annual planning of business activities.

Risks arising from climate change are assessed regularly in a risk assessment conducted annually. The results of risk assessments of previous years were taken into account in SATO's double materiality analysis. In the 2025 risk assessment, consistency with regard to climate-related risks was increased in line with the outcomes of the double materiality analysis.

SATO's most significant negative climate impacts (greenhouse gas emissions) occur from energy consumption during the residential use phase and from the development and repairs of homes. SATO makes systematic efforts to reduce any negative environmental impacts of its operations, for example by reducing greenhouse gas emissions.

Table 11. Material impacts, risks and opportunities related to climate change

Material ESRS topic	Value chain location	Type (material impact, risk or opportunity)	Description
Climate change mitigation	Upstream, Own operations, Downstream	Negative impact	Greenhouse gas emissions from SATO's and its value chains' operations have impacts on global warming.
Climate change mitigation	Upstream, Own operations, Downstream	Financial risk (transition risk)	If SATO is unable to reduce its emissions, this may affect SATO's reputation or, for example, cost of finance. If SATO or its partner fails to comply with the obligations laid down in legislation, SATO may be imposed sanctions for breach of regulation.
Climate change mitigation	Own operations	Financial opportunity	EU regulation with regard to green financing seeks to steer investment and financing towards environmentally sustainable activities. SATO's progress in energy-efficiency and emission reduction measures may promote access to finance and lower the cost of finance.
Climate change adaptation	Upstream, Own operations	Financial risk (physical risk)	Any increase in maintenance backlog (repairs postponed or not carried out) affects the resilience of properties against climate change impacts (such as storms, floods, increased precipitation and humidity). A maintenance backlog may generate additional costs over the long term if the condition of properties deteriorates, and this may reduce the value of properties. Postponing repairs may also have a negative impact on the achievement of SATO's emission reduction targets and, as a result, negative impact on SATO's reputation and/or the cost of finance.
Energy	Own operations	Positive impact	Replacing district heating with renewable energy and improving energy efficiency cut down greenhouse gas emissions.
Energy	Upstream, Own operations, Downstream	Financial opportunity	Improving the energy efficiency of properties and using locally produced renewable energy (geothermal heat, solar power systems) can generate savings in heating, cooling and electricity costs.
Energy	Upstream, Own operations, Downstream	Financial risk	Fluctuations in the availability of energy and increases in energy prices result in financial risks concerning SATO's operations and cost predictability.

EI-I Transition plan for climate change mitigation

According to the Finnish Ministry of the Environment, construction and buildings account for around a third of Finland's greenhouse gas emissions. In line with environmental guidance for construction as a whole in Finland, SATO has also focused on improving the energy efficiency of its properties and reducing in-use emissions.

SATO does not have a transition plan for climate change mitigation in accordance with ESRS E1 nor emission reduction targets in line with the Paris Agreement. SATO aims to publish a Climate Transition Plan (CTP) adopted by the SATO Board of Directors during 2026. SATO has been preparing for the formulation of the CTP by expanding the calculation of greenhouse gas emissions during 2025 and conducting a climate change scenario and resilience analysis. Data from the 2024 emissions calculations is used as baseline data for identifying emission reduction potential and reduction targets for the CTP. (E1-1, 17)

Resilience analysis in relation to climate change

In late 2025, SATO conducted a climate resilience analysis for a more in-depth assessment of climate-related risks and opportunities. The background analysis made use of sources including SATO's previous climate risk assessments, property-specific climate risk assessments and the results of the Carbon Risk Real Estate Monitor (CRREM) analysis conducted in 2025. Key SATO individuals from various units took part in the climate risk assessment and the validation of the results. The analysis identified 25 risks and opportunities over the medium-term (2030) and long-term (2050) time horizons.

The vulnerability and scenario analysis examined the vulnerability of SATO's business operations to climate risks with regard to four climate scenarios: the scenarios used were RCP 4.5 and RCP 8.5 for physical risks and SSP1 and STEPS for transition risks. The assessment was based on the most recent climate models available in Finland. The examination of multiple scenarios enabled the examination of different outlooks on the future. The scenarios are described in more detail in Table 12a. The resilience analysis covered SATO's value chain in its entirety.

In the assessment, the aggregate risk consisted of three factors: likelihood, exposure and vulnerability. In addition, the assessment took into account the capacity to adapt to risks. SATO's capacity for climate change adaptation and mitigation was assessed based on existing and planned actions. Table 12b shows the factors taken into account in the climate risk assessment.

Materiality was determined on the basis of the likelihood and impacts of the risk: if both the likelihood and the impacts of the aggregate risk exceeded 2.5 (of a maximum of 5) in one of the four scenarios used, the risk's impacts for SATO were material. There was some variation in the likelihoods and impacts of risks between the scenarios and time horizons (medium-term 2030 and long-term 2050). The risks and opportunities identified as material increased over the long term (2050), except for the transition risk from increasing investment in building energy efficiency and circular economy requirements, which is assessed to materialise over the medium term (2030).

The risks and opportunities identified in the resilience analysis as material are highlighted in bold in Table 13 Summary of SATO's climate risks. There are seven material physical risks, six transition risks and two transition-related opportunities. SATO also monitors the other risks identified in the analysis.

SATO's strategy, business model and risk management take climate change impacts into account. Even though several climate-related risks were identified in the climate change resilience analysis, SATO's current existing and planned actions concerning climate change adaptation and mitigation materially reduce SATO's vulnerability. SATO's existing actions relating to climate change adaptation and mitigation, for example energy-efficiency measures and increasing local renewable energy production, are discussed in the Sustainability Report under E1-3.

The work relating to the Climate Transition Plan (CTP) during 2026 will also set out in more detail any future actions relating to climate change mitigation and adaptation. The CTP will also serve as the basis for the targets and actions relating to climate change of the next Sustainability Programme.

Table 12a. Climate scenarios used by SATO in resilience analysis

Scenarios used in assessment of physical risks	
SSP2-4.5 / RCP 4.5 'Moderate climate policy'	**SSP5-8.5 / RCP 8.5 'Failure'**
CO_2 emissions will initially increase slightly but take a downturn from 2040 onwards. Towards the end of the century, the increase in CO_2 concentrations in the atmosphere will level off to roughly double compared to pre-industrial levels. The average global temperature increase is estimated to be 2.7 (2.1–3.5) °C at the end of this century.	Efforts to limit emissions turn out a total failure. Carbon dioxide emissions increase rapidly, more than tripling by the end of the century. At that point CO_2 concentrations will grow up to four times higher compared to pre-industrial levels and the strong increase will still continue from 2100 onwards, too. The average global temperature increase at the end of this century will be 4.4 (3.3–5.7) °C.
Scenarios used in the assessment of transition risks	
SSP1-2.6 / RCP 2.6 'Paris Agreement'	**STEPS 'Stated Policies Scenario'**
Highly effective emission reduction measures. Global CO_2 emissions will take a clear downturn already in the 2020s and will be slightly negative towards the end of the century. According to an estimate in the IPCC report, the average global temperature will have increased by 1.8 °C compared to pre-industrial times.	IEA scenario, which takes into account the policies stated by governments by the end of August 2024, including Nationally Determined Contributions. This scenario also takes into account that not all pledges made will be fulfilled. In this scenario, the average global temperature will rise by 2.4 °C by the end of the century.

Table 12b. Factors taken into account in climate risk assessment

Factors taken into account in climate risk assessment	
Likelihood and impact	**Exposure**
Determined on the basis of the scenario selected: Physical risks • RCP 4.5 / RCP 8.5 Transition risks • SSP1-2.6 / STEPS Impact determined on a scale of 1–5, where 5 = Actual impact 4 = Highly likely impact 3 = Likely impact 2 = Unlikely impact 1 = Highly unlikely impact	This scenario analysis did not assess exposure to risk specifically to type of location or structure, as the assumption is that all of the risks mentioned are over some degree of time material for SATO. The assumption is that SATO is either exposed (=1) or not exposed (=0) to the risk.
Vulnerability	**Resilience**
Vulnerability is determined in accordance with the characteristics of SATO's value chain. Vulnerability is determined on a scale of 1–5, where: 5 = Highly adverse/irreversible impact 4 = Serious/permanent impact 3 = Moderate/long-term impact 2 = Low/short-term impact 1 = Easily rectifiable impact	Resilience means existing and planned measures that have a material impact on a risk. A risk can be affected by transferring it, outsourcing (e.g. insurance), reducing exposure or adapting functions or the operating environment.

Table 13. Summary of SATO's climate risks

Part of value chain	Physical risks (acute and chronic risks)	Transition risks
Upstream		1. Increase in cost of materials **2. Increase in energy consumption and prices**
Own operations	**1. Corrosion** 2. Risk of rotting **3. Diagonal rain damage** 4. Storm **5. Floods** **6. Sea level rise; Coastal floods** 7. Solifluction 8. Wildfire 9. Water stress 10. Heat stress on workers (financial impact) **11. Heat stress on workers** (health impact)	**3. Increasing investments due to building energy-efficiency and circular economy requirements** **4. Opportunity: Energy savings due to building energy-efficiency requirements** **5. Ancillary risk of mitigation: hygrothermal damage** 6. Building energy-efficiency requirements 7. Biodiversity legislation **8. Transition in construction materials and construction** 9. Slow transition in legislation **10. Opportunity: Energy-efficiency requirements** **11. Net-zero emissions development**
Downstream	**12. Temperature changes; Precipitation changes (mould growth)** **13. Heat wave (thermal comfort)**	**12. CO_2 capture and storage**

EI-2 Policies related to climate change mitigation and adaptation

SATO's most significant negative climate impacts occur from energy consumption during the residential use phase and from the development and repairs of properties and homes. SATO's key policies related to climate change mitigation and adaptation and to increased energy efficiency and renewable energy are:

- strategy
- Sustainability Policy
- Carbon Roadmap 2025–2030
- Property Design, Repair and Maintenance Guidelines
- Green Finance Framework

In line with its strategy and sustainability policy, SATO makes systematic efforts to reduce any negative environmental impacts of its operations. SATO's property development is guided by creating a denser urban structure through land use planning for infill development. SATO's construction development and apartment acquisition mainly focus on established urban environments with good access to public transport links and services. This also supports residents' opportunities for mobility without private car use.

SATO will further refine the policies related to climate change in conjunction with the work on the Climate Transition Plan carried out during 2026.

Climate change mitigation
SATO's most important existing target with regard to climate change is carbon neutrality in terms of in-use energy consumption by the end of 2030. This target is adopted by SATO's Board of Directors and guides SATO's measures particularly relating to energy efficiency and introduction of renewable energy. The work is guided by the Carbon Roadmap adopted by the SATO Board, which was first published in 2023. The Carbon Roadmap describes the measures relating to reducing in-use energy consumption, improving the energy efficiency of properties and expanding the use of renewable energy by means of which SATO will reach the carbon neutrality target regarding in-use energy by the end of 2030. The Carbon Roadmap is described in more detail in the Sustainability Report under E1-3.

Climate change adaptation
SATO has identified acute and chronic physical risks relating to climate change that affect the durability, maintainability and maintenance costs of properties. The Property Design Guidelines take into account the durability of structures, and issues such as flood risks, increasing diagonal rain and humidity have already been prepared for by applying guidance concerning seafront properties also to inland locations. The permanent warming of the climate will also increase the need for property cooling.

Energy efficiency
The Property Design Guidelines guide the design of new rental apartments, which takes into account energy efficiency and construction solutions that will last for decades. SATO aims to maximise efficiency in construction and to avoid any unnecessary spaces that require heating or cooling. In newbuild construction, SATO aims for energy class A (E-value 75 or below), which is higher than required by building regulations (E-value 90). With regard to major renovation projects, the company aims to improve energy efficiency by at least 30% compared to the situation before the renovation.

Introduction of renewable energy
SATO invests at its properties in renewable, locally produced energy, that is, geothermal heating and solar energy. The use of renewable energy for heating significantly reduces the in-use emissions of properties. For each newbuild and major renovation project, SATO assesses the potential introduction of geothermal heating or other use of local energy and heat recovery.

Green Finance Framework
The Green Finance Framework integrates SATO's sustainability targets with its financing solutions. Launched in 2020, SATO's Green Finance Framework was updated in 2023 to bring it in line with current market trends and best practices.

The framework enables the issue of various green finance instruments to (re)finance energy-efficient buildings, repairs to improve energy efficiency, and projects relating to renewable energy and waste management. The framework is in line with the current technical screening criteria of the EU Taxonomy concerning climate change mitigation. The framework covers green and energy-efficient buildings and energy-efficiency measures concerning new, existing and renovated buildings.

SATO's Green Finance Committee selects and approves the green projects each year. The committee comprises SATO's Chief Financial Officer, Group Treasurer and Sustainability Manager. (E1-2, 22-25)

EI-3 Actions and resources in relation to climate change policies

SATO's actions in relation to climate change are guided by the target, in line with the Sustainability Policy, for carbon neutrality in terms of in-use energy by the end of 2030. The annually updated Carbon Roadmap describes the continuous measures relating to reducing in-use energy, improving property energy efficiency and using renewable energy by means of which SATO can reach its carbon neutrality targets. The measures include energy-efficiency measures related to heating, ventilation, water and building systems at existing properties, AI-based heating control, monitoring and predictive maintenance, and cooperation with energy suppliers to improve energy efficiency and expand carbon-neutral energy solutions.

SATO invests in accordance with an annually adopted investment plan in increasing local renewable energy production, namely geothermal heating and solar power systems, and homes in energy classes A, B and C. The greatest impact in terms of improving the energy class is obtained by means of changing the heat source, for example by switching from district heat to geothermal heat. In addition, energy-efficiency measures relating to heating, ventilation, water and building services, such as installation of apartment-specific water meters, are carried out every year.

In 2025, solar power systems were installed at 60 properties with a total of 3,901 SATO rental homes. In 2025, a switch to geothermal heating took place at five properties with a total 325 rental homes. There were no emissions from electricity used for property operations in 2025 since the energy purchased came from 100% wind power. At year-end 2025, the share of carbon-neutral energy was 80%.

Table 14. Renewable, locally produced energy in SATO rental homes

Energy source	Number of apartments in 2025	Number of apartments in 2024
Solar power	8,517	4,616
Geothermal heat	2,146	1,820
Hybrid (heat pump and district heat)	212	70

During the year, apartment-specific water meters were installed in 901 existing rental homes. Apartment-specific meters enable residents to monitor their water consumption in real time on the OmaSATO online service and invoicing for water based on actual consumption.

At the end of 2025, there were 9,303 rental homes in energy classes A, B and C, accounting for 35% of SATO rental homes. The number of rental homes in classes A, B and C increased by 1,105 over the year.

Table 15. Energy classes of SATO rental homes

Energy class	Number of apartments in 2025	Number of apartments in 2024
A	1,989	1,829
B	3,591	2,583
C	3,723	3,786
D	4,605	4,682
E	11,940	11,905
F	946	999
G	0	0
No classification*	33	109

With regard to total emissions, Scope 2 market-based emissions accounted for around 53% of SATO's total emissions. SATO's Scope 2 emissions arise from heating and electricity used at SATO-owned properties. SATO has the opportunity to have a material influence on the reduction of Scope 2 emissions by means including improving the energy-efficiency of properties and replacing district heat with renewable, locally produced energy. For this reason, SATO's climate actions focused specifically on these measures.

SATO did not have any newbuild or major renovation projects underway in 2025.

SATO's actions relating to climate change mitigation, adaptation and energy in 2025 are described in more detail in Table 16.

Table 16. Measures relating to climate change

Sub-topic	Actions	Metrics and progress in 2025
Climate change mitigation, adaptation and energy	• Increasing locally produced energy: geothermal heating and solar power system installations • Energy-efficiency measures in accordance with the Carbon Roadmap relating to aspects including heating, ventilation, building services and water	• **Increase in number and share of homes in energy classes A, B and C**: At year-end 2025, there were 9,303 rental homes in classes A, B and C, accounting for 35% of SATO rental homes. The number of homes in classes A, B and C increased by 1,105 over the year. • **Increase in homes switched to geothermal heat:** We switched to geothermal heating at five properties with a total of 325 rental homes. • **Number of solar power systems at properties and homes:** We installed solar power systems at 60 properties with a total of 3,901 SATO rental homes. • **Continuous measures relating to heating, ventilation, building services and water carried out:** 901 apartment-specific water meters were installed.
Climate change mitigation	• Introduction of the carbon footprint calculation tool • Calculation of total emissions for 2024, incl. Scope 1, 2 and 3 emissions material for SATO • Written description of SATO's carbon footprint calculation model and process • Preparation for emissions calculation for 2025, e.g. developing data collection	• **SATO has introduced a carbon footprint calculation tool:** – Those collecting data for the calculation have received induction into the tool and the calculation principles. – SATO's carbon footprint calculation model and process have been described. – Total emissions for 2024 have been calculated, incl. Scope 1, 2 and 3 emissions material for SATO. – Preparations have been made for emissions calculation for 2025.
Climate change mitigation and adaptation	• Climate change scenario and resilience analysis • Carbon Risk Real Estate Monitor (CRREM) analysis	• **Scenario and resilience analysis and CRREM analysis carried out:** – In 2025, the climate change scenario and resilience analysis was completed, providing the basis for the work relating to the Climate Transition Plan – The CRREM analysis provides property-specific data on transition risks relating to climate change

(E1-3, 26-28)

EI-4 Targets related to climate change mitigation and adaptation

SATO aims to be carbon neutral in terms of in-use energy by the end of 2030. SATO will review and update targets related to climate change mitigation and adaptation during 2026 in conjunction with work relating to the Climate Transition Plan.

SATO's current targets relating to climate change mitigation, adaptation and energy as well as progress towards the targets and the status for 2025 are described in Table 17. The targets apply to SATO's own operations throughout SATO's operating area. Progress towards the targets is monitored annually by the Investments business, which is responsible for operating activities and, in addition, by the Sustainability Steering Group, the Corporate Management Group and the Board of Directors.

Table 17. Targets relating to climate change

Sub-topic	Target	Baseline value	Base year	Target state	Target year	Status in 2025	Progress
Climate change mitigation, adaptation and energy	SATO will be carbon neutral in terms of in-use energy consumption by the end of 2030	Scope 2 emissions (in-use energy) 28,396 tCO2e (applies to homes 100% owned by SATO)	2022	0 tCO2e	2030	Scope 2 (market-based emissions) 11,651 tCO2e (purchased in-use energy, applies to homes 100% owned by SATO)	Progressing as planned
		Share of carbon-neutral energy 46%	2022	100%	2030	Share of carbon-neutral energy 80% (2024:70%)	Progressing as planned
	Reduction of specific energy consumption (kWh/m^3/year)*	40.6 kWh/m^3/year	2022	38.6 kWh/m^3/year	2026	39.4 kWh/m^3/year (2024: 40,8 kWh/m^3/year)	Progressing as planned
	Increase in share of homes in energy classes A, B and C	5,458 / 22%	2022	Increase in share of homes in energy classes A, B and C by means of energy investments, repair activities and property portfolio management	2025	At year-end 2025, there were 9,303 rental homes in classes A,B and C, accounting for 35% of SATO rental homes. The number of homes in classes A,B and C increased by 1,105 over the year.	Progressing as planned
	Raising homes in energy class F to the next level	1,089	2022	The lowest energy class for SATO rental homes is E	2030	There are 946 homes in energy class F	Progressing as planned
	Increasing local renewable energy production	1,463 homes with geothermal heating or solar power system	2022	Local energy production at 13,000 homes featuring geothermal heat or a solar power system	2030	In 2025, we installed solar power systems at 60 properties with a total of 3,901 homes. In 2025, we switched to geothermal heating at five properties with a total of 325 rental homes. Total of 9,116 homes with geothermal heat tai solar power system	Progressing as planned

*Specific energy consumption has been calculated based on properties that remained under SATO's ownership and were in rental use for the entire reporting year, and for which measured energy consumption data is available (covering approximately 90% of total energy consumption). The total volume (m³) applied in the calculation includes all spaces within each property.

(ESRS 2, MDR-A, MDR-M and MDR-T)
(E1-4, 30-33)

EI-5 Energy consumption and mix

Table 18. Energy consumption and mix

Energy consumption and mix	2025
1) Fuel consumption from coal and coal products (MWh)	0
2) Fuel consumption from crude oil and petroleum products (MWh)	458
3) Fuel consumption from natural gas (MWh)	0
4) Fuel consumption from other fossil sources (MWh)	0
5) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)	116,770
6) Total fossil energy consumption (MWh)	**117,228**
Share of fossil sources in total energy consumption (%)	**52%**
7) Consumption from nuclear sources (MWh)	**0**
Share of consumption from nuclear sources in total energy consumption (%)	**0**
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	7
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	108,609
10) Consumption of self-generated non-fuel renewable energy (MWh)	1,017
11) Total renewable energy consumption (MWh)	**109,633**
Share of renewable sources in total energy consumption (%)	**48%**
Total energy consumption (MWh)	**226,861**

(E1-5, 37 a–c, i–iii, E1-5, 38 a–e, AR 32-34)

Table 19. Energy intensity per net revenue

Energy intensity per net revenue	2025
Energy intensity per net revenue (MWh/MEUR)	718.0
Total net revenue (financial statements)	316.1

The calculation of energy intensity is based on SATO's net revenue. SATO operates partly in sectors that are significant in terms of their climate impacts. Of these, sector F (construction) belongs to high climate impact sectors, whereas M (real estate activities) does not.

(E1-5, 40-43)

EI-6 Gross Scopes I, 2, 3 and total GHG emissions

SATO's greenhouse gas (GHG) emissions have been calculated and reported in accordance with the GHG Protocol. According to the GHG Protocol, greenhouse gas emissions are categorized into three scopes. Scope 1 covers direct emissions, while Scope 2 and Scope 3 cover indirect emissions. Scope 3 includes all other indirect emissions that occur in the value chain.

SATO developed the calculation of its emissions during 2025. Calculation was expanded with regard to value chain emissions and made more precise, and a new calculation tool was introduced. The emissions reported for 2025 are not comparable with emissions reported for previous years.

SATO's 2025 calculation includes Scopes 1 and 2 and, for Scope 3, the categories determined as material for SATO: 1, 2, 3, 5, 6, 7, 8 and 15. The majority of SATO's GHG emissions were generated in Scope 2. The second-largest emission category was Scope 3, with the highest emissions occurring at the beginning of the value chain, in category 2.

Table 20. Gross Scopes 1, 2, 3 and total GHG emissions

	2025
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO2e)	126
Percentage of Scope 1 | GHG emissions from regulated emission trading schemes (%)	0
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO2e)	30,091
Gross market-based Scope 2 GHG emissions (tCO2e)	23,900
Significant scope 3 GHG emissions	
Total Gross indirect (Scope 3) GHG emissions (tCO2e)	20,850
1 Purchased goods and services	763
2 Capital goods	15,900
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	569
5 Waste generated in operations	3,230
6 Business travel	39
7 Employee commuting	250
8 Upstream leased assets	82
15 Investments	17
Total GHG emissions	
Total GHG emissions (location-based) (tCO2e)	**51,067**
Total GHG emissions (market-based) (tCO2e)	**44,876**

SATO does not participate in the EU Emissions Trading System, whereby emissions from regulated emission trading schemes amount to 0%.

(E1-6, 44-52)

Table 21. Biogenic emissions

Biogenic emissions (tCO_2e)	2025
Scope 1	0
Scope 2	17,424
Scope 3	0
Total	**17,424**

(E1-6, AR 43c, AR 45e, AR 46j)

Table 22: Greenhouse gas intensity

GHG intensity per net revenue	2025
Total GHG emissions (location-based) per net revenue (tCO2e/ MEURt)	162.0
Total GHG emissions (market-based) per net revenue (tCO2e/ MEUR)	142.0
Total net revenue (financial statements)	316.1

(E1-6, AR 43, 45, 46)

Basis for preparation and calculation methodologies

SATO has calculated the carbon footprint of its operations in compliance with the standards and guidance of the GHG Protocol. The organisational boundary used in SATO's GHG calculation is based on financial control. The calculation covers the entire SATO Group and all of its business operations. The scope of consolidation of the Sustainability Report is the same as for the financial statements of the Group. The SATO Group (SATO) comprises the parent company, SATO Corporation, and its 10 subsidiaries pursuing business activities. Subsidiaries are entities over which SATO has control. A list of all entities owned by the Group or the parent company is presented in note 33.

In the calculation of Scope 1 and 2 emissions, all properties owned by SATO have been included in proportion to the company's ownership share. During the 2025 financial year, SATO had no joint ventures or associated companies material to the group. For Hakunilan Huolto Oy/Asumapalvelut, in which SATO's ownership share exceeds 30%, Scope 1 and 2 emissions are reported as part of SATO's Scope 3 emissions under Category 15.

Scope 1 GHG emissions comprise all direct emissions from SATO's operations from sources owned and operated by SATO. These include own energy production at properties, use of fuel by SATO-controlled business vehicles and any diffuse emissions, such as refrigerant leakages. The reported emissions of the company-owned vehicles are entirely based on the emission data provided by the leasing company. The calculation of emissions from fuels is based on emission factors from the LIPASTO Transmission Emissions Database of VTT Technical Research Centre of Finland. The amount of energy produced by the solar panels has been entered into the emissions accounting system, but it does not generate any emissions. There was a refrigerant leak in one property. The source of the emission factor used is the Intergovernmental Panel on Climate Change (IPCC).

Scope 2 GHG emissions cover indirect emissions from the production of energy consumed by SATO as electricity and heating at properties. For emissions relating to energy production, two separate emission figures have been calculated in accordance with the GHG Protocol: market-based and location-based. Market-based emissions are calculated by using the emission factors provided by energy producers. Location-based emissions are calculated by using the state-specific average emission factor for energy production. Where possible, the baseline data used comprises consumption data specific to the place of activity obtained from the EnerKey system. For those properties whose consumption is not known, the consumption data is estimated on the basis of consumption data for other properties. Nearly 90% of the consumption data has been measured, while the remainder has been estimated.

Where possible, biogenic emissions were calculated as additional information based on the share of biomass included in energy production or the quantity of biofuel consumed. According to the GHG protocol, only methane and nitrous oxide emissions (fossil emissions) should be included in the GHG inventory and biogenic carbon dioxide emissions should be reported separately. Where the energy producer had provided an emission factor for its biomass-based energy and it was not clear whether or not this included all fossil emissions (CH_4 and N_2O in addition to CO_2), or if the percentage of biomass in the energy mix was not known, the emissions were calculated on the basis of the emission factor provided by the energy company. The emission factors for electricity and heat take account the biogenic portion of fuels in accordance with the data provided by the energy suppliers. For district heat, the values based on the production mixes reported by heat suppliers to Finnish Energy are used as the emission factors. DEFRA's emission factors for biofuels are used as the emission factors for biogenic emissions.

Scope 3 GHG emissions are calculated to include emissions from eight (8) categories that are material for SATO's operations. The determination of materiality is not based on limit values set but, instead, on whether activities relating to the category occur in SATO's operations.

The following categories have been included in the emissions calculations: 1, 2, 3, 5, 6, 7, 8 and 15.

Category 1. Purchased goods and services includes goods and services relating to SATO's administration. The emissions calculation is mainly euro-based. Efforts have been made to group the purchased goods and services as precisely as possible so that the emission factor used for each group is as optimal as possible. The grouping is based on the structure of the income statement and the account groups used in financial accounting. If an account group has included very different kinds of services and products, more specific cost categories have been separated from the account groups. Emission factors based on prices of goods were obtained from the list published by the United States Environmental Protection Agency (EPA). For IT hardware, emissions have been calculated using product group specific emission factors and hardware-related costs have been deducted from expense-based calculation so that emissions are only calculated once. For emissions from IT procurement, ADEME databases have been used.

Category 2. Capital goods include all of SATO's property-related purchases, such as building alteration work and renovations as well as property maintenance costs. The calculation is euro-based and based on financial accounting data. Emissions from materials used in repairs and renovations have been calculated on the basis of number of items and square meterage where such data has been available. The sources for emission factors for calculations based the number of items or square meterage are ADEME and the construction database of the Finnish Environment Institute (SYKE). Emission factors based on prices of goods were obtained from the list published by the United States Environmental Protection Agency (EPA).

Category 3. Covers emissions relating to production and transport of fuels and energy not taken directly into account in Scope 1 or 2. Category 3 emissions were calculated based on Scope 1 and Scope 2 energy consumption data. Production-stage emissions of fuels are based on the emission factors database of the UK Department for Environment, Food & Rural Affairs (DEFRA) and Neste. Emission factors for energy production were calculated on the basis of the reported energy mix or residual mix. In Finland, energy producers include transmission and distribution (T&D) losses in the combustion emissions factor. SATO only operates in Finland, whereby these emissions are already included in Scope 2.

Category 5. Waste generated in operations includes waste generated at SATO properties, namely, by residents, which is calculated and reported by waste category based on waste reports of waste management operators. The majority of waste management operators produce their reports on waste quantities broken down by waste category. The calculation made use of the common emission factors of each waste category in relation to the quantity of waste generated. Pre-calculated emissions data was received from some of the operators. Category 5 does not include waste generated at SATO's office premises, since its treatment is included in euro amounts in category 1. In 2025, SATO had no newbuild construction or renovation projects underway, whereby the quantities of waste do not include waste generated on worksites. Waste data for residents has been obtained for those properties for which SATO has a waste management agreement and access to the relevant customer portals. For properties where SATO does not have a waste management contract, waste handling is included in the maintenance fees, and the associated emissions are accounted for using the

spend-based method under Category 2. Emission factors were obtained from the databases of the United States Environmental Protection Agency (EPA).

Category 6. Business travel includes business travel by air and by long-distance train or bus. The calculation also includes hotel accommodation relating to business travel in and outside of Finland. The baseline data for the calculation of the above-mentioned emissions was obtained from a survey conducted among SATO personnel, with 63% of SATO personnel responding. The responses were not extrapolated to correspond to the entire personnel. The calculation also includes business travels made with employees' passenger cars, for which the data was derived from a report obtained from the travel expense system on the kilometre allowances paid during 2025. Business travel by local public transport is excluded from the calculation as that is not regarded as generating significant emissions. Emission factors were obtained from database of the UK Department for Environment, Food & Rural Affairs (DEFRA).

Category 7. Employee commuting includes employee commuting between the home and the worksite. Emissions from remote work days were excluded from the calculation. Baseline data for the calculation of the emissions was obtained from a personnel survey combined with the survey used to collect baseline data for category 6. The survey asked about modes of mobility and number of commutes to and from the office per week as well the length of the commute. Since responses were not obtained from every employee, the results were scaled to reflect commuting by the entire personnel. 63% of the input data was obtained directly from employees. Emission factors were obtained from DEFRA databases. Commutes on foot or by bicycle are not regarded as generating emissions, whereby these were calculated using 0 as the factor.

Category 8. The emissions from the electricity and heat consumption of office premises rented by SATO in Helsinki and Tampere are included in the emissions. The calculation is based on the floor areas of the leased premises, verified from the lease agreements. Energy consumption has been estimated by converting the floor area (m^2) into energy use using a factor of 62.5 kWh per leased square metre (GLA). The applied emission factors have been sourced from the IVL Swedish Environmental Research Institute (IVL Svenska Miljöinstitutet). The category also includes indirect upstream emissions from the production of fuels used in leasing vehicles. The calculation is based on data provided by the leasing company regarding fuel consumption and the amount of electricity charged during the reporting period. The emission factors applied in the calculation are sourced from DEFRA, CO_2 Emission Factors, and the factors provided for Neste MY fuel.

Category 15. In this category, SATO reports scope 1 and 2 emissions from the maintenance company Hakunilan Huolto Oy/Asumapalvelut (ownership exceeding 30%). The company has provided for the calculation data on CO_2 emissions from business vehicles by driving power type and data on the square meterage and energy consumption of the company's office premises. For electricity, the emission factor applied was the 2024 residual mix published by the Finnish Energy Authority. District heating consumption was calculated using the average heat consumption per square metre from the Energy Industry's district heating statistics. The emission factor for heat was based on the City of Vantaa's emission factor.

The following categories were excluded from the calculation:

- 4. Upstream transportation and distribution as a category of its own was excluded from the calculation, since these emissions are already included in the purchase amounts of euro-based calculations of categories 1 and 2.
- 9. Downstream transportation, does not occur in SATO's operations
- 10. Processing of sold products, does not occur in SATO's operations
- 11. Use of sold products, does not occur in SATO's operations
- 12. End-of-life treatment of sold products, does not occur in SATO's operations
- 13. Downstream leased assets, baseline data required not available
- 14. Franchises, does not occur in SATO's operations

(E1-6, AR 39 b)

E3 Water and marine resources

Material impacts, risks and opportunities related to water resources

In the double materiality analysis, SATO identified as a material topic water resources from the perspective of water consumption. The material impacts, risks and opportunities related to water resources are shown in Table 23.

A positive impact identified with regard to water is the monitoring of water consumption using apartment-specific meters, which is the most effective way of influencing residents' water consumption. According to monitoring carried out by SATO, water meters reduce the average water consumption of residents. Water is a significant cost in property maintenance and any excessive water consumption by residents that cannot be invoiced to residents was identified as a financial risk to SATO.

Table 23. Material impacts, risks and opportunities related to water resources

Material ESRS topic	Value chain location	Type (material impact, risk or opportunity)	Description
Water	Own operations, Downstream	Positive impact	SATO can affect residents' water consumption by actively monitoring property and apartment water consumption with apartment-specific water meters and by invoicing for water based on actual consumption. Water consumption can also be reduced by means of water-efficient water fittings and guidance for residents.
Water	Downstream	Financial risk	Any excessive water consumption by residents at properties that cannot be invoiced to residents generates additional costs. SATO's water costs may increase further if water prices go up.

E3-1 Policies related to water resources

In line with SATO's sustainability policy, the company makes systematic efforts in its operations to reduce any adverse environmental impacts. One of the environmental targets specified in the Sustainability Policy is reducing water consumption. At SATO properties, most of the water consumption consists of water used by residents. Water is also consumed at properties in common areas, such as laundry rooms and the building's shared sauna and shower sections as well as property maintenance. On SATO's worksites, the contractors are responsible for water usage.

SATO takes water efficiency and reduction of water consumption into account in all of its operations. The key policies related to water at SATO are the Property Design, Repair and Maintenance Guidelines.

These policies aim to:

- monitor water consumption property-specifically, reduce water consumption at residential properties and provide residents with guidance for responsible and economical water consumption
- take into account in the design of newbuilds and repairs sustainable and water-efficient materials and construction solutions, such as water taps, showers and toilet installations
- monitor water consumption on worksites and guide contractors towards efficient water use
- repair and maintain homes and properties regularly and proactively in accordance with the life-cycle principle, taking water efficiency into account
- repair any leaking water fittings and other water leakages detected as soon as possible

Around 8,500 SATO rental homes have an apartment-specific water meter and invoicing based on water consumption, which guides residents' use of water. Residents can also monitor their own water consumption on the OmaSATO online service.

For the other homes, the monthly invoicing for water is based on the number of persons in the household. SATO provides residents with regular guidance through resident communication on moderate water consumption and reminds them to report any leaking water fittings. A leaking water fitting may waste tens or even hundreds of litres of water per day and should therefore be fixed as soon as possible.

SATO does not carry out product or service design, whereby this is not addressed in the company's policies relating to water. All SATO properties use the municipal water supply. SATO does not operate in water-stressed areas. (E3-1, 9–14)

E3-2 Actions and resources related to water resources

Measures to reduce water consumption within SATO's operations are integrated into the daily work of investments and housing business functions and are taken into account in the design and maintenance of properties, in line with the objectives described above under the principles related to water resources.

Investments in water-efficiency measures, such as the installation of apartment-specific water meters, are made annually in accordance with the investment plan approved by the Board.

At SATO, water consumption is monitored at the property level as well as for the entire property portfolio on a monthly and annual basis (E3-2, 15–17).

Actions and resources related to water resources are presented in Table 24.

Table 24. Actions relating to water resources

Sub-topic	Actions	Metrics and progress in 2025
Water	• Installation of apartment-specific water meters	• **The number of installed apartment-specific water meters**: A total of 901 apartment-specific water meters were installed throughout SATO's operating area. • **Reducing water consumption by at least 8% through the use of apartment-specific water meters:** In 2025, water consumption decreased on average by 15% in the properties where apartment-specific water meters had been installed at the end of the previous year and consumption-based invoicing began at the beginning of 2025.
	• Continuous water consumption management and monitoring, such as automated leakage alarms in all new water meters	• No metrics monitored were set for the action: • Consumption management and monitoring continued as planned
	• Installation of water-efficient fittings	• **Reduction of total water consumption:** Total water consumption in comparable properties decreased by 2% compared to the previous year. • Water-efficient fittings (such as taps, toilets) were installed in accordance with the Property Design Guidelines in conjunction with apartment and property repairs and fault repairs carried out by maintenance. SATO does not report the number of fittings installed or its contribution to reduced water consumption.
	• Providing residents with guidance and resident communication on reducing water consumption	• **Regular resident communication on current topics:** The residents were provided with tips on how to save water and information about invoicing for water in a newsletter during the year. Written in Finnish, the newsletter was received by around 23,500 residents. In addition, the housing advisers provide residents with guidance during their rounds in housing-related matters, including water.

(ESRS 2, MDR-A, MDR-M ja MDR-T)

E3-3 Targets related to water resources

In line with the Sustainability Policy and Carbon Roadmap, SATO's continuous aim is to reduce water consumption at properties. Reduced water consumption can also affect GHG emissions, since water heating consumes energy. SATO has not set a quantitative target for the reduction in water consumption for 2025. Total water consumption and leakage alerts are monitored continuously by the Investments business. Total water consumption is compared with the status for the previous year in proportion to residential square meterage.

Water-related targets are monitored and examined annually by, in addition to Investments, which is responsible for operating activities, the Sustainability Steering Group, the Corporate Management Group and the Board of Directors. The targets apply to SATO's own operations throughout SATO's operating area.

SATO does not operate in areas at water risk. SATO's targets relating to water resources are voluntary and do not take into consideration ecological thresholds or entity-specific allocations. The targets related to water resources are shown in Table 25 Targets for sustainability matters related to water resources.

Table 25. Targets for sustainability matters related to water resources

Sub-topic	Target	Baseline value	Base year	Target state	Target year	Status in 2025	Progress
Water	SATO is continuously reducing water consumption	not set	not set	SATO has not set a quantitative target for the reduction in water consumption	not set	Total water consumption was 2,536,310 m³. Total water consumption in comparable properties decreased by 2% compared to the previous year.	No quantitative target: Total water consumption decreased by 2% compared to the previous year.
Water	Reduction of water consumption at properties where apartment-specific water meters have been installed and consumption-based invoicing for water has been introduced	not set	2024	Consumption is reduced by at least 8%	2025	In 2025, water consumption decreased on average by 15% in the properties where apartment-specific water meters had been installed at the end of the previous year and consumption-based invoicing began at the beginning of 2025	Progressing as planned

(ESRS 2, MDR-A, MDR-M and MDR-T)
(E3-3, 20-25)

E3-4 Water consumption

Impacts, risks and opportunities related to water resources that are material for SATO relate to water consumption by residents. SATO monitors and reports on the water consumption of its properties, most of which consists of water consumed by residents in their homes. Water is also consumed at properties in common areas, such as laundry rooms or the building's shared sauna and shower sections as well as in maintenance.

SATO does not store water or use recycled or reused water in its operations nor operate in water stressed areas. (E3-4, 28 b-d, AR-28)

Table 26. Water consumption

Water consumption	Volume (m^3)
Total water consumption	2,536,310
Total water consumption in areas at water risk	0
Total water recycled	0
Total water reused	0
Total water stored and changes in storage	0

(E3-4, 28 a–d)

Table 27. Water intensity

Water intensity	2025	Unit
Total water consumption per net revenue on own operations	8,024	m^3 / EUR million
Total net revenue (financial statements)	316.1	EUR million

(E3-4, 29)

Calculation Methodology

Water consumption data is sourced from the company's consumption monitoring system, which receives information through either remote or manual readings. For sites with available measured data, consumption is reported directly. For all other sites, consumption is estimated based on the specific consumption of the measured sites. 83% of the consumption data is measured, while the rest is estimated. The calculation of water intensity is based on SATO's net revenue. (E3-4, 28 e, AR 28)

E5 Resource use and circular economy

SATO operates in the construction and real estate activities sectors. Land use and consumption of raw materials occurring in construction have significant impacts on nature and climate. According to the Finnish Ministry of the Environment, around 50% of global natural resources are used for buildings and construction, and the construction sector generates around 35% of GHG emissions and 30% of waste on a global scale.

The circular economy creates opportunities for the real estate and construction sectors to mitigate climate change and prevent biodiversity loss. Processes such as reuse and recycling of construction materials save natural resources and reduce the emissions and waste generated in the manufacture of new products. (Ministry of the Environment). Despite this, practices for reuse of resources and circular economy are only just emerging in the construction sector.

Table 28. Material impacts, risks and opportunities related to resource use and circular economy

Material ESRS topic	Value chain location	Type (material impact, risk or opportunity)	Description
Resource inflows	Upstream, Own operations	Negative impact	The use of resource-intensive raw materials and other materials in construction and repair causes adverse environmental impacts.
Waste	Upstream, Own operations, Downstream	Negative impact	Waste from property construction and demolition and waste from housing (residents') waste cause environmental impacts. Waste treatment also generates significant costs for SATO.

Material impacts, risks and opportunities related to resource use and circular economy

SATO identified resource use and circular economy as a material topic in its double materiality assessment. With regard to resource inflows, a material negative impact identified was the adverse environmental impacts of resource-intensive raw materials and materials used in construction and repairs. With regard to waste, a negative impact was identified relating to the environmental impacts of waste from property construction, demolition and housing. The double materiality analysis did not identify any material risks or opportunities related to resource use or circular economy.

Waste from SATO's construction and repair activities occurs in different phases of the life cycle of properties: construction development of properties (upstream value chain), maintenance and repairs (own operations) and demolition (downstream value chain). SATO is responsible for the collection of residents' household waste and for the delivery of the waste for treatment by waste management operators. SATO seeks to reduce the amount of mixed municipal waste at properties and to improve the recycling rate by providing residents with guidance and advice on the sorting and recycling of waste and to reduce the adverse effects of property waste and its treatment.

E5-1 Policies related to resource use and circular economy

At SATO, work relating to resource use and circular economy is guided by the Sustainability Policy and SATO's Sustainability Programme for 2023–2026, where the circular economy is one of the environment-related themes. In line with the Sustainability Policy, SATO makes systematic efforts in its operations to reduce any adverse environmental impacts, develop its experts' circular economy competence and pilot circular economy solutions in construction projects and property maintenance.

The key policies related to resource use and circular economy supplementing the policies outlined in the Sustainability Policy and the existing Sustainability Programme at SATO are:

- Property Design, Repair and Maintenance Guidelines
- building contract programme and its appendices, such as the Sustainable Demolition Guidelines for demolition projects
- work specifications, such as construction specification, HVACA specification, electrical specification

In line with these policies, SATO seeks to:

- repair and maintain homes and properties regularly and proactively in accordance with the life-cycle principle
- take into account in newbuild design not only energy efficiency but also construction solutions that will last for decades. The life cycle of the frame of buildings constructed for SATO is one hundred years, which significantly exceeds the average designed life cycle of buildings in Finland (the in-service life requirement for replaceable facades is 50 years and for building services 25 years)
- develop circular economy competence and pilot circular economy solutions in construction projects and property maintenance
- control and utilise construction waste on worksites and protect the worksite environment together with contractors
- provide contractors as well as property maintenance and servicing partners as well as other partners of SATO with guidance on the practices and policies required by the company
- reduce the amount of mixed municipal waste at properties and to improve the recycling rate by providing residents with guidance and advice on the sorting and recycling of waste and to reduce the adverse effects of property waste and its treatment

Contractors are responsible for the sorting and recycling of waste from construction and repair worksites as well as for implementation and for sourcing of construction materials in accordance with the building contract programme. The building contract programme is a legal and commercial contractual document used in construction and repair projects that guides the implementation of the project.

SATO's building contract programmes underline the use of sustainable and maintainable materials in construction and repair. The contractor is encouraged in construction and repair projects to promote and report the reuse of demolition material. Recycling of demolition waste means activity where demolition waste is reprocessed into products, materials or substances whether for the original or other purposes. According to the building contract programme, the contractor must minimise the adverse environmental impacts of the worksite by means of deconstruction and by recycling materials. In addition, the contractor must draw up a plan for compliance with environmental requirements and report the quantities of waste to the client half-yearly.

The waste recycling rate target in major renovation and newbuild construction during work is at least 90% (depending on the recovery rate of demolished concrete). In demolition projects, the recovery rate target of demolition waste, which includes both the recycling of waste and recovery as energy, is more than 90%. (E5-1, 12–16)

The company's policies do not address transitioning away from use of virgin resources or relative increases in use of secondary (recycled) resources nor provide comprehensive guidance on sustainable sourcing and use of renewable resources. SATO will develop the policies related to resource use and circular economy in the years ahead. (E5-1, 15)

E5-2 Actions and resources in relation to resource use and circular economy

In line with its Sustainability Policy and Sustainability Programme, SATO seeks to develop the circular economy competence of its employees and pilot circular economy solutions in construction projects and property maintenance. SATO did not have any construction, major renovation or demolition projects underway in 2025 where circular economy solutions could have been piloted and developed. SATO's actions in relation to resource use and circular economy focused in 2025 on competence development.

Efforts are made to avoid the generation of waste and to reduce the amount of waste in all operations in the various stages of the value chain by means including taking into account materials efficiency, sorting, recycling and appropriate treatment of waste. (E5-2, 17–20)

SATO's actions and resources for resource use and circular economy are shown in the table 29.

Table 29. Actions in sustainability matters related to resource use and circular economy

Sub-topic	Actions	Metrics and progress in 2025
Resource inflows	• Drawing up the Sustainability Criteria for Procurement guidelines for the most important procurement categories for competitive tendering and new agreements	• Circular economy principles included in materials selection criteria: The Sustainability Criteria for Procurement guidelines for the most important procurement categories were completed. The guidelines did not, however, yet take a stand on materials selection criteria, which are specified in documents including the Property Design Guidelines
Resource outflows	• SATO participated in circular economy networks of the construction and real estate activities sectors (such as the Helsinki Circular Economy Cluster Programme) and the Circular Economy GO project of Laurea University of Applied Sciences • SATO collaborates with Suomen Tekstiilikierrätys and provides locations at its properties for textile waste collection bins.	• Piloting circular economy solutions: There were no construction, major renovation or demolition projects underway in 2025 where circular economy solutions could have been piloted and developed. • In 2025, nearly 47,800 kg of textiles were collected for reuse from SATO's properties in cooperation with Suomen Tekstiilikierrätys.
Waste	• Monitoring and reporting of waste data • Discussions with waste operators about improving the quality of waste data to develop reporting • Developing SATO's sustainability reporting regarding waste	• Expanding emission calculation and developing waste reporting: • In 2025, emission calculation was expanded to include waste from own operations (waste generated by residents had previously been reported on the basis of the average resident-specific volume of waste reported by Statistics Finland and the number of residents) • Development of waste reporting has been launched in accordance with the ESRS. The development work will continue in 2026.

(ESRS 2, MDR-A, MDR-M ja MDR-T)

E5-3 Targets related to resource use and circular economy

In line with its sustainability policy, SATO seeks to develop circular economy competence and pilot circular economy solutions in construction projects and property maintenance. SATO has not set any measurable outcome-oriented targets related to resource use and circular economy.

Ecological thresholds and entity-specific allocations have not been taken into consideration when setting targets. SATO's targets related to resource use and circular economy are voluntary. SATO's current targets related to resource use and circular economy are shown in Table 30. (E5-2, 17–20)

Table 30. Targets in sustainability matters related to resource use and circular economy

Sub-topic	Target	Baseline	Base year	Target year	Status in 2025	Progress
Resource inflows	We will include circular economy principles in our materials selection criteria (increasing the usage rate of recycled materials, minimising the use of virgin material, reuse)	There are no circular economy principles in the materials selection criteria	2023	2026	• Circular economy principles did not progress into the materials selection criteria	• No progress during the year
Resource outflows	We develop our circular economy competence and pilot circular economy solutions in construction projects and property maintenance	SATO has experience in circular economy pilots, but the use of circular economy solutions in construction projects and property maintenance is not systematic.	2023	2026	• Implementation of circular economy pilots: There were no construction, major renovation or demolition projects underway in 2025 where circular economy solutions could have been piloted and developed. • Development of circular economy competence: SATO participated in networks of the construction and real estate sectors and the circular economy project of Laurea University of Applied Sciences	• Progress is slower than planned, as circular economy solutions for construction and demolition can only be tested in practice once projects are underway. The work has focused on developing competencies.
Waste	We are improving the coverage and quality of available waste data.	Waste data sourced from several different waste operators is scattered	2024	2026	• We explored the options available to develop reporting received from waste operators	• Progress slower than planned

(ESRS 2, MDR-A, MDR-M and MDR-T)

E5-4 Resource inflows

The resource inflows that are the most material for SATO's operations relate to raw materials and materials used in construction and repairs. The materials used and their quantities vary from year to year depending on implemented newbuild and major renovation projects and other repair projects. There were no newbuilds constructed or major renovations underway during the reporting year, whereby the material flows reported related to the refurbishment of individual apartments owned by SATO.

Procurement methods for materials vary and are often included in comprehensive contracts concluded with contractors. SATO has not collected data on material flows used in accordance with the ESRS requirements concerning contracts on building works, and there is not sufficient data available for calculation.

The materials included in the calculation include machines, equipment and materials used in renovation and repair activities, insofar as reliable quantity data has been reasonably accessible and the items are deemed material to the company's operations. Accordingly, the reported material flows include household appliances, bathroom fixtures and laminate flooring. IT equipment purchased for employee use has been excluded from the calculation, as the quantities and weights of such devices are assessed to be lower and less material compared with the renovation materials and the machines and equipment used within the properties. (E5-4, 28-31)

Table 31. Resource inflows

	Weight, tonnes
Technical materials	596
Biological materials	0
Total materials	596
Weight of recycled or reused materials	0

(E5-4, 30–31)

Calculation Methodology

The unit and square-metre quantities applied in the calculation were derived from order and purchasing data. Product-specific weights were sourced from public information, by using the weight data of those individual products representing the highest ordered volumes. The calculation covers only the materials themselves and excludes packaging, as the required disaggregated packaging data is not available. No information is available on the weight or proportion of any reused or recycled materials. (E5-4, 32), (AR 24)

E5-5 Resource outflows

Based on SATO's double materiality analysis, waste is the only material resource outflow. The waste generated in SATO's operations consists of waste from new construction, major renovation and demolition sites, as well as waste generated by residents and office premises rented by SATO. The waste streams from construction sites primarily comprise typical construction-sector waste, such as concrete, wood, soil and aggregates, metals, mixed construction waste and energy waste. In the reporting year 2025 SATO did not have any newbuild or major renovation projects underway, so the quantities of waste do not include waste from worksites.

The waste from residents consists of mixed waste, biowaste, paper and cardboard, glass, metal and plastic packaging waste, which is typical in the housing sector. In addition, bulky waste such as car tyres, refrigeration appliances, waste electrical and electronic equipment (WEEE), as well as various cleanup and construction waste was collected from the properties. The reported waste quantities include waste from residential properties for which SATO manages waste services and has access to reporting data. The calculation covers the majority of the waste handled by the company's contracted service providers. The reported waste quantities and treatment methods are primarily based on available reported data, supplemented with estimates where necessary to determine waste recovery methods. Some quantities are partially estimated, as not all waste is weighed.

The waste management costs of the operators included in the calculation cover most of SATO's total waste-management costs for 2025. For residential properties for which waste data was not available, waste quantities have not been estimated and are therefore excluded from the calculation. The waste quantities for leased premises have been calculated by allocating the property's total waste volume according to the proportion of floor area leased. The reported waste streams primarily consist of the following materials: non-metallic minerals, metals, plastics, glass, textiles, biomass, rubber and critical raw materials. No radioactive waste was generated. (E5-5, 38-40)

Table 32. Resource outflows, waste

Waste and waste treatment	Weight, tonnes
Hazardous waste	24
Non-hazardous waste	9,727
Total amount of waste	**9,751**

Waste diverted from disposal	Hazardous and non-hazardous waste
Preparation for reuse	0
Recycling	3,233
Other recovery operations	6,517
The total amount of waste diverted from disposal	**9,751**

Waste directed to disposal	Hazardous and non-hazardous waste
Incineration	0
Landfill	0
Other disposal operations	0
The total amount of waste diverted to disposal	**0**

Non-recycled waste	
Total amount of non-recycled waste (tonnes)	6,517
Percentage of non-recycled waste (%)	67%

The amounts of hazardous and non-hazardous waste could not be broken down by recovery method as required by the disclosure requirements. Accordingly, the reported waste quantities by recovery method represent the combined total of these waste categories. (E5-5, 37)

EU Taxonomy

Objectives and background

The EU Taxonomy is a system included in the EU's sustainable finance framework defining which economic activities can be classified as environmentally sustainable. It aims to direct investments to sustainable activities and support the achievement of the EU's climate and environmental targets.

The taxonomy assesses the sustainability of economic activities from the perspective of six environmental objectives:

1. climate change mitigation
2. climate change adaptation
3. sustainable use and protection of water and marine resources
4. transition to a circular economy
5. pollution prevention and control
6. protection and restoration of biodiversity and ecosystems

An economic activity is aligned with the Taxonomy when it contributes substantially to at least one of the listed environmental objectives. At the same time, it may not significantly harm any of the other environmental objectives (the 'do no significant harm' or DNSH principle). In addition, the undertaking must comply with the minimum safeguards (social standards) specified in the requirements.

The taxonomy report has been prepared in accordance with the EU Taxonomy Regulation (EU) 2020/852 and subsequent amendments. In 2025, the European Commission updated selected provisions of the EU Taxonomy Regulation and its delegated acts as part of its broader initiative to streamline sustainability reporting requirements. These updates will apply from 2026 onwards, but SATO has already incorporated certain changes into its 2025 reporting tables and uses the reporting templates set out in Commission Delegated Regulation (EU) 2026/73. In 2025, SATO publishes information on the taxonomy-eligibility and taxonomy-alignment of its activities for the first time. At this stage, taxonomy reporting is voluntary for SATO. SATO's taxonomy disclosures for 2025 have not been subject to external assurance.

Scope and screening

Economic activities falling under the scope of the Taxonomy are referred to as Taxonomy-eligible activities. In the EU Taxonomy, an economic activity takes place when resources (such as capital, labour, materials or technologies) are combined to produce goods or services.

An activity is Taxonomy-eligible if it is described in the Taxonomy Delegated Acts. The activity does not need to comply with the Technical Screening Criteria (TSC) set out in the Taxonomy to be Taxonomy-eligible, but it must be included in the list of economic activities defined in the EU Taxonomy Delegated Acts. SATO's business consists of housing business and investments related to residential properties and their support activities and is Taxonomy-eligible in its entirety.

The objective of SATO's investment activities is to effectively manage the housing portfolio and to enable profitable growth. The activities comprise the acquisition of residential properties and real estate, as well as the development of new rental housing in line with prevailing market conditions. Through renovation measures and energy-efficiency improvements, SATO enhances the occupancy potential and long-term value of its existing housing stock.

SATO's activities with regard to environmental objectives 1 (climate change mitigation) and 2 (climate change adaptation) belong to Section 7, Construction and real estate activities. For 2025, SATO reports the key figures for activity 7.7 Acquisition and ownership of buildings. Business activities substantially contribute to environmental objective 1 (climate change mitigation).

Substantial contribution to objectives

For an activity to be classified as Taxonomy-aligned, it must meet the criteria for a substantial contribution for at least one environmental objective. The screening criteria vary depending on the activity and the selected environmental objective.

SATO's assessment has been carried out at the level of individual buildings. In Taxonomy reporting, the applicable criteria vary according to the building's time of construction: the criteria set for buildings constructed before 31 December 2020 are different from the criteria for those constructed after that date. SATO uses the date of filing for the building permit, which is in line with the national practice.

Buildings constructed prior to 31 December 2020 are regarded as compliant with environmental objective 1 (climate change mitigation) if the building is in energy class A or belongs to the best 15% of the national building stock in terms of Primary Energy Demand. Buildings constructed after 31 December 2020 are regarded as compliant with environmental objective 1 if their energy efficiency is at least 10% better than the Near Zero-Energy Building (NZEB) requirements defined at national level. In addition, there are separate additional criteria set for buildings larger than 5,000 m² built after 31 December 2020.

Do no significant harm (DNSH)

For activity 7.7, the DNSH criterion is met if a climate risk screening has been conducted for the building in compliance with the Taxonomy requirements. The analysis must include an exposure assessment, a vulnerability analysis and the formulation and implementation of an action plan. The actions must be implemented within a period of five years.

SATO has carried out climate risk analyses that meet the Taxonomy requirements for its properties in a phased manner since 2023, and this work is being continued systematically. A process for the implementation and monitoring of the required actions is currently being developed.

Minimum safeguards

For an activity to be classified as Taxonomy-aligned, the undertaking must meet the minimum safeguards defined in the Taxonomy. The safeguards must cover human rights, including labour rights, anti-corruption and anti-bribery, taxation and fair competition. The undertaking must have appropriate due diligence processes and policies in place, and no violations of these may have occurred during the reporting year.

Based on SATO's internal assessment, the company complies with the minimum safeguards of the EU Taxonomy. SATO has the appropriate processes, policies and guidelines in place. SATO complies with internationally recognised human rights, labour legislation, collective agreements, the conventions of the International Labour Organization (ILO), and the United Nations Convention against Corruption.

SATO's Code of Ethics ensures that all employees follow the company's ethical principles and policies, and partners are also required to act in accordance with the same values. The Code of Ethics is supported by policies including the Anti-Corruption and Anti-Bribery Policy. SATO provides continuous training to its personnel on these topics and promotes awareness of compliance with the relevant policies and guidelines.

SATO's Board of Directors adopted the current Code of Ethics in December 2023, and the next update is due to take place in 2026. The company was not found guilty of any violations of legislation relating to the minimum safeguards during the 2025 reporting year.

Financial information

The table below reports SATO's net sales (turnover), capital expenditure (CapEx) and operating expenditure (OpEx) for properties that we have assessed as being Taxonomy-aligned and that were owned by us during the 2025 reporting year.

SATO's turnover consist of rental income and service charges, and the calculation is based on the consolidated financial statements. The share of Taxonomy-eligible turnover is 100%, and Taxonomy-aligned turnover is based on the income generated in 2025 from properties owned during the reporting year that meet the EU Taxonomy technical screening criteria.

Capital expenditure (CapEx) covers expenditure capitalised during the financial year that relates to the acquisition of properties and investments in existing properties. The total amount of investments used in the calculation consists of new investment properties acquired during 2025 and additional investments made in existing investment properties. Of these capital expenditures, 91% have been identified as Taxonomy-eligible. Taxonomy-aligned investments include all capitalised investments, during the reporting year, in the buildings and apartments that meet the EU Taxonomy criteria.

Operating expenditure (OpEx) consists of the property maintenance expenses as presented in the consolidated financial statements. Taxonomy-eligible operating expenses include maintenance and repair expenses for buildings and apartments, from which property taxes, energy and water-related expenses and credit losses have been deducted. The share of Taxonomy-eligible operating expenses has been identified as 56%. Taxonomy-aligned operating expenses consist of the costs related to the maintenance, servicing and repair of properties that meet the technical screening criteria and that are necessary to ensure the efficient and continuous use of the properties.

Table 33. Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (summary KPIs)

Financial year 2025					Breakdown by environmental objectives of Taxonomy aligned activities										
KPI	Total	Proportion of Taxonomy eligible activities	Taxonomy aligned activities	Proportion of Taxonomy aligned activities	Climate Change Mitigation	Climate Change Adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy aligned activities in pervious financial year	Proportion of Taxonomy aligned activities in pervious financial year
	EUR million	%	EUR million	%	%	%	%	%	%	%	%	%	%	EUR million	%
Turnover	316,1	100.0%	29.0	9.2%	9.2%						0.0%	0.0%	0.0%	N/A	N/A
CapEx	264,9	90.5%	0.8	0.31%	0.31%						0.0%	0.0%	0.0%	N/A	N/A
OpEx	93,2	56.0%	3.5	3.7%	3.7%						0.0%	0.0%	0.0%	N/A	N/A

Table 34. Proportion of turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

Reported KPI: Turnover

Financial year: 2025

					Environmental objective of Taxonomy aligned activities								
Economic activities	**Code**	**Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover)**	**Taxonomy aligned KPI (monetary value of Turnover)**	**Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover)**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transitional activity**	**Proportion of Taxonomy aligned in Taxonomy eligible**
		%	EUR million	%	%	%	%	%	%	%	E where applicable	T where applicable	%
Acquisition and ownership of buildings	CCM 7.7	100.0%	29.0	9.2%	9.2%	0%	0%	0%	0%	0%			9.2%
Sum of alignment per objective					9.2%								
Total KPI (Turnover)		100.0%	29.0	9.2%	9.2%						0.0%	0.0%	9.2%

Table 35.Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

Reported KPI: CapEx

Financial year: 2025

					Environmental objective of Taxonomy aligned activities								
Economic activities	**Code**	**Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx)**	**Taxonomy aligned KPI (monetary value of CapEx)**	**Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx)**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transitional activity**	**Proportion of Taxonomy aligned in Taxonomy eligible**
		%	EUR million	%	%	%	%	%	%	%	E where applicable	T where applicable	%
Acquisition and ownership of buildings	CCM 7.7	90.5%	0.8	0.31%	0.31%	0%	0%	0%	0%	0%			0.35%
Sum of alignment per objective					0.31%								
Total KPI (CapEx)		90.5%	0.8	0.31%	0.31%						0.0%	0.0%	0.35%

Table 36. Proportion of OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

Reported KPI: OpEx
Financial year: 2025

					Environmental objective of Taxonomy aligned activities								
Economic activities	**Code**	**Taxonomy eligible KPI (Proportion of Taxonomy eligible OpEx)**	**Taxonomy aligned KPI (monetary value of OpEx)**	**Taxonomy aligned KPI (Proportion of Taxonomy aligned OpEx)**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transitional activity**	**Proportion of Taxonomy aligned in Taxonomy eligible**
		%	EUR million	%	%	%	%	%	%	%	E where applicable	T where applicable	%
Acquisition and ownership of buildings	CCM 7.7	56.0%	3.5	3.7%	3.7%	0%	0%	0%	0%	0%			6.6%
Sum of alignment per objective					3.7%								
Total KPI (OpEx)		56.0%	3.5	3.7%	3.7%						0.0%	0.0%	6.6%

Social information

SI Own workforce

Impacts, risks and opportunities related to own workforce

The double materiality assessment identified the topic of own workforce and its sub-topics working conditions and equal treatment and opportunities for all as material for SATO. Impacts, risks and opportunities related to own workforce are shown in the table below. No material risks or opportunities related to own workforce were identified in the double materiality analysis.

Personnel is one of the three priorities of the SATO strategy. Personnel-related work at SATO focuses, in line with the strategy, on employees' wellbeing at work, ability to work, occupational safety and health, and competence as well as the development of managerial and leadership work. The impacts, risks and opportunities identified are linked with SATO's strategy and business model. The material impacts identified occur through own operations and apply to SATO's entire personnel. SATO's workforce consists of employees, specialists, supervisors and executives. SATO's entire personnel work in Finland.

SATO identified the company's investments in the wellbeing at work, ability work and occupational safety and health of the employees as a positive impact. A negative impact on own workforce identified by SATO is sick leaves relating to mental workload and work-related accidents resulting in days lost. Practices related to equality and diversity were identified as a positive impact. (ESRS 2, SBM-3, 48)

Table 37. Impacts, risks and opportunities related to own workforce

Material ESRS topic	Value chain location	Type (material impact, risk or opportunity)	Description
Working conditions	Own operations	Negative impact	Challenging customer encounters (such as threatening situations) at properties and in customer service work may burden employees' mental health and result in sick leaves. Work-related accidents resulting in days lost may take place in contexts including traffic during journeys between work and home, work-related transactions, and in maintenance and upkeep duties at properties.
Working conditions	Own operations	Positive impact	SATO looks after its employees' wellbeing at work, ability to work and occupational health and safety. SATO invests in ensuring smooth everyday work (clear role descriptions, objectives and managerial work). SATO provides its employees with occupational healthcare services and cooperates closely with the occupational healthcare provider to reduce absences due to illness or injury. Employee wellbeing is supported by good work–life balance. SATO aims to prevent work-related accidents and ensure that every SATO staff member feels safe while at work.
Equal treatment and opportunities for all	Own operations	Positive impact	SATO values and promotes diversity and equality. Consistent practices and operating models based on guidelines ensure an experience of fairness and equality. Each person must be treated respectfully, and there is zero tolerance for any form of inappropriate treatment, discrimination or harassment. Equal treatment and conduct in accordance with SATO's values strengthen the corporate culture, employee wellbeing and commitment.

SI-I Policies related to own workforce

In addition to applicable law, sustainability related to own workforce is guided by the Code of Ethics adopted by the SATO Board of Directors, which also imposes obligations on SATO's partners. SATO complies with internationally recognised human rights, labour law, collective agreements and provisions of the International Labour Organization (ILO) and the UN Convention Against Corruption. SATO's policies related to own workforce also cover the matters referred to in the UN Guiding Principles on Business and Human Rights (UNGP).

SATO's Code of Ethics includes principles relating to respect for human rights, equal treatment and occupational safety and health. SATO's Code of Ethics prohibits human trafficking, forced labour and child labour. The company seeks to identify, address, prevent and mitigate any adverse human rights impacts by the following means:

- Identifying and assessing the human rights impacts and risks of own operations
- Updating guidelines, principles and policies regularly and providing supervisors as well as the entire personnel and partners with training
- Monitoring the realisation of human rights in all operations of SATO
- Reporting on human rights impacts and risks in own operations (S1, 20-22)

SATO's policies concerning own workforce apply to the entire personnel, except for temporary agency workers, to whom the policies are only applicable in part. SATO has provided written guidelines on the following topics related to own workforce:

- Terms and conditions and practices of contractual employment relationships (Employment Relationships Guide)
- Occupational health and wellbeing
- Occupational safety
- Benefits and remuneration
- Induction
- Travel
- Equality and Non-Discrimination Plan
- Guide to Combatting Harassment and Discrimination
- Diversity, Equity and Inclusion (DEI) Plan

The policies can be found on SATO's intranet.

Working conditions

SATO has a consistent and transparent approach to matters relating to own workforce. In contractual employment relationships, SATO complies with applicable law as well as collective agreements and guidelines, which are accessible by all SATO staff members on the intranet.

SATO provides its personnel with good employee benefits, and a written employment contract is concluded with every employee. A total of 94% of SATO's employment contracts are permanent contracts. Fixed-term employment contracts are only used for a separately justified reason, such as work as a substitute or intern. SATO's recruitment and remuneration are equal and non-discriminatory. Employees have the right to belong to the organisations of their choice. All SATO employees have equal opportunities for career development and advancement.

There are three collective agreements complied with at SATO: the Palta Collective Labour Agreement for Salaried Employees applies to the employment contracts of salaried employees, the Basic Agreement of the Confederation of Finnish Industry and Employers (TT) and the Federation of Professional and Managerial Staff (YTN) to senior salaried employees, and the Collective Labour Agreement for the Facilities Services Sector to the employment contracts of workers.

As a general rule, at SATO the daily working time is 7.5 hours and the weekly working time 37.5 hours. The company applies flexible working hours. Monitoring of working hours is part of the supervisors' duties. At SATO, hybrid work is carried out in roles where this is possible.

SATO pays particular attention to promoting wellbeing at work and ability to work as well as enhancing occupational safety and health (OSH). SATO provides its employees with occupational healthcare services and cooperates closely with the occupational healthcare provider. In addition to the occupational healthcare services, the company provides the entire personnel with a separate mental wellbeing service for access to support in aspects such as coping at work, stress management, self-management or managerial work. Efforts are made to ensure smooth everyday work by making sure each employee has a clear role description and targets as well as by continuously developing managerial work. At SATO, employees are encouraged to seek good work–life balance.

OSH at SATO is guided by legislation including the Occupational Safety and Health Act and the Occupational Health Care Act and SATO's own guidelines on OSH (OSH Manual). SATO aims to prevent work-related accidents and reduce work-related accidents resulting in days lost. There is a systematic approach to safe work based on SATO's OSH guidelines and practices. The entire personnel receive regular training concerning OSH-related guidelines and practices. (S1, 17-23)

Equal treatment and opportunities for all

In the double materiality analysis, SATO identified as a positive impact the fact that SATO values and promotes diversity and equality. Consistent practices and operating models have been created for the company to ensure an experience of fairness and equality. Equal treatment and conduct in accordance with SATO's values strengthen the corporate culture, employee wellbeing and commitment.

In line with the Code of Ethics, at SATO all kinds of people are valued. SATO's values – human to human, we are bold and aim high, and the joy of succeeding together – form the basis of the Code of Ethics. Everyone must be treated with respect, and there is zero tolerance for inappropriate treatment, discrimination and harassment. Promoting diversity and equality is one of the themes of SATO's Sustainability Programme for 2023−2026. As an action under the Sustainability Programme, SATO drew up a Diversity, Equity and Inclusion (DEI) Plan and launched measures under the plan in the company in 2023.

SATO's equality policies aim to ensure that all employees have equal opportunities for career development and advancement and for equal pay regardless of their gender. SATO has an Equality and Non-Discrimination Plan, the purpose of which is to identify, prevent and eliminate discrimination and promote equality and non-discrimination at all levels. The plan is based on the Non-Discrimination Act and the Act on Equality between Women and Men.

A pay survey conducted in 2023 shows that there is a relatively good gender pay balance between female and male employees. SATO has started preparations for the entry into force of the EU Pay Transparency Directive. SATO is committed to providing all employees with a safe and respectful workplace environment where harassment and discrimination are prohibited. SATO has produced Anti-Harassment and Anti-Discrimination Guidelines, which are available to all on the intranet. SATO wants to promote an atmosphere of trust where any employee experiencing harassment would dare to report the situation they encountered to a supervisor, the HR, a cooperation representative, the OSH Manager or, for example, a colleague. (S1, 24)

Protection of privacy
SATO is committed to compliance with data protection legislation and information security requirements in all of its operations. SATO's Data Protection Policy and Guidelines aim to ensure the protection of the privacy of employees, customers and other stakeholders in all processing of personal data. The Data Protection Policy applies to all SATO employees. Every SATO staff member must participate in data protection training and pass the annual data protection test. The Data Protection Guidelines are available to all on the intranet.

SI-2 Processes for engaging with own workforce and workers' representatives about impacts

SATO engages with its own employees both directly and through the representatives of employees. Most of the engagement takes place when supervisors and employees meet each other and at team and unit meetings. There are regular personnel briefings organised at SATO once or twice a month, where topics that are current at any given time are discussed. SATO's President and CEO is the most senior role that has responsibility for ensuring that this engagement happens and that the results inform the undertaking's approach.

SATO has a joint open discussion forum (Tarmo group) for senior management and employees. The purpose of the Tarmo group is to jointly develop personnel matters and approaches based on wellbeing at work and SATO's values. The group also engages in the dialogue required under the Co-operation Act. In the Tarmo group, the employer is represented by the SATO President and CEO and the Vice President for Human Resources, and SATO staff members by the cooperation representatives elected by workers, salaried employees and senior salaried employees. The personnel elect the cooperation representative and other members of the Tarmo group every two years. The Tarmo group meets four times a year. Personnel may raise topics for discussion by the group through the Tarmo representative of their own unit.

SATO has an Occupational Safety and Health (OSH) Committee, which monitors, regularly and at its own initiative, the safety and healthiness of the workplace environment and makes proposals for improvements and development. The OSH Committee meets under the leadership of the OSH Manager four times a year and addresses at its meetings current OSH topics as well as proposals for improvements or development and draws up proposals for solutions. The OSH Committee and the OSH representatives also provide support for wellbeing at work and in case of any conflicts. The OSH Committee consists of the OSH representative and two deputy OSH representatives elected by the employees, and the OSH Manager.

SATO has an operational OSH team (Hanska) operating under the OSH Committee and consisting, in addition to the OSH Manager, representatives of the various units. The Hanska team promotes and develops OSH at SATO.

SATO's employee experience has been developed with a long-term approach and is measured with a personnel survey conducted regularly. The 2025 survey took place in September and was responded to by 81% of SATO staff members. Of the respondents, 89% found SATO a very good workplace. The results of the survey are discussed with the personnel at team and unit meetings and, at company level, at the personnel briefings. The results of the personnel survey are reported to the SATO Board of Directors. Where necessary, supervisors receive support in communicating the results and discussions with their teams. SATO's HR is responsible for the implementation of the personnel survey. The units and teams are responsible for development measures and their monitoring on the basis of the survey results. In addition to the personnel-wide survey, teams and units may conduct less extensive Pulse surveys where necessary. In late 2025, the set of personnel surveys for the following year was reformed.

SATO has not determined any separate measures for personnel groups who may be particularly vulnerable to impacts or marginalised. (S1, 25–29)

SI-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

SATO has in place a whistleblowing channel through which personnel may also report confidentially on any misconduct or other inappropriate activity detected or suspected by them. Reports may also be submitted concerning harassment, physical or emotional violence or other inappropriate conduct or treatment at SATO. However, in such cases it is primarily recommended that the matter be brought up with one's own supervisor and/or HR. SATO's whistleblowing process is described in more detail in the Sustainability Report under G1-1 on Mechanism for identifying, reporting and investigating concerns.

SATO has guidelines on how to prevent and address discrimination and harassment. The guidelines can be found on the intranet. SATO requires that all supervisors and employees are aware of the zero tolerance for any harassment in the workplace. Guidance provided to supervisors seeks to ensure that supervisors have the capacity to address any harassment. In addition, SATO seeks to promote an atmosphere of trust where any employee experiencing harassment dares to report the situation they encountered to a supervisor, the HR, a cooperation representative, the OSH Manager or, for example, a colleague. The supervisor is obligated to impartially look into what happened and produce a written memo on the discussions. Following this, the supervisor is responsible for the implementation of any measures required. The conclusions and matters agreed jointly are recorded. The supervisor is responsible for monitoring the situation and the impact of any corrective action.

Any breaches of data protection are reported in accordance with the Data Protection Policy to SATO's Data Protection Officer who, under applicable law, must report any breaches of data protection relating to personal data to the data protection authority and to the data subjects concerned. The report must be submitted within 72 hours of SATO having detected the breach. Breaches are addressed by the Data Protection Group.

Occupational accidents and safety incidents are reported to the personnel system in accordance with the guidelines provided in the OSH Manual. By carrying out monitoring and reporting, SATO seeks to improve OSH approaches and prevent future incidents. (S1, 30-34)

SI-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

SATO's actions on material impacts, risks and opportunities related to own workforce are guided, in addition to the SATO strategy, by internally specified targets and action plans that are described in the HR annual plan and the occupational healthcare action plan.

In September, SATO organised the SATO Day, a training and recreation day for the entire personnel, the purpose of which was to promote cooperation across team boundaries.

SATO has a DEI Plan under which SATO seeks to strengthen understanding and competence concerning diversity and, consequently, to support SATO's diverse customer base. SATO makes efforts to identify and eradicate obstacles that might put people into unequal situations. The aim is for everyone to be able to come to work as themselves, experiencing appreciation and belonging to our group while promoting SATO's values. Training in the theme has been provided at SATO not only for supervisors but also for the entire personnel. In accordance with the plan, SATO has taken measures including reforming the recruitment process to increase diversity and coaching supervisors in taking diversity into account in all stages of recruitment. The principle of positive action is applied in recruitment, allowing the use a characteristic that is under-represented in the workplace community as a selection criterion in situations where there are two equally qualified candidates. Practices in line with the DEI Plan were implemented in 2025, but no new actions were promoted. (S1, 35-43)

SATO's actions and related metrics concerning own workforce are presented in Table 38.

Table 38. Actions related to own workforce

Sub-topic	Area	Actions	Metrics and progress in 2025
Working conditions	Occupational health, wellbeing at work, ability to work	• Preventive work and support for mental health (incl. early support, supervisor support) • BOOSTI expert talks providing SATO staff members with wellbeing tips • Close cooperation with occupational healthcare provider	• **Number of sick leaves:** Sick leaves related to mental health decreased by 18% year on year
Working conditions	OSH culture and policies	• Actions by OSH committee and Hanska OSH team • Reform of and induction into Electrical and Chemicals Safety Guidelines • Identifying threatening situations • Personnel guidelines and reminders to increase and record safety observations	• **Amount of sick leaves due to accidents at work:** Amount of sick leaves due to accidents at work decreased by 17% year on year • **Increase in recorded safety observations by 50% compared with 2024:** Recorded safety observations remained at the same level as in the previous year
Working conditions	Competence development	• In line with the competence development programme, the main focus was on the following themes: sustainability, data and analytics, and AI and process and project competence • Competence development in accordance with the personal development plan	• **Actions under the programme implemented:** – Info briefings, online courses, induction sessions and training events were organised for personnel by target group under the competence development programme regarding sustainability, AI, and process and project management – An AI ambassador was selected from each unit to support the unit's employees in the use of AI. – External training in project and process competence was also provided, and those taking part in project and process work received induction into SATO's operating models and tools – Personnel received internal training on biodiversity guidelines – Implementation of development plan: A personal development plan has been drawn up for 47% of SATO staff members
Equal treatment and opportunities for all	Pay transparency	• Harmonisation of job descriptions: consistent job descriptions that include job classification into job grades • Determination of the company's pay scales • Conducting a male/female pay comparison • Plan to rectify any unexplained male/female pay differences	• **Progress in preparation-related actions:** Actions commenced in 2025. The work will be completed in 2026 by the entry into force of the Pay Transparency Directive (June 2026).

(ESRS 2, MDR-A, MDR-M and MDR-T)

SI-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SATO's targets related to managing identified positive and negative personnel impacts as well as to managing risks and making use of opportunities are guided by the company's strategy, where personnel is one of the three priorities. Over the short term, the most important targets related to own workforce are set as part of the annual strategy process, which also takes into account the targets and actions of the current Sustainability Programme.

More specific targets, actions and relevant metrics related to own workforce are determined in the action plan of the HR unit. Own workforce or its representatives do not participate at SATO in the setting of targets of the entire undertaking concerning own workforce. However, each team and unit agree on the respective targets and actions related to their own workforce. (S1, 44-47)

SATO's targets and their progress in 2025 for managing identified positive and negative impacts and risks related to personnel, as well as for leveraging opportunities, are presented in table 39.

Table 39. Targets in sustainability matters related to own workforce

Sub-topic	Target	Base year	Target year	Status in 2025	Progress
Working conditions	Reduction of sick leaves related to mental health year on year	2024	2025	Sick leaves related to mental health decreased by 18% year on year	Target reached
	Reduction in sick leaves due to OHS incidents compared with 2024	2024	2025	Sick leaves due to accidents at work decreased by 17% year on year	Target reached
	Strengthening health and safety at work oriented culture and ways of doing things	2024	2025	Number of recorded safety observations remained in the same level as in the previous year	Target not reached
Equal treatment and opportunities for all	SATO has made preparations to operate in compliance with the Pay Transparency Directive	2025	2026	Preparatory work related to the Pay Transparency Directive began at the end of 2025. A standardised role description template was introduced in December 2025.	Target reached. Work on preparing for the Pay Transparency Directive will continue in 2026.

SI-6 Characteristics of the undertaking's employees

The data reported only includes SATO's own employees. Data on workforce other than those with an employment contract is reported under S1-7 Characteristics of non-employees in the undertaking's own workforce. The data reported is presented as at the end of the reporting period at 31 December 2025. The number of own employees did not vary significantly during the reporting period. All of SATO employees worked in Finland. A total of 94% of SATO's employment contracts are permanent contracts. Fixed-term employment contracts are only used for a separately justified reason, such as work as a substitute or intern.

The total number of employees who left SATO during the reporting period includes the following causes resulting in termination of employment: retirement, voluntary resignation and termination of fixed-term employment contract. The rate of employee turnover has been calculated using the same number of persons.

(S1-6, 50 d-e) (AR-58)

Table 40. Number of employees (headcount) at 31 December 2025

Gender	Number
Male	176
Female	138
Other	not applicable
Not stated	0
Total employees	314

The number of employees 31.12.2025 (S1-6, 50 f)

Table 41. Number of employees by contract type broken down by gender, at 31 December 2025

Male	Female	Other	Not stated	Total
Number of employees (head count)				
176	138			314
Number of permanent employees (head count)				
166	129			295
Number of temporary employees (head count)				
10	9			19
Number of non-guaranteed hours employees (head count)				
2	8			10
Number of full-time employees (head count)				
171	124			295
Number of part-time employees (head count)				
3	6			9

(S1-6, 50b)

Table 42. Employee turnover and number of employees who left the undertaking

	2025
Employee turnover, %	5.7
Total number of employees who left the undertaking	18

(S1-6 50c), (AR 59)

Turnover is calculated by comparing the number of employment contracts that ended during the year with the total number of personnel on the last day of the year. All ended employment contracts except fixed-term ones are included in the calculation.

(S1-6 50d-f), (AR-60) (S1-6 50d-f)

SI-7 Characteristics of non-employees in the undertaking's own workforce

At year-end 2025, there were altogether 26 external non-employees working for SATO.

(S1-7, 55 a)

The number of non-employees is based on an estimate obtained from the business operations.

(S1-7, 55 b-c)

SI-8 Collective bargaining coverage and social dialogue

SATO is not an active participant to collective bargaining and there is no local bargaining at SATO.

The proportion of SATO's own workforce covered by a collective agreement is 54.5%, excluding senior management and senior salaried employees. With regard to those employees who are not within the scope of any collective agreement, SATO complies with the labour law applicable in Finland as well as the company's common practices and operating models.

There are three collective agreements complied with at SATO: the Palta Collective Labour Agreement for Salaried Employees applies to the employment contracts of salaried employees, the Basic Agreement of the Confederation of Finnish Industry and Employers (TT) and the Federation of Professional and Managerial Staff (YTN) to senior salaried employees, and the Collective Labour Agreement for the Facilities Services Sector to the employment contracts of workers. SATO's Corporate Management Group is covered by the scope of pay rises based on collective agreements. (S1-8, 60 a–b), (AR 66)

Table 43. Coverage of collective bargaining agreements and social dialogue

Coverage Rate	Employees – EEA *	
	Collective bargaining coverage	Social dialogue
0–19%		SATO is not a party to labour market negotiations. Not applicable to SATO
20–39%		
40–59%	Finland (54.5%)	
60–79%		
80–100%		

* All of SATO's employees work in Finland.

(S1-8, AR 70)

SI-9 Diversity metrics

Table 44. Gender distribution at top management level

Gender distribution	
Gender distribution of extended Management Team, number (male/female)	5/4
Gender distribution of extended Management Team, % (male/female)	56/44

(S1-9, 66 a)

Table 45. Distribution of employees by age group

Number and percentage of employees by age group	Number	%
Under 30 years old	50	16
30–50 years old	197	63
Over 50 years old	67	21

(S1-9, 66 b)

The top management level consists of the members of the extended Management Team, that is, SATO's Management Team: the CEO and President, Chief Financial Officer, Executive Vice President, Housing Business, Executive Vice President, Investments, and Chief Commercial Officer, as well as the General Counsel, Vice President for Human Resources, Director, Business Development and the Chief Digital Officer (CDO).

(S1-9, AR-71)

SI-10 Adequate wages

All employees of SATO are paid adequate wages. The pay reviews of salaried employees, senior salaried employees and workers are determined in accordance with the collective agreements mentioned under S1-8.

SATO is preparing for the upcoming EU Pay Transparency Directive and has taken measures to ensure fair and equal pay practices. The measures include harmonising job descriptions including job classification into job grades. (S1-10, 69)

SI-11 Social protection

All of SATO's employees in Finland are within the scope of public social security, which covers loss of income due to major life events, such as ill health, incapacity for work, unemployment, parental leaves or retirement. (S1-11, 74 a-e)

SI-13 Training and skills development metrics

Table 46. Percentage of employees that participated in regular performance and career development reviews

Performance and career development reviews	2025
Total workforce, %	47
Male, %	37
Female, %	61
Number of reviews in proportion to the agreed number of reviews by the management (all employees)	

The performance and career development reviews disclose the proportion of the workforce for whom an individual development plan has been established as part of the performance and development discussions. The metric is calculated in relation to the year-end headcount of 314, including all employees, such as those on parental leave and other long-term absences. The gender distribution is based on completed performance and development discussions.

(S1-13, 83 a)

Table 47. Average number of training hours

Average number of training hours	2025
Total workforce, hours	7.3
Male, hours	7.7
Female, hours	6.8

(S1-13, 83 b)

SI-I4 Health and safety metrics

Table 48. Health and safety metrics

The number of reported work-related accidents refers to work-related and commuting accidents that have caused a sick leave day (absence) and the share of those accidents is calculated using the LTIF formula. The number of work-related disability cases are the cases handled by insurance company process.

Health and safety metrics	2025
People in own workforce who are covered by the undertaking's health and safety management system, %	100
Fatalities as a result of work-related injuries and work-related ill health, number	0
Fatalities as a result of work-related injuries and work-related ill health among other workers working on the undertaking's sites, number	0
Number of reported work-related accidents	9
The rate of reported work-related accidents (LTIF)	16.1
Work-related disability cases.	2
With regard to the undertaking's employees, the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	0

(S1-14, 88 a–e)

SI-I5 Work-life balance metrics

Table 49. Work-life balance metrics

Work-life balance metrics	2025
Employees entitled to take family-related leave, %	100
Entitled employees that took family-related leave, %	
Male	39
Female	61
All	8.9

(S1-15, 93 a–b)

SI-I6 Remuneration metrics (pay gap and total remuneration)

Table 50. Gender pay gap and total remuneration

Gender pay gap and total remuneration	2025
The gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees	4.3
The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)	8.4

(S1-16, 97 a–b)

The gender pay gap has been calculated using payroll data that includes all employees who were in an employment on the last day of the year. For the calculation, an hourly wage was derived for all monthly-paid employees based on their working-time percentage.

(S1-16, 97 c)

SI-I7 Incidents, complaints and severe human rights impacts

SATO does not yet have an undertaking-wide process for monitoring and reporting on data within its own workforce on incidents, complaints and severe human rights impacts and any related material fines, sanctions or compensation under Disclosure Requirement S1-17.

Work-related ill health or incidents (occupational diseases) are addressed in cooperation with the occupational healthcare provider and insurance company.

Any reports of cases of discrimination and/or harassment or severe human rights impacts received from personnel via the SATO whistleblowing channel are addressed in accordance with the company's Whistleblowing Policy. Process is described in more detail in this report under G-1 on Mechanism for identifying, reporting and investigating concerns.

Any reports submitted through other channels directly to a supervisor or HR are addressed specifically for each case.

In 2025, there were no fines, penalties or compensation for damages as a result of discrimination incidents or complaints or human rights incidents nor reports relating to human rights incidents found to be valid.

Table 51. Own workforce, incidents, complaints and severe human rights impacts

Incidents, complaints and severe human rights impacts	2025
Total number of incidents of discrimination, including harassment	0
Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns	2
Number of complaints filed to the National Contact Points for OECD Multinational Enterprises	0
Fines, penalties, and compensation for damages as a result of incidents of discrimination and and complaints disclosed, total amount	0
Work-related ill health/incidents, number of cases	0
Human rights incidents	
Severe human rights incidents connected to the undertaking's workforce, number	0
Number of complaints filed to the National Contact Points for OECD Multinational Enterprises	0
Fines, penalties, and compensation for damages as a result of human rights incidents and complaints disclosed, total amount	0

(S1-17, 104 a–b)

Governance information

GI Business conduct

Material impacts, risks and opportunities related to business conduct

Business conduct policies and corporate culture as well as corruption and bribery were identified in the double materiality assessment as material topics for SATO. The related impacts, risks and opportunities are described in the table to the right. An ethical and sustainable corporate culture as well as leadership and good managerial work were also identified as positive impacts. Potential cases of corruption and bribery were identified as a financial risk.

Ethical risks related to business conduct are, in addition to the double materiality analysis, also assessed using the Compliance risk assessment that supplements SATO's annual risk assessment and for the implementation of which the Compliance Officer is responsible.

Table 52. Material impacts, risks and opportunities in business conduct

Material ESRS topic	Value chain location	Type (material impact, risk or opportunity)	Description
Corporate culture	Own operations	Positive impact	SATO's values and Code of Ethics guide the activities of everyone at SATO. SATO requires compliance with the Code of Ethics from its partners, too.
Corporate culture	Own operations	Positive impact	SATO's corporate culture is developed in a sustained manner. At SATO, leadership and good managerial work are at the core of corporate culture. Good leadership influences the job satisfaction and commitment of personnel.
Corruption and bribery	Own operations	Financial risk	Any incidents of corruption or bribery could result in damage to SATO's reputation, loss of customer and cooperation agreements, and financial consequences (such as fines).

GI-I Business conduct policies and corporate culture

SATO's business conduct is based on consistency and transparency, open communication and cooperation with stakeholders. In addition to strategy and values, SATO's business conduct is guided by SATO's Code of Ethics. The Code of Ethics describes the SATO code of conduct in matters relating to human rights, fair business, and the environment and society. At SATO we comply with the legislation and regulations applicable to our operations and, wherever possible, seek to exceed the minimum level required by law by making good ethical choices. SATO complies with internationally recognised human rights, labour law, collective agreements and provisions of the International Labour Organization (ILO) and the UN Convention Against Corruption. We monitor compliance with and the implementation of our guidelines and, where necessary, take corrective action.

The guidelines aim to ensure that all SATO staff members comply with the ethical principles and ways of doing things in their work and that their conduct is honest. SATO also requires that its partners commit to compliance with the Code of Ethics. The Code of Ethics is a policy adopted by the Board of Directors, with the Compliance Officer being in charge of keeping it up to date. SATO personnel receive regular training related to the Code of Ethics, and this is part of the induction process of new employees. Non-compliance with the guidelines may result in measures such as termination of employment, other consequences or legal action. SATO's Code of Ethics is available on the SATO website.

The Code of Ethics is supplemented by documents including the Anti-Corruption and Anti-Bribery Guidelines, the Anti-Money Laundering and Counter-Terrorist Financing Guidelines and the Whistleblowing Policy.

The purpose of the Anti-Corruption and Anti-Bribery Guidelines is to make efforts to prevent all forms of corruption and bribery and to promote an anti-corruption and anti-bribery operating culture and to demonstrate the company's commitment to action against corruption and bribery, increase transparency and strengthen the company image. The guidelines apply to all SATO employees, the senior management and the members of the Board of Directors as well as SATO's partners. SATO requires that its suppliers, subcontractors and other external partners comply with equivalent principles in their operations and that they have zero tolerance for corruption and bribery. SATO's Compliance Officer monitors and reports on compliance with the Anti-Corruption and Anti-Bribery Guidelines to the President and CEO and the Board of Directors as part of compliance reporting.

The Anti-Money Laundering and Counter-Terrorist Financing Guidelines provide more detailed guidance in addition to the Code of Ethics. The guidelines are based on the Act on Preventing Money Laundering and Terrorist Financing as well as the Sanctions Act, the Trade Register Act and the Criminal Code, and they aim to prevent money laundering and terrorist financing, promote their detection and investigation and reduce the risk of non-compliance with economic sanctions in SATO's operations. The purpose of the guidelines is to express and clarify the obligations of SATO staff members with regard to the prevention of money laundering and terrorist financing. The guidelines are applied to SATO's business operations and contractual agreements. (G1-1, 7-9)

Establishment, development, promotion and evaluation of corporate culture

SATO's corporate culture and leadership are strongly based on the company's values and Code of Ethics. SATO has a consistent and transparent approach to personnel-related matters in accordance with the HR practices and other internal guidelines. The low hierarchy enables an open dialogue and exchange of views throughout the organisation. At SATO, the corporate culture and employee experience are developed with a long-term approach. The employee experience is studied and measured regularly each year. The 2025 personnel survey took place in September. The results of the survey are discussed with the entire personnel and more specifically in units and teams, and operations are developed on the basis of the results. More information on the survey and the use of its results can be found under S1-2 Processes for engaging with own workforce and workers' representatives about impacts.

SATO has been awarded the Great Place to Work certificate and, based on the 2024 personnel survey, SATO was ranked third in the category for large enterprises of the Great Place to Work competition. The Great Place to Work rankings were published in spring 2025. (G1-1, 9)

Mechanism for identifying, reporting and investigating concerns

SATO maintains a transparent, ethical and open culture where it is safe for its employees and other stakeholders to express their concerns and observations related to any activity that is unethical, illegal or contradictory to SATO's values.

SATO has a Whistleblowing Policy adopted by the Board of Directors. The policy determines the procedures used by SATO to handle whistleblower reports and the protection measures employed by SATO to protect the reporting person and those who assist in reporting as well as the subject of the report. SATO encourages employees and stakeholder representatives to report suspected misconduct without fear of being victimised, discriminated against or otherwise put in a disadvantageous position. The policy also seeks to ensure that the process of investigating reports is duly and appropriately carried out.

SATO encourages reporting persons to primarily report to their supervisor, their closest contact within SATO, customer services or SATO's Compliance Officer. If the reporting person feels that they cannot report in person, SATO offers an external reporting channel maintained by a third-party service provider where reports may be submitted also anonymously.

SATO has in place a First Whistle channel through which SATO staff members and external stakeholders can confidentially, including anonymously, report any misconduct or other inappropriate activity detected or suspected by them. Reports can also be submitted concerning harassment, physical or emotional violence or other inappropriate conduct or treatment at SATO. However, in such cases it is primarily recommended that the matter be brought up with one's supervisor and HR.

An external service provider is responsible for the technical implementation of the whistleblowing channel, and reports received through the channel are handled according to a Whistleblowing policy by SATO's whistleblowing team, which consists of SATO's Compliance Officer, the Vice President for Human Resources and an internal auditor. The team members are experienced professionals with expertise and understanding in handling reports confidentially and impartially, as well as in whistleblower protection.

SATO investigates all violations and suspicions of which it becomes aware, and the reporting persons are protected against retaliation in compliance with applicable legislation. Only the members of the team have access to reports submitted through the whistleblowing channel and the authorisation to handle reports submitted to the channel. A thorough investigation of every handled report is carried out in order to thoroughly and impartially look into the matter reported.

After the whistleblowing team has completed the handling of a report, it prepares a brief summary indicating the matter reported, the measures taken in its handling, the outcome of the case and any corrective action to be taken in SATO in consequence of the report. The summary contains no confidential or secret information about the reporting person or the subject of the report, neither does it contain any information on the basis of which these could be identified. Whistleblower reports are reported internally in SATO to the Corporate Management Group and the Board of Directors. (G1-1, 10 a)

In 2025, eleven reports were submitted through the whistleblowing channel, and three reports were submitted through other means. The Compliance Officer reports the cases received via the whistleblowing channel or other routes anonymously and in aggregated form to the Management Team and the Board as part of compliance reporting.

Protection of whistleblowers

In line with the SATO Whistleblowing Policy, SATO undertakes not to retaliate either directly or indirectly against reporting persons acting in good faith or against anyone assisting such persons. This applies, as applicable, also to reports submitted by third parties. 'In good faith' means that the concern has been warranted and that the report has not been submitted with malicious intent. Whether the concern proves unwarranted upon further investigation makes no difference, provided that the reporting person has acted in good faith.

If the reporting person is subjected to retaliation for reporting, SATO undertakes to take disciplinary action against the person who violated the prohibition of retaliation. Such disciplinary action may involve measures such as reprimand, warning or cancellation of employment contract. (G1-1, 10c)

Training related to business conduct

SATO provides regular personnel training in matters related to the Code of Ethics and compliance with guidelines, legislation and regulations. These are also elements of the induction of new employees. This seeks to ensure consistent and transparent operations in compliance with the guidelines throughout the company. Training is provided in various forms including online courses, personnel briefings and team discussions. The completion of online training that is compulsory for all, such as the Code of Ethics training, is monitored and, where necessary, reminders are sent to ensure employees take the course on time.

All SATO staff members take a test on the Code of Ethics every year. In 2025, the test covered data protection as well as anti-corruption and anti-bribery, and 62% of SATO employees completed it. Passing the test requires knowledge of the Code of Ethics. The Compliance Officer is in charge of training in the Code of Ethics and other compliance topics at SATO. (G1-1, 10 g). SATO identified in a risk assessment conducted in 2025 the following functions within the undertaking as the most at risk in respect of corruption and bribery: the Extended Corporate Management Group, Financing and Investments. Training in the Anti-Corruption and Anti-Bribery Guidelines is compulsory for these functions. Completion is monitored and, where necessary, reminders are sent to ensure employees take the course on time. (G1-1, 10 h)

Table 53. Targets related to business conduct

Sub-topic	Target	Base year	Target year	Status in 2025	Progress
Corporate culture	The entire personnel (100%) have completed the Code of Ethics course	2024	2025	• 92% of the personnel have completed the Code of Ethics course	Target reached at a level of over 90%
	High job satisfaction in personnel survey and development of work culture on the basis of the feedback	2024	2025	• A total of 89% of personnel survey respondents found that SATO is a very good place to work. • The eNPS was 63.52, that is, high • Feedback was discussed with the entire personnel and in units and teams, which also drew up development plans for matters that require measures	Target reached
	Developing up-to-date and consistent guidelines and developing data protection related approaches	2024	2025	• The policies included in the plan were updated and adopted by the SATO Board of Directors • The data protection-related measures included in the plan were implemented (see table on actions related to business conduct)	Target reached
	SATO has identified the employees who are the most at risk in respect of corruption and bribery, and 100% of these have completed the anti-corruption and anti-bribery online course	2024	2025	• The risk assessment identified the Extended Corporate Management Group, Investments and Financing as the most at risk in respect of corruption • 98% of the employees identified as most at risk in respect of corruption and bribery have completed the online course	Target reached at a level of over 90%

(ESRS 2, MDR-A, MDR-M and MDR-T)

Table 54. Actions related to business conduct

Sub-topic	Actions	Metrics and progress in 2025
Corporate culture	• Code of Ethics online training • Speak-up training for supervisors on raising concerns (available both on-site and remotely)	• **Rate of online training on Code of Ethics completion**: 92% of the personnel have completed the Code of Ethics course • A speak-up training was organized for SATO's supervisors, of whom there were 42. Participation in the training was not monitored.
Corporate culture	• Policy updates or development • Compliance risk assessment	• **Implementation of compliance risk assessment:** Risk assessment implemented • **The policies included in the plan were updated and adopted by the SATO Board of Directors in 2025**: • IT Policy • Data Protection Policy • Information Security Policy • Disclosure Policy • Risk and Crisis Management Policy • Insider Guidelines • Tax Policy • Sustainability Policy
Corporate culture	• Personnel satisfaction survey	• **SATO staff members' overall satisfaction % and eNPS:** • The response rate to the September 2025 personnel survey was 81%. • A total of 89% of the survey respondents found that SATO is a very good place to work. • The eNPS was 63.52.
Corporate culture* *Going forward, actions and targets related to data protection will be reported under S4/ Consumers	• Data protection trainings for teams and the personnel at SATO • Update of Data Protection Policy • Privacy by design principle incorporated into the description of SATO's core processes (IMS process tool) and business development • Drafting data protection related guidelines and templates for contracts, as well as defining the training needs of personnel • Update of risk assessment of suppliers and partners for procurement	• **The data protection measures defined in the action plan have been implemented:** • Data protection training has been organized for all SATO teams, and two joint training sessions have been arranged for all SATO employees • The privacy by design principle has been incorporated into the description of SATO's core processes (IMS process tool) • The roles in data protection and the ownership of data have been defined in the updated data protection policy adopted by the Board. The necessity of processing personal data as well as access and user rights have been defined in SATO's core process (IMS process tool). • The core processes have been used to determine personnel training needs and to create data protection related guidelines and templates for contracts. • A data protection assessment has been added to the risk assessment of suppliers and partners for procurement
Bribery and corruption	• Risk assessment • Online course	• **Implementation of risk assessment:** The risk assessment was conducted during 2025. The Extended Corporate Management Group, Investments and Financing were identified as the most at risk in respect of bribery and corruption. • **Rate of training completion**: 98% of the employees identified as the most at risk in respect of corruption and bribery have completed the online course during 2025.

(ESRS 2, MDR-A, MDR-M and MDR-T)

GI-3 Prevention and detection of corruption and bribery

SATO has Anti-Corruption and Anti-Bribery Guidelines adopted by the Board of Directors that supplement SATO's Code of Ethics. The guidelines prohibit the giving or receiving of bribes whether directly or indirectly, as well as corruption. The guidelines apply to all SATO employees, the senior management and the members of the Board of Directors as well as SATO's partners acting in the name or on behalf of SATO. SATO requires that its partners combat bribery and corruption in their own operations and contractual agreements, comply with equivalent principles in their operations and have zero tolerance for corruption and bribery. SATO communicates regularly about the Code of Ethics to its partners, too, and always in conjunction with new contractual agreements. (G1-1, 20)

SATO staff members may only give and receive moderate hospitality. In case of any situations that involve uncertainty or occur repeatedly, permission given in advance by a member of the Corporate Management Group of the person's own function or the President and CEO is required. The Code of Ethics online course, which is compulsory for the entire personnel of SATO, also covers matters related to anti-bribery principles. SATO identified in the risk assessment conducted in 2025 the following personnel groups as the most at risk in respect of corruption and bribery: The Extended Corporate Management Group, Investments (entire unit) and Financing (part of Finance unit).

The Anti-Corruption and Anti-Bribery Guidelines training is compulsory for these functions and by the end of 2025, 98% of them completed the training. Completion is monitored and, where necessary, reminders are sent to ensure the employees complete the course on time. An online course concerning the Anti-Corruption and Anti-Bribery Guidelines was organised for the entire personnel in 2025. The anti-corruption and anti-bribery training covers not only the personnel but also the members of the administrative, management and supervisory bodies (G1-1, 20 a, b, c)

At SATO, all reported matters related to corruption or bribery are investigated in accordance with the Whistleblowing Policy. Reports are handled by SATO's whistleblowing team, which consists of SATO's Compliance Officer, the Vice President for Human Resources and an internal auditor. A thorough investigation of every handled report is carried out in order to thoroughly and impartially look into the matter reported. No persons whom the reported matter concerns or who are connected to the reported person or activity take part in the investigation. SATO's Compliance Officer monitors and reports on compliance with the Anti-Corruption and Anti-Bribery Guidelines to the President and CEO and the Board of Directors as part of the compliance reporting. (G1-1, 18 a, b, c)

GI-4 Incidents of corruption or bribery

SATO did not become aware of any suspected or confirmed incidents of corruption or bribery in 2025, and there were no convictions or fines for violation of anti-corruption and anti-bribery laws.

Table 55. Incidents of corruption or bribery in 2025

Corruption and bribery	2025	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	0	0

The reported incidents of corruption and bribery concern SATO's own operations. SATO is not aware of any incidents of corruption or bribery related to its value chains where the company or its employees are directly involved.

Independent limited assurance report (Translation of the Finnish original)

The the management of Sato Oyj

Scope of the assurance

At the request of Sato Oyj's (0201470-5, hereinafter also the Company) management, we have performed a limited assurance engagement, the subject of which is the selected sustainability information in more detail below.

Subject of assurance

The subject of the assurance is the Selected Sustainability Information presented by Sato Oyj in the sustainability report for the reporting period 1 January – 31 December 2025 (hereinafter referred to as the "Selected Sustainability Information") in the following respects:

- E1-5 Energy consumption and mix, tables 18-19 page 35;
- E1-6 Gross Scope 1 GHG emissions, table 20 page 36;
- E1-6 Gross Scope 2 GHG emissions, table 20 page 36;
- E1-6 Gross Scope 3 GHG emissions, table 20 page 36;
- S1-6 Characteristics of the undertaking's employees, tables 40-42 page 57;
- S1-9 Diversity metrics, tables 44-45 page 58;
- S1-13 Training and skills development metrics, tables 46-47 page 58;
- S1-14 Health and safety metrics, tables 48 page 59;
- G1-4 Confirmed incidents of corruption or bribery, table 55 page 66, and
- Specific energy consumption kWh/m3/year, table 17 page 34.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Sustainability Information for the reporting period 1 January – 31 December 2025 has not, in all material respects, been prepared in accordance with the Reporting Criteria defined below.

Basis for conclusion

We performed the assurance of the Selected Sustainability Information as a limited assurance engagement in compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the assurance provider section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Assurance provider's independence and quality management

We are independent of the company 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 apply International Standard on Quality Management ISQM 1, which requires the authorized 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.

Responsibilities of the management

The Management of Sato Oyj is responsible for the preparation and presentation of the Selected Sustainability Information in accordance with the reporting criteria, i.e. European Sustainability Reporting Standard, ESRS and Global Reporting Initiative Standards, GRI (hereinafter the Criteria). The Management is also responsible for such internal control as it determines is necessary to enable the preparation of Selected Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations in the preparation of Selected Sustainability Information

The determination of greenhouse gas emissions involves inherent uncertainty due to incomplete scientific knowledge used to define the numerical values for emission factors and the combination of emissions from different gases.

Responsibilities of the assurance provider

Our responsibility is to perform the assurance engagement to obtain limited assurance about whether the Selected Sustainability Information is free from any material misstatement due to fraud or error, and to issue a limited assurance report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions that users taken on the basis of the selected Sustainability Information.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) require that we exercise professional judgment and maintain professional skepticism throughout the engagement.

We also:

- Identify and assess the risks of material misstatement of the Selected Sustainability Information, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the procedures that have been performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for ex. the following:

- We performed inquiries with the management of the company and relevant employees responsible for collecting and reporting the Selected Sustainability Information.
- We obtained an understanding of the company's key processes related to the collection and consolidation of Selected Sustainability Information through inquiries.
- We reviewed the supporting documentation and records prepared by the company, where applicable, and assessed whether they support the Selected Sustainability Information.
- We performed analytical review procedures to assess the reasonability and quality of the Selected Sustainability Information presented and the definition of reporting boundaries.
- We assessed the accuracy and completeness of the Selected Sustainability Information by examining source documents and records on a sample basis.
- We assessed whether the Selected Sustainability Information has been prepared in accordance with the Reporting Criteria.

Helsinki, 25 March 2026

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