

# Green Finance Framework Report 2025

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## SATO in brief

SATO is one of Finland's largest rental housing providers and an expert in Finnish housing with 85 years of experience. We own around 27,000 SATOhomes in Finland's largest growth centres: in the Helsinki metropolitan area, Tampere and Turku.

We are a long-term and responsible housing provider for our residents. We increase the value of our assets through investments, divestments and repairs. SATO's sustainability work is governed by our strategy, sustainability policy and Code of Ethics. Our sustainability priorities and annual measures are based on the themes of our Sustainability Programme for 2023–2026.

### Environmental impacts

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

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

An independent third party verifies the use of proceeds reported for the Green Finance Framework<sup>1</sup>. For the 2025 report, Deloitte Oy conducted the verification.

<sup>1</sup> Eligible green assets (EUR million), amount allocated to the green bond per property (EUR million)



## SATO's sustainability programme 2023–2026

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

### E – Sustainable housing

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

### S – Communities' wellbeing

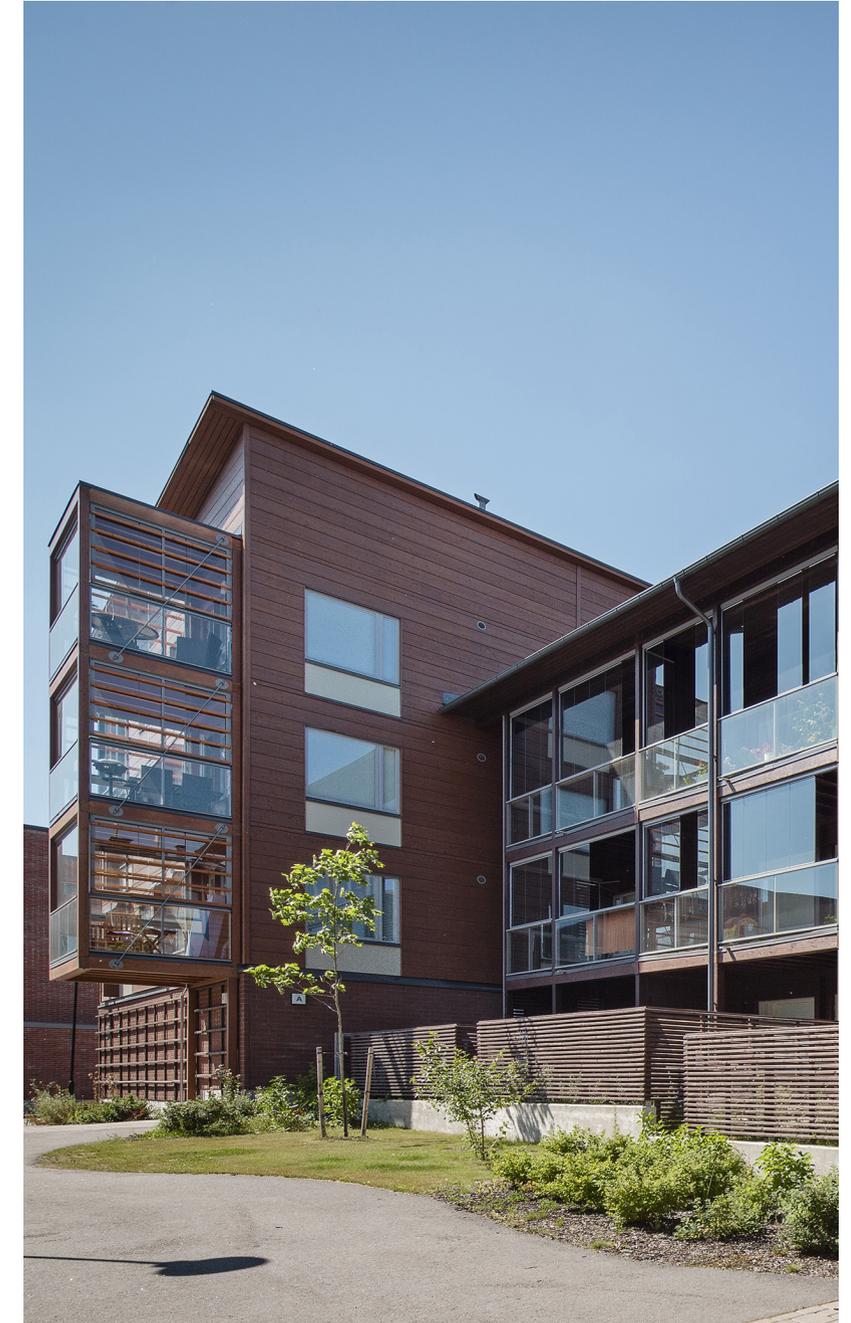
For us, social sustainability means taking care of our employees and their well-being and ability to cope, occupational health and safety, competence, and equality and non-discrimination. We also bear responsibility for our customers and their satisfaction and well-being in healthy and safe living environments.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

### G – Sustainably profitable

We ensure profitable business in the long term, transparently and sustainably. The foundation for our sustainable business is long-term ownership, shared and transparent ways of working, open communication and reporting, and co-operation with stakeholders.

SATO communicates and reports on its operations transparently, in accordance with applicable reporting regulations and established practices. Our sustainability report 2025 is prepared with reference to European Sustainability Reporting Standards (ESRS).

In 2025, SATO participated in the Global Real Estate Sustainability Benchmark (GRESB) for the eleventh consecutive year. SATO achieved the maximum score in the Management component and ranked first among all European GRESB participants assessed in that component.



## Green Finance Framework

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

The framework was developed with reference to the EU Taxonomy's substantial contribution criteria for the environmental objective climate change mitigation. The asset categories are "Green and energy efficient buildings" as well as "Energy efficiency" for new, existing and renovated buildings. [Read more here.](#)

### The Green Bond issues 2020

SATO Corporation ("SATO") issued a EUR 350 million senior unsecured green bond under its EMTN programme on the 24th of September 2020. At the end of 2025, the outstanding nominal amount of the green bond was EUR 300 million.

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

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

### Advantages

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

### Indicators for energy use and GHG emissions avoided

In 2024, SATO added two new indicators to the Green Finance Framework impact disclosure table, following the guidelines of the [ICMA Harmonised Framework for Impact Reporting](#) and the [NPSI Position Paper on Green Bonds Impact Reporting](#). The indicators measure annual energy use avoided (MWh) and annual GHG emissions avoided (tonnes of CO<sub>2</sub> equivalent).

In the absence of an official commonly used calculation method, SATO applied an approach aligned with its annual reporting practices and the EU Taxonomy criteria for existing buildings. The Finnish Property Owners Association (RAKLI) has defined [threshold values for energy use representing the national top 15% of existing buildings](#), and these values were used as the baseline for the calculations. Avoided energy use was determined by comparing each property's E-figure, derived from its Energy Performance Certificate (EPC), with the relevant top 15% threshold E-figure for that property type.

Annual GHG emissions avoided were calculated using emission factors for the heating production method, as provided by district heating suppliers, together with the calculated energy use avoided. For all properties, a comparison against district heating and its associated emissions is included. Based on the background analysis, the assumption is that a less efficient building would rely on district heating rather than geothermal heating.

As of 2025, SATO has adopted a more detailed emissions-calculation methodology. Supplier-specific emission factors are now used, whereas previously a national average emission factor was applied.



## Eligible green assets

Existing buildings, EUR million

**1,733** completed (fair value)

Major renovations, EUR million

**132** completed (investment cost)

### Existing buildings, EUR million

Completed (fair value)	1,733
Under construction (investment cost)	0
In planning phase (investment cost)	0
<b>Total</b>	<b>1,733</b>
Green assets allocated under Green Finance Framework	301
Green assets allocated for other loans	184
<b>Available for new financing</b>	<b>1,249</b>

### Renovations, EUR million

Completed (investment cost)	132
Under construction (investment cost)	0
In planning phase (investment cost)	0
<b>Total</b>	<b>132</b>
Green assets allocated under Green Finance Framework	0
Green assets allocated for other loans	82
<b>Available for new financing</b>	<b>50</b>

Please refer to SATO's [Green Finance Framework 2023](#) for more information on the selection of green eligible assets.



## Examples of assets

### Name and location of the project:

Capellan puistotie 21,  
Helsinki

### Construction year

2020

### Framework category

Green and energy-efficient  
buildings

### Energy efficiency information:

- Energy Performance Certificate (EPC): A
- Energy consumption (E figure): 73
- Project feature: 19 % more energy efficient than required by Finnish building code
- Specific energy consumption in 2025: 25.3 kWh/m<sup>3</sup>
- Specific greenhouse gas emissions in 2025: 15.0 kg CO<sub>2</sub>e/m<sup>2</sup>
- Heating source: District heating

Capellan puistotie 21 is an eight-storey apartment building located in a modern urban block along the Verkkosaari Canal, close to the seafront and the Redi shopping centre. The building offers 96 rental homes, ranging from compact studios and one-bedroom flats to family-sized 4-room homes with a sauna.



## Examples of assets

### Name and location of the project:

Kappelirinne 4, Espoo

### Construction year:

2021

### Framework category:

Green and energy-efficient buildings

### Energy efficiency information:

- Energy Performance Certificate (EPC): A
- Energy consumption (E figure): 73
- Project feature: 19 % more energy efficient than required by Finnish building code
- Specific energy consumption in 2025: 12.2 kWh/m<sup>3</sup>
- Specific greenhouse gas emissions in 2025: 0 kg CO<sub>2</sub>e/m<sup>2</sup>
- Heating source: Geothermal heating

Kappelirinne 4 is located in Niittykumpu next to the Niitty shopping centre and close to excellent transport connections (including a metro station). The building complex offers 77 rental homes, ranging from compact studios to 3-room homes with a sauna.



## Impact disclosures: SATO assets within the Green Finance Framework 2025

Property	City	Building year	Total fair value EUR million (at the end of the year)	Amount allocated to the green bond EUR million	Energy Performance Certificate (EPC)	Energy use (E figure)	Energy use below new building requirements	Specific greenhouse gas emissions 2025 kg CO <sub>2</sub> e/m <sup>2</sup> *	Specific energy consumption 2025 kWh/m <sup>3</sup> *	Avoided energy use 2025 (MWh) compared to the EU Taxonomy top 15 % threshold *	Avoided GHG emissions 2025 (tonnes of CO <sub>2</sub> equivalents) compared to EU Taxonomy top 15 % threshold *
Kiinteistö Oy Espoon Kilvoituksentie 1	Espoo	2016	11.5	6.7	A	71	21%	0.0	17.1	121	11
Kiinteistö Oy Helsingin Gadolininkatu 1	Helsinki	2018	24.0	15.9	B	77	14%	13.4	21.0	168	26
Kiinteistö Oy Espoon Runoratsunkatu 5	Espoo	2018	30.6	18.2	B	76	16%	8.0	18.1	245	22
Asunto Oy Vantaan Talvikkitie 38	Vantaa	2018	34.4	19.4	B	79	12%	16.8	26.0	293	45
Raivosuonmäki 7	Vantaa	2019	27.7	18.4	B	82	9%	15.7	27.9	206	32
Kiinteistö Oy Helsingin Capellan puistotie 21	Helsinki	2020	30.4	18.9	A	73	19%	15.0	25.3	208	32
Kiinteistö Oy Helsingin Ida Aalbergintie 1b	Helsinki	2020	24.1	14.0	B	78	13%	14.3	24.5	176	27
Kiinteistö Oy Helsingin Kaarenjalka 5g	Helsinki	2020	12.0	7.4	B	81	10%	11.9	22.9	99	15
Kiinteistö Oy Helsingin Keinulaudantie 7h	Helsinki	2020	12.7	8.0	A	72	20%	10.5	18.4	122	19
Raivosuonmäki 9	Vantaa	2020	33.7	22.3	B	81	10%	14.1	25.1	243	37
Kiinteistö Oy Espoon Kappelirinne 4	Espoo	2021	21.1	21.1	A	73	19%	0.0	12.2	167	15
Kiinteistö Oy Vantaan Virtakuja 6	Vantaa	2021	15.9	15.9	A	75	17%	15.5	26.6	135	21
Kiinteistö Oy Espoon Humisevanportti 2	Espoo	2021	11.1	11.1	B	81	10%	7.8	24.5	100	9
Jokiniityntie 28	Kirkkonummi	2022	16.3	16.3	A	69	23%	0.0	13.3	183	16
Lupajantie 2	Helsinki	2022	25.5	25.5	A	80	11%	0.0	18.5	205	32
Kiinteistö Oy Vantaan Lincolninaukio 4	Vantaa	2023	32.3	32.3	A	75	17%	0.0	9.9	265	41
Kiinteistö Oy Helsingin Jokiniementie 46	Helsinki	2023	29.2	29.2	A	71	21%	0.0	9.8	219	34
<b>Total</b>			<b>392.6</b>	<b>300.8</b>							

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

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

# Independent limited assurance report

## To 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 Green Finance Framework Report related to the allocation of the Green Bond Proceeds for the reporting period 1 January – 31 December 2025 (hereinafter referred to as the "Selected Sustainability Information") in the following respects:

- Eligible green assets: existing buildings 1,733 million EUR, presented on page 6,
- Eligible green assets: major renovations 132 million EUR, presented on page 6,
- Amount allocated to the green bond 300.8 million EUR, presented on page 9

### 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 audit firm to design, implement and operate a system of quality management including policies or procedures 2 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. Sato's Green Finance Framework (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.

### Assurance provider's responsibilities

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 Engagement ISAE 3000 (Revised) requires that we exercise professional judgement and maintain professional scepticism throughout the engagement.

### We also

- identify and assess the risks of material misstatement in 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 sufficient appropriate evidence to provide a basis for our conclusion. 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 differ in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing, and extent of the assurance procedures selected depend on professional judgement, including the assessment of risks of material misstatement, whether due to fraud or error. Procedures performed in a limited assurance engagement primarily consist of inquiries and analytical procedures. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would be obtained had a reasonable assurance engagement been performed.

### Our procedures included for ex. the following:

- Interviewing relevant employees responsible for collecting and reporting the Selected Sustainability Information;
- Assessing the application of the Sato's Green Finance Framework reporting principles in preparing the Selected Sustainability Information in the report;
- Assessing the company's procedures of allocation of Green Bond proceeds to eligible projects against Sato's Green Finance Framework;
- Assessing the consistency of the presented Selected Sustainability Information to Sato's Green Finance Framework Use of proceeds principles, and;
- Performing substantive testing to verify the existence and eligibility of green assets allocated under Sato's Green Finance Framework and the respective amounts allocated to the green bond.

Helsinki, 25 February 2026

**Deloitte Oy**  
Audit Firm

**Aleksi Martamo**  
Authorised Public Accountant

**Anu Servo**  
Authorised Public Accountant

## Green Finance Committee

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

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