



"OUR AIM
IS TO REDUCE
EMISSIONS FOR
PROPERTIES AND
HOMES."

SATO'S ENVIRONMENTAL PROGRAMME

- *reduction in specific emissions by 20% from the 2013 level by 2020*
- *reduction in specific consumption of heat by 23% of the 2009 level by 2020*
- *reduction in specific consumption of water by 20% of the 2009 level by 2020*
- *maintaining the specific consumption of electricity at the level of 2014*
- *the allocation of new investments along public transport routes*

SATO is a leading Finnish housing investment company. We contribute to growth and evolution in society through our provision of housing. We own nearly 25,000 rental apartments, about 80% of which are situated in the Helsinki Metropolitan Area and 20% in the largest growth centres and St. Petersburg. Every year, SATO commissions the construction of about 1,000 apartments mainly for rental.

SATO's greatest environmental loads are caused by energy consumption from living, property development and building materials. Our aim is to reduce emissions for properties and homes.

In this environmental programme you will find information about the environmental impact of SATO's operations and their related objectives, measures and monitoring methods.

The programme can also be obtained at the address sato.fi/environmentalprogramme

TABLE OF CONTENTS

| | |
|--|----|
| 1. Operating environment | 5 |
| 1.1 Environmental impact of properties and homes..... | 5 |
| 1.2 Environmental legislation | 5 |
| 2. Environmental sustainability as part of corporate responsibility | 7 |
| 3. Goals | 8 |
| 3.1 SATO's strategic goals | 8 |
| 3.2 SATO's environmental goals | 8 |
| 3.3 The most important environmental goals in more detail..... | 10 |
| 3.3.1 Greenhouse gas emissions | 10 |
| 3.3.2 Energy efficiency..... | 10 |
| 3.3.3 Environmental criteria for new investments..... | 10 |
| 3.3.4 Waste | 10 |
| 3.3.5 Environmental goals in the supply chain | 10 |
| 4. Environmental impact and measures to reach environmental goals | 12 |
| 4.1 Environmental impact in the different life-cycle stages of SATO housing investment | 12 |
| 4.2 Maintenance and renting | 12 |
| 4.3 Investments | 13 |
| 4.4 Partners and service providers | 13 |
| 4.4.1 Contractors | 13 |
| 4.4.2 Other service providers | 14 |
| 4.5 Customer relationships | 14 |
| 5. Environmental impact our own personnel..... | 16 |
| 6. Environmental management in SATO | 16 |
| 6.1 The Corporate Management Group | 16 |
| 6.2 Sustainability Workgroup | 16 |
| 6.3 Asset management and guidance for partners..... | 16 |
| 6.4 New construction and renovations | 17 |
| 6.5 Procurement | 17 |
| 7. Reporting of the implementation of environmental sustainability | 18 |
| 7.1 Group-level environmental reporting | 18 |
| 7.2 Environmental reporting concerning the supply chain | 18 |



FACTS ABOUT SATO:

Number of SATO homes:

25,300

Fair value of investment property:

€3,4 BILLION

Investments/year:

€200-600

MILLION

Number of personnel:

175

Business areas:

*Helsinki Metropolitan Area,
Tampere, Turku, Jyväskylä,
Oulu and St Petersburg*

SERVICE CONCEPTS:

*SATO RentHome -
star-rated rental homes*

*SATO HotelHome -
temporary, home-like
apartments*



PROPERTIES
GENERATE
APPROXIMATELY
30% OF THE
TOTAL GLOBAL
GREENHOUSE GAS
EMISSIONS.

**THE
DEVELOPMENT
OF ENVIRONMENTALLY-
FRIENDLY OPERATING
PRACTICES IN THE
CONSTRUCTION AND
PROPERTY SECTORS
HAS A GREAT IMPACT
BOTH ON THE
ENVIRONMENT AND
ON A NATION'S ENTIRE
ECONOMY AND WELL-
BEING**

1. OPERATING ENVIRONMENT

1.1 Environmental impact of properties and homes

The impact of properties in the environment and society lasts a long time and is considerable. Properties generate approximately 30% of the total global greenhouse gas emissions and account for approximately 40% of energy consumption¹. For that reason, the development of environmentally-friendly operating practices in the construction and property sectors has a great impact both on the environment and on a nation's entire economy and well-being.

The key environmental effects of SATO's business concern the energy and water consumption of properties. By increasing energy efficiency, reducing water consumption and greenhouse gas emissions and improving the treatment and recycling possibilities of waste from properties, we can reduce the environmental load caused by the housing stock. Ways of influencing include the maintenance of properties based on life-cycle thinking, investments in energy-saving and the utilisation of renewable energy-related solutions. Residents play a key role in achieving these objectives. We give residents information about and guidance in environmentally-friendly living and we support their possibilities to make a difference through waste management solutions, amongst other things.

1.2 Environmental legislation

Finland has a national strategy for sustainable development and a new Climate Change Act, the aim of which is to mitigate climate change through the planning of emissions reduction paths in the medium- to long-term.

The environmental norms of Finnish legislation set high targets for operations. Protection of the built environment and energy efficiency are regulated in, for example, the Land Use and Building Act, the Nature Conservation Act and in the Act on Energy Certificates for Buildings.

During construction and repair, basic requirements set for buildings include health and the environment, safe use and accessibility, noise prevention, energy saving and thermal insulation, sustainable use of natural resources and energy efficiency. Building products must be safe and in accordance with the principles of sustainable development, and must not be detrimental to health. Land-owners must also ensure that contaminated soil is removed.

The Waste Act, which plays a key role in living, promotes the sensible use of natural resources and prevents damage caused by waste, reduces the volume of waste and ensures efficient waste management.

A residential building must have an energy certificate, which can be used to compare the energy efficiency of buildings, especially in purchasing and rental situations.

More information about the Act:

ym.fi/en-US/Legislation

More information about the energy certificate:

energiatodistus.info (in Finnish)

¹ UNEP Common Carbon Metric

**WE ARE
COMMITTED
TO REDUCING
THE TOTAL
CONSUMPTION OF
HEAT AND POWER
BY 10,5 % FROM
2014 BY 2025.**

WE ARE
INVOLVED IN
THE NEW ENERGY
EFFICIENCY
AGREEMENT FOR
REAL ESTATE
SECTOR

2. ENVIRONMENTAL SUSTAINABILITY AS PART OF CORPORATE RESPONSIBILITY

A home has great significance both for the individual person and for society, and this requires of SATO responsible and reliable operation. As a national housing investor we have the opportunity to create economic and social well-being and promote environmental values. We actively develop rental living and offer safe housing. By increasing the offering of rental housing in growth centres, we also contribute to the prerequisites of growth in the business community.

Our sustainable operating principles are based on legislation and internal guidelines. We comply with international accounting standards, the Finnish Corporate Governance Code, the GRI (Global Reporting Initiative) guidelines for responsibility reporting, as well as SATO's own guidelines and principles. The most important documents are our sustainability policy, environmental programme, code of conduct, grey economy prevention guidelines, procurement, financing, risk management and disclosure policies, HR management principles, and equality plan. In our leases, we observe the Fair Rental Practice guidelines drawn up by the Central Union of Tenants, the Finnish Association of Landlords (SVA), the Finnish Real Estate Federation, and RAKLI – The Finnish Association of Building Owners and Construction Clients.

SATO is involved in the new energy efficiency agreement for real estate sector. SATO's target is to reduce the total consumption of heat and power by 10.5 percent from the level of 2014 by 2025.

We are also a climate partner of the City of Helsinki, with our environmental programmes's goals.

ENVIRONMENTAL SUSTAINABILITY

- *Energy efficiency*
- *Life cycle investments*
- *Decreasing waste volumes*
- *Environmental assessments of investments*
- *Environmental impact of our operations*

SOCIAL SUSTAINABILITY

- *Increasing the rental housing stock*
- *Reliable landlord*
- *Resident comfort and housing development*
- *Inspiring corporate culture based on values*
- *Working with partners*
- *Open interaction with stakeholder groups*
- *Employment effects of SATO's operations*

ECONOMIC SUSTAINABILITY

- *Investor with a long-term view*
- *Profitability of operations*
- *Value development*
- *Risk management*
- *Preventing the grey economy*
- *Assessment of CR issues of investments*

SATO'S SUSTAINABILITY

3. GOALS

3.1 SATO's strategic goals

The role of financing is emphasised in the creation of capacity for growth, and we have included a strengthening investment grade rating in our strategic objectives. Our return on equity target for the strategic period will remain unchanged at 12 per cent. In addition, our strategic objective is a constantly improving Net Promoter Score (NPS) among our tenants.

The development of sustainable practices is part of our strategy and one of the success factors of the future

3.2 SATO's environmental goals

| ENVIRONMENTAL GOALS |
|--|
| <i>reduction in specific emissions by 20% from the 2013 level by 2020</i> |
| <i>reduction in specific consumption of heat by 23% of the 2009 level by 2020</i> |
| <i>reduction in specific consumption of water by 20% of the 2009 level by 2020</i> |
| <i>maintaining the specific consumption of electricity at the level of 2014</i> |
| <i>the allocation of new investments along public transport routes</i> |

Achieving the target for the specific consumption of heat by 2020 means savings of about €1.0 million in annual costs compared to the level of consumption in 2015. The corresponding savings target for water is about €1.5 million per year.

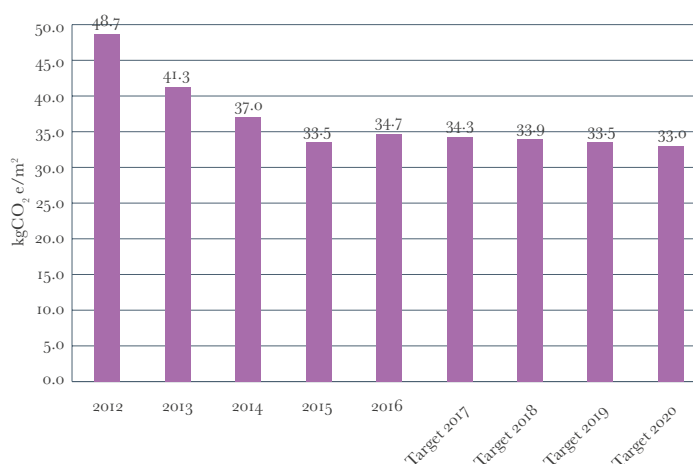
We are developing operations to reduce overall emissions and our other targets include:

- developing the assessment of waste volumes and setting targets for reducing them
- developing energy efficiency and environmental criteria applicable in new production
- setting environmental goals for the whole of SATO's supply chain

We are participating yearly in the Global Real Estate Sustainability Benchmark (GRESB). Based on the results we will draw up a development plan.

We are developing operating practices to allow residents to participate in the promotion of environmentally-friendly living through such means as a residents' forum.

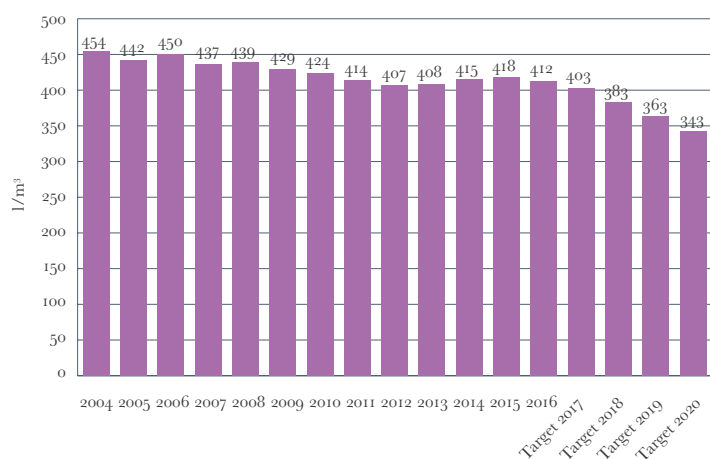
Specific emission*



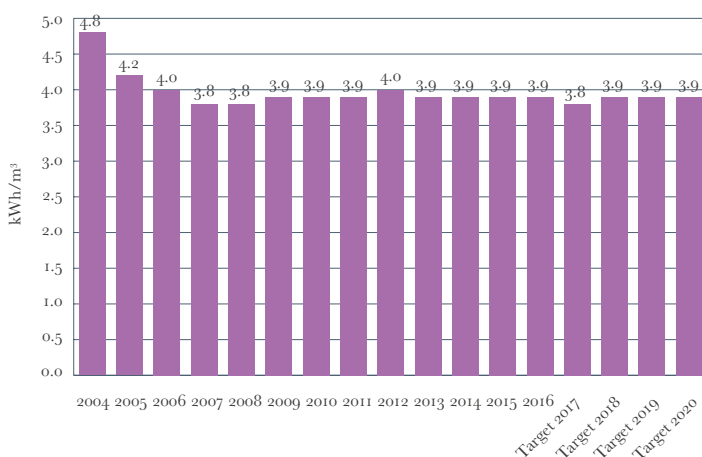
Standardised heat consumption



Specific water consumption



Specific electricity consumption



*The calculation of the emissions has changed from the beginning of 2013 due to the change in the CO₂ emission factor of the district heating.

**WATER: ACHIEVING
THE TARGET BY
2020 MEANS
SAVINGS OF
ABOUT € 1.5
PER YEAR
COMPARED
TO 2016**

**HEATING: ACHIEVING
THE TARGET BY
2020 MEANS
SAVINGS OF
ABOUT €1.0
MILLION PER YEAR
COMPARED
TO 2016**

3.3 The most important environmental goals in more detail

3.3.1 Greenhouse gas emissions

The direct greenhouse gas emissions caused by SATO's operations were estimated for the first time in 2014. We want to reduce the specific emissions of greenhouse gases by 20% from the 2013 level by 2020. The greatest impact on reducing emissions can be achieved by improving energy efficiency.

3.3.2 Energy efficiency

Our long-term energy-efficiency targets take account of the tightening construction regulations, the renewal of our property portfolio and our own measures to improve energy efficiency. In energy consumption, SATO's aim is a 23% reduction in the specific consumption of heat and a 20% reduction in the specific consumption of water in its investment properties from the 2009 levels by 2020. The electricity intensity should be kept at its current level.

3.3.3 Environmental criteria for new investments

SATO's new investments are being allocated to urban areas and along public transport routes in order to reduce the environmental impact of travelling from home. By investing in urban areas we can also take advantage of existing infrastructure in new construction and renovation. In that way we can reduce the environmental load caused by construction.

In planning new projects, we take account of the requirements of sustainable development and energy efficiency. The building components and technical systems are designed for a long operating life and based on maintenance- and renewability-related targets. Energy efficiency targets such as reducing the consumption of heat, water and electricity during use are taken into account in equipment and material selections but the selections are made based on overall economy.

SATO reviewed its' environmental and energy efficiency requirements in 2016. Future legislation governing the energy efficiency of residential buildings sets a zero energy level for new buildings, corresponding with energy efficiency figure 128. When it comes to our buildings, we want to achieve an even lower level, and we have set energy efficiency figure 116 as our target for new buildings. We are also committed to

this energy efficiency level in our financing agreement signed with the European Investment Bank. We will set this target for contractors of new buildings.

3.3.4 Waste

Waste contributes about 2% to greenhouse gas emissions. The efficiency of waste management directly affects both the quality of residents' lives and their costs.

The volume of waste generated in SATO houses is based on the number of residents living in SATO homes and on material from Statistics Finland about the average amount of waste generated per person. Our aim is to develop such monitoring together with service providers, to chart the volume of waste generated in our properties and to set targets to reduce it.

In addition to normal waste collection, we also offer residents opportunities to recycle by organising special annual collections of large and difficult-to-recycle waste.

3.3.5 Environmental goals in the supply chain

We require of our suppliers at least the same dedication to reducing the environmental load as from ourselves. A supplier should have sufficient knowledge and the ability to control its own operations, so that it can reduce its impact on the environment. A supplier must constantly improve the efficiency of its use of energy and resources and single-mindedly endeavour to reduce its emissions.

In their own work, contractors must minimise harmful environmental emissions from building sites, for example by sorting when performing demolition work, by recycling materials and, when selecting products, by taking into account their service life, reparability and load on the environment. The main contractor must draw up a plan for the building site, which presents steps aimed at meeting environmental requirements. The main contractor must also take care of the planning of excavation, quarrying and construction work and the implementation of work so that no damage is caused to the structures, equipment, etc. of neighbouring buildings or to street or park areas.

In 2016, we started to audit our contractual suppliers to comprehensively evaluate their processes and current state including environmental issues. On the basis of these audits, we prepare score cards for suppliers, including a description of the current state and any proposals for improvements. In 2017 we will start auditing our construction sites.

**WE WANT TO
REDUCE THE
SPECIFIC EMISSIONS
OF GREENHOUSE
GASES BY 20% FROM
THE 2013 LEVEL BY
2020.**



4. ENVIRONMENTAL IMPACT AND MEASURES TO REACH ENVIRONMENTAL GOALS



4.1 Environmental impact in the different life-cycle stages of SATO housing investment

4.2 Maintenance and renting

SATO is engaged in close co-operation with the building management and service company partners responsible for the maintenance of its homes. Our aim is to improve the environmental efficiency of our properties taking all perspectives into account. The partners are also committed to improving energy efficiency through contracts in which energy efficiency is an essential part of the grounds for payment.

Because most of SATO's environmental impact comes from the energy consumption of houses, its reduction

is the main way to achieve emissions targets. In energy monitoring support is provided by energy management software which quickly provides information on any possible faults and deviations in consumption.

In house and home maintenance, solutions that are as efficient as possible in terms of life cycle are favoured. In repairs, in addition to energy efficiency, the life cycle of equipment and materials is also taken into account in its entirety. In maintenance preventive servicing is also heavily invested in allowing the life cycle of equipment to be extended and necessary repairs to be optimally timed.

In waste management we favour deep collection containers. We have also annually organised different recycling containers at our sites, where larger waste items such as furniture can be left. The recycling containers can also accept hazardous waste.

At the housing rental stage, we influence environmental impact and the choices of future residents by giving them information on, for example, the energy classification of homes and traffic connections. By increasing the use of digital forms of communication, we can also influence the environmental load of our operations.

4.3 Investments

At the plan development stage and in the purchase of new land, SATO influences the environmental impact not only of the formation of the future community structure but also of future construction. The environmental impact is smaller when the existing local structure is developed and compacted, for example through infill development. The planning of completely new areas, on the other hand, provides the opportunity to implement environmentally-friendly solutions that have a greater impact on the whole area. These might be, for example, the area-wide introduction of geothermal heating, a regional waste management system and other solutions that reduce load on the environment in the construction of a whole area. In land acquisition we observe environmental values in accordance with regulations and assess environmental risks such as possible impurities in soil.

An environmental survey of SATO's new investments addresses such factors as environmental risks related to the project and the surrounding area and the environmental systems used by the contractor in new construction projects. The survey also features an environmental scoring of the investment project. In the scoring system, the building's energy efficiency (heating, electricity, water) has the biggest weight. Further considered factors include the location of the building bearing in mind good transport connections and the organisation of waste management.

We can also influence environmental load in the planning of new production through both building technology and the location and material choices of buildings. SATO's new construction projects are governed by design and engineering guidelines. A comparison between different choices that influence energy efficiency is made at an early stage in the project. Sustainable, environmentally-friendly materials should be chosen. Decisions on solutions to be featured in the building are made in light of the cost and consumption levels of the entire life cycle of the property.

Environmental goals can be significantly influenced through the architectural modelling of a building and through the efficient use of space. With regard to materials and structures, the long life cycle of con-

struction components is taken into account as well as the serviceability and replaceability of materials. For surface materials, we always select low-emissions materials whenever possible.

Special attention is paid to the efficiency of heat recovery and each SATO property is connected to a consumption monitoring system by means of which target consumption can be determined for properties. In that way it is possible to react quickly to deviations. Water consumption can be influenced by always installing plumbing hardware that saves water and by connecting homes to a system that measures the consumption of cold and hot water. Electricity is saved by installing energy-efficient domestic appliances, installing underfloor heating in bathrooms that works on the circulation of heating network water instead of electric underfloor heating, LED light fittings, by utilising daylight and by installing lighting in public spaces that reacts to people's movement.

We also invest in housing by changing the purpose of use of buildings, for example from an office to homes. These types of conversions support life-cycle thinking very well, as the structure of an old building can still be utilised and the urban structure can be renewed in districts that are usually already complete in terms of public utilities.

In renovation, efforts are made to use the building components right up to the end of their life cycle, unless living comfort or health aspects demand otherwise.

4.4 Partners and service providers

SATO's business model consists of complex supply chains and supplier networks. In our supplier relations, we require compliance with acts, regulations and SATO's guidelines. The importance of observing social obligations and safety and the environment is emphasised in subcontractor agreements, and methods are monitored at joint meetings and by using indicators and spot checks.

4.4.1 Contractors

The choice of SATO's partners is influenced not only by the overall value for money of the building contract but also by the contractor's ability to meet the set quality requirements and its competence in the implementation of technical systems and energy-efficient structural solutions.

The contractor's ability to produce quality is ensured both by assessing its quality- and environmental planning in comparison to given targets, and by monitoring construction work with the assistance of experienced construction consultants. In demanding cases such as seaside projects we utilise special consultants. The requirements and aims are defined in a project-specific plan and in planning guidelines that are updated at set intervals, and putting the plans into practice is ensured by means of model reviews in which, if necessary, designers participate in addition to the developer.

Through design and construction management, we want to commit the parties to the set targets and to the project to be implemented. In new production and renovation the environmental load is also influenced by the operations and choices made at the building site. Practical measures include site planning, protection (e.g. from noise and dust), the efficient use of equipment and energy, material storage, waste management, the handling of hazardous waste and hazardous substances and the efficient organisation of transport at the site. In 2017, we will start to audit our construction sites.

4.4.2 Other service providers

SATO develops the operations of its network of partners in a spirit of good co-operation. Our aim is to offer our residents high-quality, reliable, safe and environmentally-friendly products and services which make living comfortable and promote living that is as long as possible in duration.

In order to make the choice of new service providers easier, we carry out a supplier appraisal, in which we scrutinise the company's financial state, references and resources. We appraise the company's ability to cope with the procurement, including the size of the procurement in relation to the company's turnover. It is often necessary to evaluate the sufficiency of resources and equipment, including subcontractors and second- and third-level suppliers. SATO's procurement unit carries out such appraisals in a centralised way and, if necessary, asks for additional clarification. New suppliers are approved by central procurement.

In conjunction with supplier appraisal we scrutinise suppliers' operating practices with regard to risk management, quality control and quality control systems, social responsibility, environmental issues, management of the subcontractor chain, the product process,

product and/or service quality, cost management and responsibility issues concerning labour market legislation. We started to audit our major service- and product suppliers in 2016.

4.5 Customer relationships

Especially with regard to water consumption and waste management, residents play a significant role in the generation of environmental load in SATO homes.

We encourage residents to think about energy consumption and to act in an environmentally-friendly way. We support environmentally-friendly living through technical solutions that influence energy consumption and by organising waste management effectively. In support of multiculturalism, the waste rooms of buildings owned by SATO contain illustrated instructions to assist in the sorting of waste.

We also offer residents guidance in and information about environmental matters, for example in leaflets handed out when the rental agreement is signed, in social media and on the sato.fi website. The aim in future is also to share more detailed information with residents about energy and water consumption in their building. We activate residents to think and act for the good of the environment, by such means as organising recycling containers and yard sale campaigns.

In resident communications, we develop electronic communication and feedback channels, and reduce the use of printed material.

**IN SUPPORT OF
MULTICULTURALISM,
THE WASTE ROOMS
OF BUILDINGS
OWNED BY SATO
CONTAIN ILLUSTRATED
INSTRUCTIONS TO
ASSIST IN
THE SORTING
OF WASTE.**



5. ENVIRONMENTAL IMPACT OF OUR OWN PERSONNEL

The environmental impact of the work of our own personnel comes mainly from travel to work and the use of office space and items.

SATO endeavours to reduce the environmental impact of travel to work by setting emissions limits for company cars. The location of offices near good traffic routes encourages employees to cycle to work and to use public transport.

We influence the energy consumption at offices by, for example, more efficient use of space and optimising ventilation and heating. The needless lighting of offic-

es is reduced by such means as motion sensors, turning off extra lights and through automatic night lighting.

The cafeteria and dining facilities at our offices do not use disposable dishes or cutlery.

We are aiming for paper-free offices. We use electronic filing and favour double-sided, black-and-white printing. Paper-free work also reduces the consumption of other office supplies, and electronic filing reduces the need for space and thereby the consumption of energy.

6. ENVIRONMENTAL MANAGEMENT IN SATO

6.1 The Corporate Management Group

The Corporate Management Group deals with all key issues for the management of the Group such as matters related to the strategy, budgeting, investments, business planning, and financial reporting. The Corporate Management Group also executes the decisions of the Board of Directors. The Corporate Management Group convenes once a week.

6.2 Sustainability Workgroup

SATO's Sustainability Workgroup, which convenes quarterly, prepares the guidelines for environmental work, the target level and the proposal for an action programme. The group plans and coordinates sustainability-related measures, development work and reporting. The group is also responsible for SATO's internal sustainability communication together with SATO's communication unit and prepares presentations on sustainability-related issues for the Corporate Management Group to decide upon.

Practical measures and development targets related to sustainability are involved in the action plans of

SATO's different units, and the Sustainability Workgroup monitors their progress.

6.3 Asset management and guidance for partners

SATO's asset management and energy- and environmental matters are the responsibility of the the Living and Maintenance department and the life cycle group. The responsibility of the life cycle group is not only to prepare and budget for renovations but also to manage smaller repair projects and guide energy management.

The Director of the the Living and maintenance department unit, regional directors, service directors and life cycle group are responsible for partner guidance. SATO monitors and guides activity in close co-operation with service companies. We review topical issues at regular meetings with partners and organise training events for them.

As an aid to partner guidance we have service manual and energy management software, which also plays a key role in the reporting of service activities and energy efficiency.

6.4 New construction and renovations

SATO's Investmet department is responsible for environmental matters concerning construction and major repair work. At monthly meetings matters such as new operating practices and procedures affecting project work are dealt with. Projects under construction are monitored by each project manager together with unit management at regular meetings.

In building contract documents the contractors are required to minimise harmful environmental impacts of their own work. All environmental matters are dealt with at monthly site meetings, as are quality and safety matters. In addition to site meetings, contractors are obligated to report serious deviations immediately to SATO and to record environmental matters in a site diary. SATO's representatives are entitled to intervene in any problematic issues that they observe whenever they are on the building site. All environment-related plans, documents and review minutes are stored in the site inspection document, where they can be checked by SATO representatives.

6.5 Procurement

SATO's procurement team acts as an aid to business and other support functions, and takes care of competitive tendering in co-operation with them. The procurement guidance group develops SATO's procurement activity in accordance with corporate policies.

The aim of procurement is to safeguard the overall benefit of the Group. The means for this include centralised procurement, defined management systems, utilising benefits of scale throughout the Group, applying and expanding best practices, achieving benefits for both parties in partnerships and identifying reliable suppliers through the supplier management process.

The aim of procurement is to cut SATO's costs, not only through good competitive tendering but also by helping suppliers to make their own operations and cost management more efficient and thus to achieve cost benefits.



ELECTRONIC
FILING
REDUCES THE
NEED FOR SPACE
AND THEREBY THE
CONSUMPTION
OF ENERGY.

7. REPORTING OF THE IMPLEMENTATION OF ENVIRONMENTAL SUSTAINABILITY

7.1 Group-level environmental reporting

SATO reports the results of its environmental activity at Group level on an annual basis in a consolidated annual report and responsibility report. Reporting is based on the recommendations of the GRI (Global Reporting Initiative). The report is independently verified.

Quarterly management reports report on the heating-, water-, electricity- and repair costs from the entire housing portfolio, and also give a cost comparison in relation to set targets. Energy consumption reports are internally scrutinised every month. In addition to consumption costs are also monitored. For the monitoring of energy efficiency, costs are proportioned as needed to the number of building cubic metres or apartment surface areas owned. SATO participates annually in benchmark research for KTI Kiinteistötieto Oy, in which energy and maintenance costs are compared to those of other actors in the sector. The annual report also provides information on the emissions caused during SATO's year of operation, which takes into account not only emissions from energy consumption but also from waste.

SATO is participating yearly in the international Global Real Estate Sustainability Benchmark (GRESB) which assesses sustainability in property portfolio management. Based on the GRESB assessment an index is formed for SATO. In this index SATO is placed in a comparative matrix with other companies based on SATO's results, sustainable principles, management and measures.

7.2 Environmental reporting concerning the supply chain

Noise, dust and the storage of oil and chemicals all harm the environment at building sites. Weekly occupational safety measurements performed by the main contractor gauge, among other things, good order on site, waste management and the creation of dust, and the results and deviations revealed by the measurements are reported to the developer and dealt with at site meetings. In contract documents, SATO has set high targets for the occupational safety index.

SATO reports annually to Statistics Finland about its environmental business with regard to new construction and renovation. Environmental investments related to construction are also reported based on the GRI reporting guidelines.

The achievement of energy consumption targets in service contracts with key service partners is monitored monthly through an energy monitoring programme.

The audits of the major service- and product suppliers started in 2016. In 2017, we will start to audit our construction sites.

**SATO REPORTS
THE RESULTS
OF ITS ENVIRONMENTAL
ACTIVITY AT GROUP
LEVEL ON AN
ANNUAL BASIS IN
A CONSOLIDATED
ANNUAL REPORT
AND RESPONSIBILITY
REPORT.**



sato

A HOME THE WAY
YOU WANT IT