

# SATO'S GRI CONTENT

| Standard                      | Disclosure   | Location and additional information   |
|-------------------------------|--|---|
| <b>General Disclosures</b>    |  |   |
| <b>Organisational profile</b> |  |   |
| 102-1                         | Name of the organisation                                     | Contact information   |
| 102-2                         | Primary activities, brands, products and services            | SATO homes<br>Stories   |
| 102-3                         | Location of headquarters                                     | Contact information   |
| 102-4                         | Location of operations                                       | SATO homes  |
| 102-5                         | Ownership and legal form                                     | Information for shareholders  |
| 102-6                         | Markets served   | SATO homes  |
| 102-7                         | Scale of the organisation                                    | Financial statements  |
| 102-8                         | Information on employees and other workers                   | Personnel   |
| 102-9                         | Supply chain   | Value for customers<br>Partners<br>Finances   |
| 102-10                        | Significant changes to the organization and its supply chain | Key figures and highlights 2017, Report of the Board of Directors<br>Information for shareholders<br>Customer service<br>Partners |
| 102-11                        | Precautionary principle or approach                          | Risk management   |
| 102-12                        | External initiatives   | The sustainable SATO<br>Environment<br>Corporate governance statement<br>Achievement of goals 2017                                |
| 102-13                        | Membership of associations                                   | The sustainable SATO  |
| <b>Strategy</b>               |  |   |
| 102-14                        | Statement from senior decision-maker                         | CEO's review  |
| <b>Ethics and integrity</b>   |  |   |
| 102-16                        | Values, principles, standards, and norms of behaviour        | Our strategy<br>Value for customers<br>Sustainable operating principles<br>Value creation model<br>Personnel                      |
| 102-17                        | Mechanisms for advice and concerns about ethics              | Sustainable operating principles  |

| Governance             |   |  |
|------------------------|---|--|
| 102-18                 | Governance structure  | Corporate governance statement<br>Sustainable operating principles   |
| 102-19                 | Delegating authority for economic, environmental and social topics  | Sustainable operating principles   |
| 102-22                 | Composition of the highest governance body and its committees   | Board of Directors<br>Corporate Management Group   |
| 102-23                 | The role of Chair of the highest governance body  | The Chairman of the Board of Directors is not the CEO, and the CEO is not a member of the Board of Directors       |
| 102-24                 | Nominating and selecting the highest governance body  | Corporate governance statement   |
| 102-26                 | The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts | Sustainable operating principles<br>Corporate governance statement<br>Rules of procedure of the Board of Directors |
| 102-28                 | Evaluating the highest governance body's performance  | Corporate governance statement<br>Rules of procedure of the Board of Directors                                     |
| 102-29                 | The highest governance body's role in the identification and management of risks and opportunities  | Sustainable operating principles<br>Corporate governance statement<br>Rules of procedure of the Audit Committee    |
| 102-30                 | The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics   | Corporate governance statement<br>Rules of procedure of the Audit Committee  |
| 102-31                 | The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities   | Risk management  |
| 102-35                 | The remuneration policies for the highest governance body and senior executives   | Remuneration statement   |
| Stakeholder engagement |   |  |
| 102-40                 | List of stakeholder groups  | Expectations of our stakeholders   |
| 102-41                 | Collective bargaining agreements  | Personnel  |
| 102-42                 | Identifying and selecting stakeholders  | Expectations of our stakeholders   |
| 102-43                 | Approach to stakeholder engagement  | Expectations of our stakeholders<br>Customers<br>Personnel<br>Achievement of goals in 2017                         |
| 102-44                 | Key topics and concerns that have been raised through stakeholder engagement  | Expectations of our stakeholders<br>The sustainable SATO<br>Materiality analysis                                   |

| Reporting practice                |   |  |
|-----------------------------------|---|--|
| 102-45                            | Entities included in the consolidated financial statements                          | Financial statements   |
| 102-46                            | Defining report content and topic boundaries  | Reporting principles<br>Material topics and boundaries   |
| 102-47                            | List of material topics   | The sustainable SATO<br>Materiality analysis<br>Material topics and boundaries   |
| 102-48                            | Restatements of information   | Reporting principles   |
| 102-49                            | Changes in reporting  | Reporting principles   |
| 102-50                            | Reporting period  | 2017   |
| 102-51                            | Date of most recent report  | 2016   |
| 102-52                            | Reporting cycle   | Reporting principles   |
| 102-53                            | Contact point for questions regarding the report                                    | Contact information  |
| 102-54                            | Claims of reporting in accordance with the GRI Standards                            | Reporting principles   |
| 102-55                            | GRI content index   | GRI index  |
| 102-56                            | External assurance  | Assurance report   |
| Material topics                   |   |  |
|                                   | Topic-specific content is reported in accordance with topics identified as material |  |
| Management approach               |   |  |
| 103-1                             | Explanation of the material topic and its boundary                                  | The sustainable SATO   |
| 103-2                             | The management approach and its components  | The sustainable SATO   |
| 103-3                             | Evaluation of the management approach   | The sustainable SATO   |
| GRI 200 Economic standards series |   |  |
| Economic performance              |   |  |
| 201-1                             | Direct economic value generated and distributed                                     | Key figures and highlights 2017<br>Finances  |
| 201-4                             | Financial assistance received from government                                       | Construction and renovations<br>SATO did not receive financial assistance from the government for renovations or new construction in 2017. |
| Indirect economic impacts         |   |  |
| 203-1                             | Investments in local infrastructure and services                                    | Environment  |
| 203-2                             | Significant indirect economic impacts   | Value creation model<br>Personnel  |

Partners  
Environment  
Finances

### Procurement practices

|       |   |   |
|-------|---|---|
| 204-1 | Proportion of spending on local suppliers | Partners<br>Local suppliers represent 94% of SATO's purchases in its main market areas: the Helsinki metropolitan area (80%), Tampere (8%) and Turku (6%) |
|-------|---|---|

### Anti-corruption

|       |   |   |
|-------|---|---|
| 205-3 | Confirmed incidents of corruption and actions taken | Sustainable operating principles<br>No incidents of bribery in 2017 |
|-------|---|---|

### GRI 300 Environmental standards series

#### Energy

|                         |  |             |
|-------------------------|--|-------------|
| 302-1                   | Energy consumption within the organisation | Environment |
| 302-4                   | Reduction of energy consumption            | Environment |
| CRE1: sector supplement | Building energy intensity                  | Environment |
| CRE8: sector supplement | Sustainability certification for buildings | Environment |

#### Water

|                         |                                  |             |
|-------------------------|----------------------------------|-------------|
| 303-1                   | Total water withdrawal by source | Environment |
| CRE2: sector supplement | Building water intensity         | Environment |

#### Emissions

|                         |  |  |
|-------------------------|--|--|
| 305-1                   | Direct greenhouse gas (GHG) emissions (Scope 1)          | Environment  |
| 305-2                   | Energy indirect greenhouse gas (GHG) emissions (Scope 2) | Environment<br>The calculation method for indirect emissions was further specified in 2017.  |
| 305-3                   | Other indirect greenhouse gas (GHG) emissions (Scope 3)  | Environment  |
| 305-5                   | Reduction of greenhouse gas (GHG) emissions              | Environment  |
| CRE3: sector supplement | Greenhouse gas emissions intensity from buildings        | Environment<br>The calculation method for emissions intensity was further specified in 2016. |

#### Effluents and waste

|       |   |   |
|-------|---|---|
| 306-2 | Total weight of waste by type and disposal method | Environment<br>The total amount of waste includes non-hazardous waste generated by residents. The amount of waste from SATO's own operations is marginal. Information about the proportion of composted biowaste is not available from a reliable source. |
|-------|---|---|

#### Environmental compliance

|   |   |   |
|---|---|---|
| 307-1   | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | Sustainable operating principles<br>No fines or sanctions in 2017   |
| <b>Supplier environmental assessments</b>                                     |   |   |
| 308-1   | Percentage of new suppliers that were screened using environmental criteria   | Partners<br>Numerical information is not available. In line with our auditing process, we require that the environmental responsibility procedures of our new suppliers are fully adequate.             |
| <b>Sector-specific topic: Land degradation, contamination and remediation</b> |   |   |
| CRE5: sector supplement   | Land remediated or in need of remediation   | No soil remediation measures were carried out on SATO's plots in 2017, and the company is not aware of any need for remediation.  |
| <b>GRI 400 Social standards series</b>  |   |   |
| <b>Employment</b>   |   |   |
| 401-1   | Total number and rates of new employee hires and employee turnover by age group, gender and region  | Personnel   |
| <b>Employee-employer relations</b>  |   |   |
| 402-1   | Minimum notice periods regarding operational changes  | The Act on Co-operation within Undertakings (334/2007) applies to corporate restructuring in Finland. In all of its countries of operation, SATO complies with the local statutory periods (1–6 months) |
| <b>Occupational health and safety</b>   |   |   |
| 403-1   | Workers representation in formal joint management-worker health and safety committees   | Personnel   |
| CRE6: sector supplement   | Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system    | OHC coverage in the supply chain would be material, but it is not known.  |
| <b>Training and education</b>   |   |   |
| 404-1   | Average hours of training per year per employee by gender, and by employee category   | Personnel   |
| 404-3   | Percentage of employees receiving regular performance and career development reviews  | Applies to all employees; the personal information of employees in St Petersburg are not in the system due to the Russian data privacy legislation  |
| <b>Customer privacy</b>   |   |   |
| 418-1   | Number of substantiated complaints concerning breaches of customer privacy and losses of customer data                                    | Customers<br>Sustainable operating principles   |
| <b>Socio-economic compliance</b>  |   |   |
| 419-1   | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws                               | Corporate governance statement<br>No fines or sanctions in 2017   |

and regulations

SATO's own material CSR topics

Delightful service

Customer service and communication      Customers  
Customer service

Apartments in key locations

Public transportation      Environment  
Property development